



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF PORTSMOUTH
SCIOTO COUNTY, OHIO

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2020

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OHIO AUDITOR OF STATE
KEITH FABER



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City Council
City of Portsmouth
728 Second Street
Portsmouth, Ohio 45662

We have reviewed the *Independent Auditor's Report* of the City of Portsmouth, Scioto County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2020 through December 31, 2020. 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.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 27, 2021

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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 THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>Passed through Ohio Development Services Agency</i>				
Community Development Block Grants/State's Program				
Community Development Block Grant	14.218	AF-17	-	212,650
Community Development Block Grant	14.218	AF-19	-	4,500
Total Community Development Block Grants/State's Program			-	217,150
TOTAL UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			-	217,150
<u>UNITED STATES DEPARTMENT OF JUSTICE</u>				
<i>Direct from United States Department of Justice</i>				
Coronavirus Emergency Supplemental Funding	16.034	2020-VDBX-1541	-	10,849
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-JG-A02-6819	-	16,039
	16.738	2018-JG-AO2-6027	-	20,000
	16.738	2019-DJ-BX-0546	-	10,130
Total Edward Byrne Memorial Justice Assistance Grant Program			-	46,169
TOTAL UNITED STATES DEPARTMENT OF JUSTICE			-	57,018
<u>UNITED STATES ENVIRONMENTAL PROTECTION AGENCY</u>				
<i>Passed through Ohio Environmental Protection Agency</i>				
Air Pollution Control Program Support	66.001	N/A	-	144,806
TOTAL UNITED STATES ENVIRONMENTAL PROTECTION AGENCY			-	144,806
<u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed through the Ohio Department of Health</i>				
Public Health Emergency Preparedness (B)	93.074	73-2-001-2-PH-0817	-	49,974
Public Health Emergency Response	93.354	N/A	-	82,667
Family Planning Services	93.217	0732001TRH-0718	-	5,020
Materanl and Child Health Services Block Grant	93.994	0732001TRH-0718	-	1,014
HIV Prevention Activities_ Health Department Based	93.940	73-200-12HP-1017	148,337	148,337
Sexually Transmitted Diseases Prevention and Control Grant	93.977	73-200-12ST-0917	-	27,137
Preventive Health and Health Services Block Grant	93.991	07320014IP-1017	-	50,750
Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	18-3704121	-	118,214
Telehealth Programs	93.211	N/A	-	76,240
<i>Passed through the Substance Abuse and Mental Health Services Administration</i>				
Drug-Free Communities Support Program Grant	93.276	5H-79SP-018684-04	-	33,460
TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			148,337	592,813
<u>UNITED STATES DEPARTMENT OF TRANSPORTATION</u>				
<i>Passed through the Ohio Department of Transportation</i>				
National Priority Safety Programs	20.616	GG-2016-SA0000-003	-	30,465
TOTAL UNITED STATES DEPARTMENT OF TRANSPORTATION			-	30,465
<u>UNITED STATES DEPARTMENT OF TREASURY</u>				
<i>Passed through Ohio Department of Budget and Management</i>				
Coronavirus Relief Fund	21.019	HB481-CRF-Local	-	1,946,740
TOTAL UNITED STATES DEPARTMENT OF TREASURY			-	1,946,740
TOTAL FEDERAL AWARDS EXPENDITURES			\$148,337	\$2,988,992

The accompanying notes are an integral part of this schedule

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Portsmouth (the City's) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

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

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

NOTE E - MATCHING REQUIREMENTS

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



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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, Scioto County, (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 29, 2021, wherein we also the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2020-001.

City's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and corrective action plan. We did not subject the City's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



BHM CPA Group, Inc.
Piketon, Ohio
June 29, 2021



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

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

To the City Council:

Report on Compliance for the Major Federal Program

We have audited the City of Portsmouth's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Portsmouth's major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the City of Portsmouth complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

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

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

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

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

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

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Portsmouth, Scioto County, Ohio (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 29, 2021. We conducted our audit to opine on the City's' basic financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The Schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this Schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Handwritten signature in black ink that reads "BHM CPA Group".

BHM CPA Group, Inc.
Piketon, Ohio
June 29, 2021

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Coronavirus Relief Fund CFDA #21.019
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	Yes

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

FINDING NUMBER 2020-001

Noncompliance

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

Appropriations were greater than estimated resources at December 31, 2020 in the following fund:

Fund:	Estimated Resources	Appropriation Authority	Variance
Sewage System Revenue Fund	\$ 3,643,207	\$ 4,366,680	\$ (723,473)

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

Officials' Response: Appropriations in excess of estimated current resources in the Sewer Fund, Capital Improvement Fund are due to its deficit fund condition. It is anticipated that this fund deficit will be corrected by the end of 2021 as a result of the sewer rate increase. This correction will resolve appropriations in excess of estimated resources.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2020**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2019-001	Ohio Rev. Code § 5705.10(I) – Negative Fund Balances	Yes	
2019-002	Ohio Rev. Code § 5705.39 – Appropriations exceeded estimated resources.	No	Reissued as 2020-001

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**CORRECTIVE ACTION PLAN
2 CFR 200.511(c)
DECEMBER 31, 2020**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2020-001	Appropriations in excess of estimated current resources in the Sewer Fund, Capital Improvement Fund are due to its deficit fund condition. It is anticipated that this fund deficit will be corrected by the end of 2021 as a result of the sewer rate increase. This correction will resolve appropriations in excess of estimated resources.	December 31, 2021	M. Trent Williams, City Auditor

Comprehensive Annual Financial Report

City of Portsmouth, Ohio



**For Year Ended
December 31, 2020**

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



THE CITY OF PORTSMOUTH, OHIO

SCIOTO COUNTY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2020**

Prepared by:

M. TRENT WILLIAMS, CPM, CPFA
City Auditor

Finance Department:

Constance J. Snipes
Deputy Auditor

Jennifer E. Newman
Finance Clerk II

Sherry A. Boling
Finance Clerk I

Amanda L. Literal
Finance Clerk I

Income Tax Division:

Vicki L. Musser
Tax Commissioner

Heather L. Shoemaker
Deputy Tax Commissioner



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SCIOTO COUNTY, OHIO

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The City of Portsmouth



"Where the Ohio and Scioto Meet"

Department of Finance

Municipal Building, Room 3

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Web: www.ci.portsmouth.oh.us ~ Email: cityauditor@mail.com

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

State of Ohio

M. Trent Williams, City Auditor

June 29, 2021

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

As City Auditor, it is my pleasure to present the twenty-fifth Comprehensive Annual Financial Report of the City of Portsmouth, Ohio for the year ended December 31, 2020. This report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

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

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

This Comprehensive Annual Financial Report was prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB) and other authoritative pronouncements. BHM CPA Group has issued an opinion on the City of Portsmouth's financial statements for the year ended December 31, 2020. 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, 2020***

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, emergency medical services, 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. The City also reports the Health Department as a blended component unit.

Historical Information

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

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

Location

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

***Letter of Transmittal
For the Year Ended December 31, 2020***

Form of Government

Portsmouth, a charter city which has a Council-Manager form of government, is divided into six wards. Each ward is represented on City Council by one person elected to a four year term. Additionally, one person is elected by Council to serve as President of Council. The City Manager is appointed by City Council. The current City Manager was appointed in 2018. Other elected officials serving four year terms are the City Solicitor, and City Auditor/Treasurer. Currently the City Auditor/Treasurer is serving his sixth term and the City Solicitor is serving his third term.

Municipal Services

The City provides many services to its citizens, including police and fire protection, emergency medical services, 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 three enterprise activities: water treatment and distribution, wastewater collection and treatment, and solid waste collection and disposal services. The enterprise funds are used to account for activities that are operated in a manner similar to a private business. The intent of the City is that the costs of providing the services to the general public on a continuing basis be financed or recovered primarily through user charges.

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

ECONOMIC CONDITION AND OUTLOOK

Business and Industry

Among the principal products and services provided by Portsmouth area businesses are shoelaces, iron castings, concrete products, and health care services. Portsmouth is served by one daily and two weekly newspapers and by four 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) and Kings Daughters Medical Center (KDMC).

***Letter of Transmittal
For the Year Ended December 31, 2020***

SOMC continues its expansion with the recent completion of its South Campus and Wheelersburg locations that now house Urgent & Family Care, Outpatient Lab and Imaging Services, and Occupational Medicine, and Pharmacy, as well as the addition of a new employee parking facility on Sherman Road that now provides parking spaces closer to the hospital's main entrance providing easier access for patients. In late 2019, SOMC completed renovation of its SOMC LIFE Center replacing its running track and updated workout equipment. SOMC completed in 2020, its Hospice expansion project to serve a greater number of patients. SOMC continues its 10 year master plan that has become a tremendous benefit in meeting the health care needs of the Southern Ohio region.

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

The Southern Ohio Veterans Memorial Highway project, also known as State Route 823, opened to traffic in December 2018. The 16-mile, limited access, four-lane highway bypassing about 26 miles of U.S. 52 and U.S. 23 in Portsmouth is the single largest highway project in Ohio history. The Ohio Department of Transportation reports that the new artery reduces travel time by 16 minutes compared to the alternative route in the area. The bypass reduces traffic congestion in and around the City and reduces the wear and tear on city streets, especially in reducing large truck traffic from within the City.

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 8.7% for the 2020 calendar year, slightly above the state average of 8.1% and the national average of 8.1% attributable in large part to the COVID-19 pandemic of 2020 although the local rate had dipped to a long time low of 5.4% in December 2020. While the local unemployment number is high in comparison to the state and national average, it has begun to decline, reporting at 6.1% in May 2021 with signs of continued improvement.

Utilities

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

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

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

Water is provided by the City of Portsmouth to more than 13,200 customers both within the City and in some areas of Scioto County. The City filtration plant has the capacity to produce 12 million gallons of treated water daily and is currently producing five to six million gallons of water per day. There are approximately 25 million gallons of water stored in reservoirs and tanks located in and around the City.

***Letter of Transmittal
For the Year Ended December 31, 2020***

Serving over 7,600 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 over 6,100 customers. The solid waste transfer station officially commenced operations in the fall of 1993.

Recreation and Cultural Facilities and Events

Portsmouth boasts seventeen City owned parks and numerous sports facilities, including Spartan Stadium, Branch Rickey Park and several tennis and pickleball courts. West Portsmouth recently saw the opening of an outdoor Splash Park at the site of Earl Thomas Conley Park. 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.

Along Front Street in downtown Portsmouth is the Portsmouth Murals Project on the flood wall in the historic Boneyfiddle District. These murals tell the "story" of Portsmouth and are proving to be a great tourist attraction. The funds were raised for this citizen initiated project by the people of Portsmouth through donations and fund-raisers and a state grant. With the recent conclusion of the main part of the ten year project there are now 50 completed panels on the flood wall. Maintenance of the project and new sites for continuing the project is ongoing.

As a result of the popularity of the Portsmouth Murals located along the Ohio River floodwall on Branch Rickey Way, the Scioto County Welcome Center was built, in part, to provide a visitors center to accommodate those viewing the 2,000 feet of spectacular Portsmouth history. The Welcome Center is open every day and houses the offices of the Portsmouth Area Chamber of Commerce as well as the Portsmouth-Scioto County Visitors Bureau. Tourists and visitors to the murals and Boneyfiddle district of downtown Portsmouth can make use of the indoor restroom facilities and gift shop inside the Center along with a long corridor filled with Portsmouth memorabilia. The Center with its large meeting facility is also frequent host to wedding receptions, parties and civic and other conferences and meetings.

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

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

CITY OF PORTSMOUTH, OHIO

Letter of Transmittal For the Year Ended December 31, 2020

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

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

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

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

Education

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

Higher education facilities in the area include Ohio University Southern in nearby 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. The University features a Fine and Performing Arts Center on the campus and an indoor Physical Education Center. More than seventy Associate, Bachelor, and Master degree programs are currently available to over 3,600 students on the 65 acre SSU campus. 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 closed in furtherance of this plan. On campus housing for the University is offered to its students at twelve apartment style dormitories.

Employee Relations

The City of Portsmouth has contracts with five employee bargaining units. These groups are Local 9 of the International Association of Firefighters, Lodge 33 of the Fraternal Order of Police, Police/Fire Dispatchers-Fraternal Order of Police, Local 1039 AFSCME, Ohio Council 8 and AFSCME 1039-C Finance Department Employees. Contract periods for all unions are three year terms ending in December except AFSCME 1039, which ends in April. Currently all contracts are in the second of their three year terms.

***Letter of Transmittal
For the Year Ended December 31, 2020***

Long-term Financial Planning

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

With reductions by the State of Ohio to local government revenue, personal property tax and estate tax, the City was forced to request an increase in the city income tax rate of 0.5% to a rate of 2.5% to replace the revenue lost from state cuts and to continue and enhance operations into the next ten or more years. The new rate provides additional general fund revenue of over \$2,800,000 annually and allows the City to be less reliant on state funding.

MAJOR INITIATIVES

Following a period of transition, evaluation and planning due to the return of the City to City Council/City Manager form of government, the City embarked on several new projects and made many improvements.

Financial

By the end of 2020 the financial condition continued to improve with the 2016 income tax rate increase producing over \$2.9 million of additional revenue to the General Fund and total revenue of over \$14 million for the fourth year in a row to the City's General and Capital Improvement Funds in spite of the detrimental effects of the Covid-19 pandemic. The continuing, but reducing, deficit balance in the sewer fund is the only major factor holding the City back from being released from Fiscal Watch by the State Auditor. After several years of year ending fund balance deficits in the Sewer fund, it improved to a positive cash fund balance of over \$450,000 at the end of 2020.

Administrative

The Finance Department continued its participation in the State Treasurer's online checkbook initiative to provide for enhanced transparency of the City's finances. As a result, the City's spending information can be viewed online along with the State of Ohio and many other municipalities throughout the State of Ohio. Several other improvements were made within the City building in 2020 including replacement of decades old carpet and flooring along with the replacement of a roof in the Police Department.

Public Service

The Public Service Department's Streets Division continued to enhance its operations with the purchase of a new forestry mower for major cleanup projects of overgrown vacant properties within the City and the replacement of the roof at the City Garage, a major improvement of over \$100,000.

***Letter of Transmittal
For the Year Ended December 31, 2020***

Public Safety

The Police Department promoted its first female Police Chief in 2020 in the history of the City of Portsmouth. The successful conversion of a City owned impound vehicle lot continues to thrive and bring in additional revenue to the City in 2020. And the Fire Department continued its Emergency Medical Services program, adding additional support during the Covid-19 epidemic.

Flood Defense

The flood defense system constructed as a result of the devastating flood of 1937 is in great shape and is constantly being improved. Supported by a flood defense levee that provides tax revenue to continue to maintain the city's flood defense system, the City is kept safe and the Ohio River is kept within its banks.

The City's flood defense system is continually monitored by FEMA and the Army Corps of Engineers, and the City works to maintain compliance making improvements to the system annually. A major project that began in late 2019 completed in 2020 was the million dollar outfall repair of the 12th Street Pump Station that was subsidized by an \$800,000 grant from the Ohio Public Works Commission in 2020.

Water

Realizing that the City's water plant is beyond its designed life, preliminary steps are being taken to prepare for the soon approaching time when the water plant must to be replaced. Environmental testing on property behind the current water plant has started to obtain land needed for construction of the new plant. A "needs assessment" has been completed which is necessary to apply for grants and loans at a future date and demonstrate that the critical needs actually exist. Pilot testing has been completed for the new water treatment process called ACTIFLO that will improve the quality of the City's water while reducing the space required for the process. This is the first of this type of system in the state of Ohio for drinking water. Preliminary design plans for the new water treatment plant began in 2020, at an estimated cost of \$60+ million along with a utility rate study to determine rates necessary for the cost of the project.

There were two large projects completed in 2020. The first, beginning early in the year, was completed in late December replacing an 8" waterline along 2nd Street from Chillicothe Street to the City limits. The completion of this line of nearly 3,000 feet, at cost of over \$300,000 is in anticipation of 2nd Street being paved by the Ohio Department of Transportation in 2021. The other major project that began in 2019 is a water tank painting project that will continue for the next several years at approximately \$350,000 per year.

Wastewater

The City of Portsmouth entered into an Administrative Order of Consent (AOC) with the Environmental Protection Agency in 2013 and remains in compliance with the AOC agreement in 2019, meeting all deadlines and completed all activities required. A sewer relining project along the north end of Munn's Run was completed in 2020 in preparation for the replacement of the Munn's Run Pump Station and Force Main in New Boston. This line serves the Clay Township, New Boston, and Portsmouth communities.

***Letter of Transmittal
For the Year Ended December 31, 2020***

Health

The Portsmouth City Health Department (PCHD) is the steward of public health for the citizens of the City of Portsmouth. On November 19, 2019, PCHD was awarded national accreditation status by the Public Health Accreditation Board (PHAB). This was a challenging but crucial achievement. Of the 113 Health Departments in the state, PCHD is the 34th to be accredited, and the first Health Department in the South East Region. Ohio is the only State in the Nation that requires all Health Departments to be accredited, with a deadline for accreditation of July 1, 2020.

The goal of the accreditation program is to improve the health of the public by advancing the quality and performance of all health departments. It is the measurement of a health department's performance against a set of nationally recognized, practice-focused and evidence-based standards.

To receive national accreditation through PHAB, a health department must undergo a rigorous, peer-reviewed assessment process to ensure it meets or exceeds a set of public health quality standards and measures. Those standards cover a broad range of services, including community health assessment and improvement planning, epidemiology, infectious disease control, health inspections, health education and promotion, and emergency preparedness.

PCHD supplied evidence and proof of performance and answered probing questions from nationally recognized peer reviewers. What makes this national accreditation special and unique is that it recognizes the sum of its work as a health department. With accreditation, PCHD is demonstrating its accountability and credibility to the public, funders, elected officials and partner organizations.

2020 was a year that brought public health to the forefront of everyone's lives. Portsmouth and the world, started the year with the emergence of the Novel Corona Virus, known as COVID-19. By March 9th, the virus was affecting travel and other activities of citizens in Portsmouth. The Portsmouth City Health Department (PCHD) reported our first positive case on May 15, 2020. The City had 1,088 cases in 2020, with the highest monthly accumulation in November (366) and December (448). There were 86 hospitalizations and 36 deaths in 2020.

The Health Department staff worked tirelessly to deal with the challenges posed by the pandemic, received positive cases and performed contact tracing to determine those affected by the spread. Daily calls were made to positive cases to monitor their symptoms. Letters were provided to employers, schools, etc. for quarantine and release from quarantine. The Health Department also provided food and medication deliveries to quarantined citizens.

From March through June the Health Department participated in Joint Incident Command (JIC), with the County Health Department, working closely with them after the closing of the JIC.

In mid-December the Health Department began planning for receiving a vaccine for the virus. Working with key community partners, Southern Ohio Medical Center, Shawnee State University, Scioto County Health Department, Scioto County Emergency Management, and others, the PCHD developed a plan for organizing vaccine distribution. On December 21st the Health Department received its first shipment of the Moderna vaccine. On December 22nd and 23rd, vaccines were given to First Responders. With the help of the Fire Department, we held our first drive-thru vaccination clinic December 28th for health care workers and then for our citizens.

***Letter of Transmittal
For the Year Ended December 31, 2020***

As a PHAB accredited Health Department, the Portsmouth City Health Department continues to work with community partners to improve the health of our citizens through assessment, policy development, and quality assurance.

Community Development

The City received grant funding from the Ohio Development Services Agency and is in the process of removal of underground gasoline tanks and cleanup at multiple locations throughout the City in 2019 and 2020 with completion in early 2021.

Recreation

A multi-use path for walking, jogging and bicycles was completed in 2019 in Mound Park. Another larger multi-use path for walking, jogging and bicycles along the Floodwall Murals on Front Street with funding from the Ohio Department of Natural Resources, the Ohio Department of Transportation and local private foundations along with matching funds from the City is currently in its planning and design stages. The City also received grant funding awards from the ODNR's Nature Works program for the construction of the City's first dog park in downtown and opened in 2019. Plans are also being made to build the City's first skate park with grant funding to be procured from state and federal agencies along with private grants from local and national foundations, city matching funds and private donations. Plans for 2021 include lighting the City's pickleball courts, upgrades to the riverfront amphitheater seating, and a pavilion on Market Street in the Boneyfiddle District. City Council approved a DORA (Designated Outdoor Refreshment Area) district in the downtown and Boneyfiddle district as several other Ohio cities have approved recently. The DORA is intended to permit businesses to distribute and for citizens to consume alcoholic beverages within it to provide people with a safe way to enjoy our downtown restaurants and businesses.

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2020***

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

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

Relevant Financial Policies

In order to maintain critical emergency funding for its flood defense system, the City established a policy to always maintain a minimum operating balance level of at least \$500,000 within its Flood Defense Levy fund. Additionally, City Council adopted a resolution to set fund balance goals to mitigate current and future risks demonstrating a commitment to maintain sufficient reserve funds.

OTHER INFORMATION

Independent Audit

The basic financial statements of the City of Portsmouth were audited by the BHM CPA Group. The auditor's opinion has been included in this report.

Awards

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

***Letter of Transmittal
For the Year Ended December 31, 2020***

Public Disclosure

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

<http://portsmouthoh.org/>

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

Acknowledgments

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

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

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

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

Sincerely,



M. Trent Williams, CPM, CPFA
City Auditor



CITY OF PORTSMOUTH, OHIO

***List of Principal Officials
For the Year Ended December 31, 2020***

<u>Position</u>	<u>Name</u>	<u>Term of Office</u>	<u>Years with City</u>
<u>Executive</u>			
City Manager (Appointed)	Samuel J. Sutherland	Indefinite	32
City Auditor (Elected)	M. Trent Williams	01/04/16 - 01/05/20	22
City Solicitor (Elected)	John R. Haas	01/04/16 - 01/05/20	12
<u>Legislative</u> (Elected)			
		<u>Ward</u>	
Member of Council	Sean D. Dunne	1st	1/1/2018 - 01/02/22
Member of Council	Charlotte M. Gordon	2nd	01/06/20 - 12/31/23
Member of Council (Mayor)	Kevin E. Johnson	3rd	1/1/2018 - 01/02/22
Member of Council	Lyvette L. Mosley	4th	11/09/20 - 12/31/23
Member of Council	Edwin L. Martell	5th	1/13/20 - 01/02/22
Member of Council	Dennis W. Packard	6th	12/14/20 - 12/31/23
<u>Judicial</u> (Elected)			
Municipal Court Judge	Russell D. Kegley	01/01/18 - 12/31/23	18
Municipal Court Judge	Steven L. Mowery	01/01/16 - 12/31/21	11
<u>Administrative</u> (Appointed)			
Police Chief	Debra A. Brewer	Indefinite	28
Fire Chief	William V. Raison	Indefinite	30
Public Service Director	Sherman A. "Jack" Tackett	Indefinite	34
Director of Water	Samuel J. Sutherland	Indefinite	32
Director of Waste Water	Richard D. Duncan	Indefinite	26
Director of Utility Account Services	Crystal Weghorst	Indefinite	15
Community Development Director	Tracy A. Shearer	Indefinite	10
City Clerk	Diana L. Ratliff	Indefinite	8
Municipal Court Clerk	R. Leroy Kegley	Indefinite	42
Health Commissioner	Christopher S. Smith	Indefinite	25
Income Tax Commissioner	Vicki L. Musser	Indefinite	12
Civil Service Secretary	Kathy Hodkinson	Indefinite	23

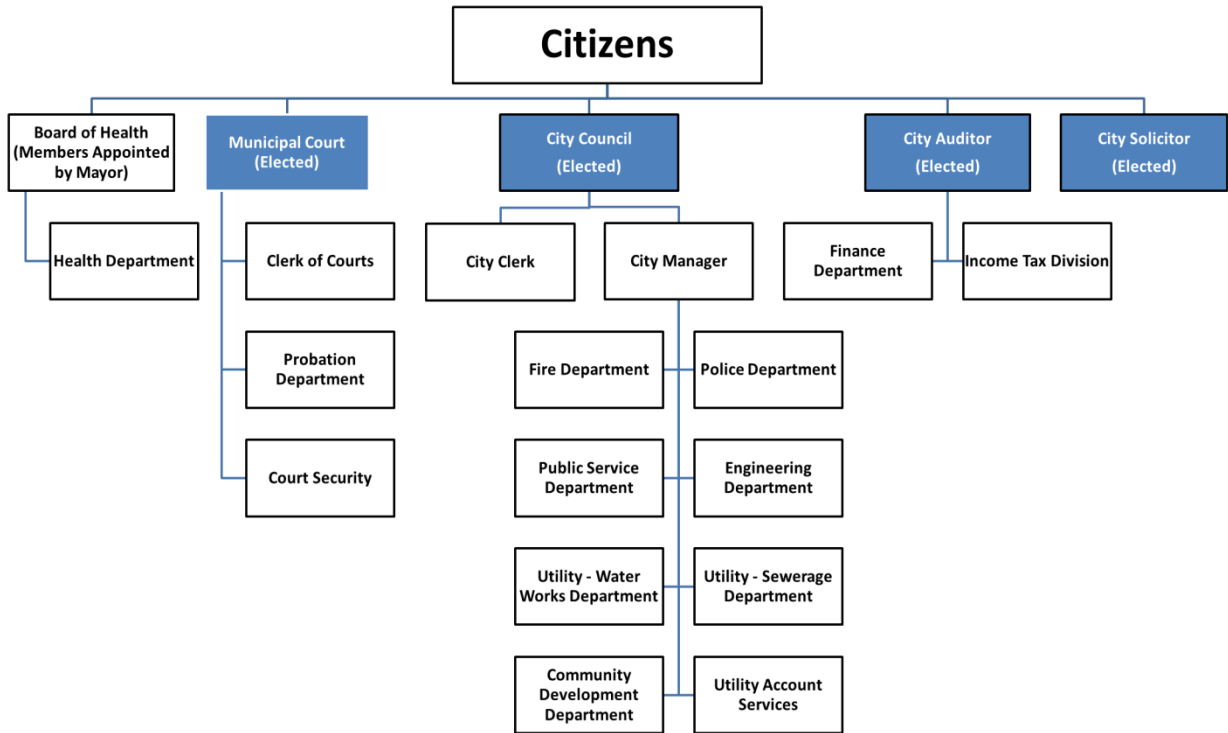
Executive Offices:

Samuel J. Sutherland, City Manager
 City of Portsmouth
 728 Second Street, Room 1
 Portsmouth, Ohio 45662
 Ph: 740-354-8807 Fax: 740-354-8809
 Email: ssutherland@portsmouthoh.org

M. Trent Williams, Auditor
 City of Portsmouth
 728 Second Street, Room 3
 Portsmouth, Ohio 45662
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 Email: twilliams@portsmouthoh.org

John R. Haas, Solicitor
 City of Portsmouth
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 Portsmouth, Ohio 45662
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 Email: jhaas@portsmouthoh.org

City Organizational Chart
For the Year Ended December 31, 2020



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



Government Finance Officers Association

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Reporting**

Presented to

**City of Portsmouth
Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrill

Executive Director/CEO



INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, Scioto County, Ohio (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Health Department Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding this matter

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2021, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BHM CPA Group

BHM CPA Group, Inc.
Piketon, Ohio
June 29, 2021



The discussion and analysis of the City of Portsmouth's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2020. 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 2020 are as follows:

- ❑ In total, net position increased \$2,813,173. Net position of governmental activities increased \$2,320,126 which represents a 19.3 % increase from 2019. Net position of business-type activities increased \$493,047, or 3.0% from 2019.
- ❑ General revenues accounted for \$20,015,327 in revenue or 45.1% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions and capital grants and contributions accounted for \$24,372,241 or 54.9% of total revenues of \$44,387,568.
- ❑ The City had \$27,855,091 in expenses related to governmental activities; only \$10,159,890 of these expenses were offset by program specific charges for services and sales, grants or contributions.
- ❑ Among major funds, the General Fund had \$18,835,114 in revenues and other financing sources and \$15,567,924 in expenditures and other financing uses. The General Fund's fund balance increased from \$8,686,047 to \$11,889,484.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

Government-wide Statements

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

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

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

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

- *Governmental Activities* – Most of the City's programs and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.
- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water, sewer, and sanitation, 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 Health Department Fund, the General Obligation Bond Retirement Fund, and the Capital Improvement Fund. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

CITY OF PORTSMOUTH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Unaudited

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net position for 2020 compared to 2019:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$24,630,883	\$20,385,044	\$8,778,451	\$6,749,042	\$33,409,334	\$27,134,086
Capital assets, Net	20,527,073	20,220,345	28,804,965	29,510,868	49,332,038	49,731,213
Total assets	45,157,956	40,605,389	37,583,416	36,259,910	82,741,372	76,865,299
Deferred outflows of resources	7,581,065	12,327,705	1,219,684	2,288,704	8,800,749	14,616,409
Long-term liabilities outstanding	2,213,377	2,026,589	12,434,041	12,327,080	14,647,418	14,353,669
Net Pension Liability	20,194,403	26,729,187	4,273,343	6,129,118	24,467,746	32,858,305
Net OPEB Liability	6,370,263	6,117,399	2,837,614	2,767,604	9,207,877	8,885,003
Other liabilities	492,898	445,462	817,303	675,155	1,310,201	1,120,617
Total liabilities	29,270,941	35,318,637	20,362,301	21,898,957	49,633,242	57,217,594
Deferred inflows of resources	9,099,322	5,565,825	1,449,483	151,388	10,548,805	5,717,213
Net position:						
Net investment in capital assets	20,275,746	19,736,920	16,614,216	17,300,233	36,889,962	37,037,153
Restricted	6,404,322	6,146,334	0	0	6,404,322	6,146,334
Unrestricted	(12,311,310)	(13,834,622)	377,100	(801,964)	(11,934,210)	(14,636,586)
Total net position	\$14,368,758	\$12,048,632	\$16,991,316	\$16,498,269	\$31,360,074	\$28,546,901

The implementation of GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," significantly revised accounting for costs and liabilities related to pensions and other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability.

GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

CITY OF PORTSMOUTH, OHIO

**Management's Discussion and Analysis
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In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Changes in Net Position – The following table shows the changes in net position for 2020 compared to 2019:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for Services and Sales	\$3,252,660	\$3,461,869	\$13,987,351	\$14,612,536	\$17,240,011	\$18,074,405
Operating Grants and Contributions	6,907,230	3,490,624	225,000	0	7,132,230	3,490,624
Capital Grants and Contributions	0	0	0	123,298	0	123,298
Total Program Revenues	10,159,890	6,952,493	14,212,351	14,735,834	24,372,241	21,688,327
General revenues:						
Property Taxes	2,176,920	2,135,399	0	0	2,176,920	2,135,399
Income Taxes	15,050,130	14,710,992	0	0	15,050,130	14,710,992
Other Local Taxes	319,955	280,159	0	0	319,955	280,159
Intergovernmental Revenue, Unrestricted	1,031,751	1,096,085	0	0	1,031,751	1,096,085
Investment Earnings	2,808	8,484	0	0	2,808	8,484
Miscellaneous	1,433,763	692,078	0	0	1,433,763	692,078
Total General Revenues	20,015,327	18,923,197	0	0	20,015,327	18,923,197
Total Revenues	30,175,217	25,875,690	14,212,351	14,735,834	44,387,568	40,611,524
Program Expenses						
Security of Persons and Property	13,563,806	3,416,830	0	0	13,563,806	3,416,830
Public Health and Welfare Services	3,999,162	4,247,598	0	0	3,999,162	4,247,598
Leisure Time Activities	61,331	91,374	0	0	61,331	91,374
Community Environment	833,460	646,488	0	0	833,460	646,488
Transportation	2,744,888	2,548,051	0	0	2,744,888	2,548,051
General Government	6,604,638	6,301,546	0	0	6,604,638	6,301,546
Interest and Fiscal Charges	47,806	43,889	0	0	47,806	43,889
Water	0	0	6,736,112	7,058,219	6,736,112	7,058,219
Sewer	0	0	4,994,544	4,718,402	4,994,544	4,718,402
Sanitation	0	0	1,988,648	2,297,236	1,988,648	2,297,236
Total Expenses	27,855,091	17,295,776	13,719,304	14,073,857	41,574,395	31,369,633
Total Change in Net Position	2,320,126	8,579,914	493,047	661,977	2,813,173	9,241,891
Beginning Net Position, Restated	12,048,632	3,468,718	16,498,269	15,836,292	28,546,901	19,305,010
Ending Net Position	\$14,368,758	\$12,048,632	\$16,991,316	\$16,498,269	\$31,360,074	\$28,546,901

CITY OF PORTSMOUTH, OHIO

**Management’s Discussion and Analysis
For the Year Ended December 31, 2020**

Unaudited

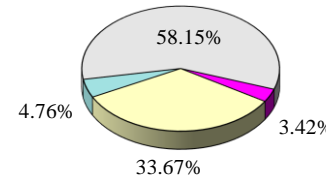
Governmental Activities

Net position of the City’s governmental activities increased by \$2,320,126. The increase is primarily attributed to the receipt of Coronavirus Relief Funds in 2020. The increase in Security of Persons and Property is because 2019 expenses were significantly lowered due to a change in the Net OPEB Liability for OP&F of \$9,676,424. Without that adjustment in 2019, the expenses for 2019 and 2020 would be comparable.

The City receives an income tax, which is based on 2.5% of all salaries, wages, commissions and other compensation and on net profits earned from those working or doing business in the City.

Income taxes and property taxes made up 46.9% and 7.2% respectively of revenues for governmental activities for the City in 2019. The City’s reliance upon tax revenues is demonstrated by the following graph indicating 58.15% of total revenues from general tax revenues:

Revenue Sources	2020	Percent of Total
General Tax Revenues	\$17,547,005	58.15%
Intergovernmental Revenue, Unrestricted	1,031,751	3.42%
Program Revenues	10,159,890	33.67%
General Other	1,436,571	4.76%
Total Revenue	<u>\$30,175,217</u>	<u>100.00%</u>



Business-Type Activities

The net position of the business-type activities increased by \$493,047. The increase in net position is primarily due an increased use of water and sewer by residents due to stay at home orders as a result of the COVID-19 pandemic in 2020.

CITY OF PORTSMOUTH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2020**

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$17,736,487, which is an increase from last year's balance of \$13,879,593. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2020 and 2019:

	Fund Balance December 31, 2020	Restated Fund Balance December 31, 2019	Increase (Decrease)
General	\$11,889,484	\$8,686,047	\$3,203,437
Health Department	1,264,993	421,242	843,751
General Obligation Bond Retirement	148,415	118,040	30,375
Capital Improvement	1,694,383	1,936,603	(242,220)
Other Governmental	2,739,212	2,717,661	21,551
Total	<u>\$17,736,487</u>	<u>\$13,879,593</u>	<u>\$3,856,894</u>

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

	2020 Revenues	2019 Revenues	Increase (Decrease)
Property and Other Taxes	\$15,050,493	\$14,834,545	\$215,948
Intergovernmental Revenue	1,022,823	1,008,323	14,500
Charges for Services	722,831	777,536	(54,705)
Licenses and Permits	283,014	230,122	52,892
Investment Earnings	2,803	8,479	(5,676)
Fines and Forfeitures	443,984	565,223	(121,239)
All Other Revenue	1,309,166	519,199	789,967
Total	<u>\$18,835,114</u>	<u>\$17,943,427</u>	<u>\$891,687</u>

General Fund revenues in 2020 increased approximately 5.0% compared to revenues in 2019. The decrease in Fines and Forfeitures is due to overall reduced municipal court collections as a result of limited court interaction and actual court cases handled during the COVID-19 pandemic months of 2019. The increase in All Other Revenue was a refund of previous years' premiums from the Ohio Bureau of Worker's Compensation

CITY OF PORTSMOUTH, OHIO

***Management's Discussion and Analysis
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Unaudited

	2019 Expenditures	2019 Expenditures	Increase (Decrease)
Security of Persons and Property	\$9,783,994	\$10,586,625	(\$802,631)
Community Environment	289,448	340,066	(50,618)
Transportation	706,021	549,422	156,599
General Government	3,869,079	3,860,276	8,803
Total	<u>\$14,648,542</u>	<u>\$15,336,389</u>	<u>(\$687,847)</u>

General Fund expenditures decreased by \$687,847 or 4.5% compared to the prior year. The decrease in security of persons and property is due to personal services costs being reimbursed by the Coronavirus Relief fund, which is a special revenue fund.

Health Department Fund – The Health Department Fund balance increased from \$421,242 to \$1,264,993 as a result of additional grant revenue within the Drug Fee Communities, Public Health Emergency Preparation, and Rural Communities Opioid Response Program grants.

General Obligation Bond Retirement Fund – The General Obligation Bond Retirement Fund balance increased from \$118,040 to \$148,415. The fund remained stable compared to 2019.

Capital Improvement Fund - The Capital Improvement Fund balance decreased from \$1,936,603 to \$1,694,383, as a result of additional capital purchases made for the replacement of the roof at the Public Service Department Garage, \$118,000; a new forestry mower, \$69,000; two new trucks in the Police Department, \$69,000.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

During the course of 2020 the City amended its General Fund budget several times. Final budgeted expenditures were less than original budgeted expenditures by \$1,881,271 as a result of Coronavirus Relief funds used to pay for Police and Fire Department First Responder personnel during the COVID-19 pandemic, which were accounted for in a Special Revenue Fund.

For the General Fund, final budget basis revenue of \$19,798,000 increased from original budget estimates of \$18,400,000 as a result of greater than anticipated income tax revenue, and a large refund of previous years' Workers' Compensation premiums. The actual revenues of \$19,817,016 were not significantly different than the final budget basis revenue.

CITY OF PORTSMOUTH, OHIO

**Management's Discussion and Analysis
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Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020 the City had \$49,332,038 net of accumulated depreciation invested in buildings, improvements, machinery and equipment, and infrastructure. Of this total, \$20,527,073 related to governmental activities and \$28,804,965 to the business-type activities. The following table shows 2020 and 2019 balances:

	Governmental Activities		Increase (Decrease)
	2020	2019	
Land	\$2,037,027	\$2,012,027	\$25,000
Construction In Progress	188,604	66,437	122,167
Buildings	6,719,148	6,685,222	33,926
Improvements	3,241,348	2,849,788	391,560
Machinery and Equipment	13,088,941	12,284,229	804,712
Infrastructure	33,168,573	32,640,357	528,216
Less: Accumulated Depreciation	<u>(37,916,568)</u>	<u>(36,317,715)</u>	<u>(1,598,853)</u>
Totals	<u>\$20,527,073</u>	<u>\$20,220,345</u>	<u>\$306,728</u>

The increases in infrastructure were for street projects. Machinery and Equipment increased due to the purchase of City vehicles including six police vehicles, several trucks and a wheel loader. Improvements increased due to the completion of the Mound Park lighting project. These increases were offset by depreciation expense.

	Business-Type Activities		Increase (Decrease)
	2020	2019	
Land	\$63,504	\$63,504	\$0
Buildings	6,888,544	6,888,544	0
Improvements other than Buildings	41,228,721	40,878,558	350,163
Machinery and Equipment	16,978,785	16,053,881	924,904
Less: Accumulated Depreciation	<u>(36,354,589)</u>	<u>(34,373,619)</u>	<u>(1,980,970)</u>
Totals	<u>\$28,804,965</u>	<u>\$29,510,868</u>	<u>(\$705,903)</u>

Business type capital assets decreased by \$705,903. Machinery and Equipment increased due to purchase of three excavators, a vector truck and a crane truck. Depreciation expense partially offset the additional acquisitions. Additional information on the City's capital assets can be found in Note 9.

CITY OF PORTSMOUTH, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2020***

Unaudited

Debt

At December 31, 2020, the City had \$665,000 in General Obligation Bonds outstanding, \$125,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Governmental Activities:		
General Obligation Bond	\$665,000	\$785,000
Compensated Absences	1,297,050	758,164
Capital Leases	251,327	483,425
Total Governmental Activities	<u>\$2,213,377</u>	<u>\$2,026,589</u>
Business-Type Activities:		
Ohio Public Works Commission Loan	\$2,724,421	\$2,782,452
Ohio Water Development Authority Loan	9,225,620	9,488,183
Compensated Absences	198,292	56,445
Capital Leases	285,708	0
Total Business-Type Activities	<u>12,434,041</u>	<u>12,327,080</u>
Totals	<u>\$14,647,418</u>	<u>\$14,353,669</u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2020, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.

ECONOMIC FACTORS

The local economy continues to stabilize and the General fund has stabilized as well. The Auditor of State declared the City to be in Fiscal Watch on April 9, 2013. The City implemented its revised five-year fiscal recovery plan in October 2014 with a major component being a proposed one-half percent increase in the City's income tax rate. The increase was approved by the City's voters and became effective January 1, 2016. Although still under Fiscal Watch, the City has achieved significant financial improvement resulting in a growing General Fund balance and as seeing all other funds continue to improve and maintain positive end of year fund balances. The City continues working closely with the Auditor or State's office through its five-year recovery plan. With the elimination of the Sewer fund deficit in 2020, the City is edging closer to the removal from its Fiscal Watch status.

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, City Auditor of the City of Portsmouth.

CITY OF PORTSMOUTH, OHIO

**Statement of Net Position
December 31, 2020**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 18,864,421	\$ 3,774,825	\$ 22,639,246
Receivables:			
Taxes	4,509,206	0	4,509,206
Accounts	562,237	3,277,191	3,839,428
Intergovernmental	1,422,462	0	1,422,462
Internal Balances	(1,170,598)	1,170,598	0
Inventory of Supplies at Cost	15,990	111,219	127,209
Prepaid Items	215,425	64,585	280,010
Restricted Assets:			
Cash and Cash Equivalents	211,740	380,033	591,773
Capital Assets:			
Capital Assets Not Being Depreciated	2,225,631	63,504	2,289,135
Capital Assets Being Depreciated, Net of Accumulated Depreciation	18,301,442	28,741,461	47,042,903
Total Assets	45,157,956	37,583,416	82,741,372
Deferred Outflows of Resources:			
Pension	4,696,924	721,874	5,418,798
OPEB	2,884,141	497,810	3,381,951
Total Deferred Outflows of Resources	7,581,065	1,219,684	8,800,749
Liabilities:			
Accounts Payable	88,988	228,018	317,006
Accrued Wages and Benefits	28,402	7,649	36,051
Intergovernmental Payable	198,348	60,796	259,144
Claims Payable	152,013	0	152,013
Due to Others	25,147	0	25,147
Refundable Deposits	0	380,033	380,033
Accrued Interest Payable	0	140,807	140,807
Long-term Liabilities:			
Due Within One Year	822,133	938,720	1,760,853
Due in More Than One Year:			
Net Pension Liability	20,194,403	4,273,343	24,467,746
Net OPEB Liability	6,370,263	2,837,614	9,207,877
Other Amounts Due in More Than One Year	1,391,244	11,495,321	12,886,565
Total Liabilities	29,270,941	20,362,301	49,633,242

CITY OF PORTSMOUTH, OHIO

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Property Tax	2,020,000	0	2,020,000
Pension	4,608,387	1,015,319	5,623,706
OPEB	2,470,935	434,164	2,905,099
Total Deferred Inflows of Resources	9,099,322	1,449,483	10,548,805
Net Position:			
Net Investment in Capital Assets	20,275,746	16,614,216	36,889,962
Restricted For:			
Streets and Highways	1,218,038	0	1,218,038
Community Development	196,855	0	196,855
Security of Persons and Property	1,640,763	0	1,640,763
Public Health and Welfare	1,204,636	0	1,204,636
Capital Projects	1,740,228	0	1,740,228
Debt Service	192,062	0	192,062
Perpetual Care:			
Expendable	26,843	0	26,843
Nonexpendable	184,897	0	184,897
Unrestricted (Deficit)	(12,311,310)	377,100	(11,934,210)
Total Net Position	\$ 14,368,758	\$ 16,991,316	\$ 31,360,074

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

**Statement of Activities
For the Year Ended December 31, 2020**

	Expenses	Program Revenues	
		Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities:			
Security of Persons and Property	\$ 13,563,806	\$ 1,145,441	\$ 1,869,640
Public Health and Welfare Services	3,999,162	1,370,987	2,231,172
Leisure Time Activities	61,331	68,265	0
Community Environment	833,460	191,498	481,749
Transportation	2,744,888	42,244	1,199,168
General Government	6,604,638	434,225	1,125,501
Interest and Fiscal Charges	47,806	0	0
Total Governmental Activities	27,855,091	3,252,660	6,907,230
Business-Type Activities:			
Water	6,736,112	7,390,021	225,000
Sewer	4,994,544	4,741,197	0
Sanitation	1,988,648	1,856,133	0
Total Business-Type Activities	13,719,304	13,987,351	225,000
Totals	\$ 41,574,395	\$ 17,240,011	\$ 7,132,230

General Revenues

Property Taxes Levied for:

General Purposes

Special Purpose

Debt Service

Income Taxes

Other Local Taxes

Intergovernmental Revenue, Unrestricted

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (10,548,725)	\$ 0	\$ (10,548,725)
(397,003)	0	(397,003)
6,934	0	6,934
(160,213)	0	(160,213)
(1,503,476)	0	(1,503,476)
(5,044,912)	0	(5,044,912)
(47,806)	0	(47,806)
<u>(17,695,201)</u>	<u>0</u>	<u>(17,695,201)</u>
0	878,909	878,909
0	(253,347)	(253,347)
0	(132,515)	(132,515)
<u>0</u>	<u>493,047</u>	<u>493,047</u>
<u>(17,695,201)</u>	<u>493,047</u>	<u>(17,202,154)</u>
1,706,366	0	1,706,366
320,492	0	320,492
150,062	0	150,062
15,050,130	0	15,050,130
319,955	0	319,955
1,031,751	0	1,031,751
2,808	0	2,808
<u>1,433,763</u>	<u>0</u>	<u>1,433,763</u>
<u>20,015,327</u>	<u>0</u>	<u>20,015,327</u>
2,320,126	493,047	2,813,173
<u>12,048,632</u>	<u>16,498,269</u>	<u>28,546,901</u>
<u>\$ 14,368,758</u>	<u>\$ 16,991,316</u>	<u>\$ 31,360,074</u>

CITY OF PORTSMOUTH, OHIO

**Balance Sheet
Governmental Funds
December 31, 2020**

	General	Health Department	General Obligation Bond Retirement
Assets:			
Cash and Cash Equivalents	\$ 9,882,945	\$ 1,537,468	\$ 148,415
Receivables:			
Taxes	3,700,861	0	176,666
Accounts	294,538	423	0
Intergovernmental	461,846	268,849	8,981
Due from Other Funds	0	0	0
Interfund Loans Receivables	550,000	0	0
Inventory of Supplies, at Cost	15,796	0	0
Prepaid Items	166,299	33,419	0
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
Total Assets	\$ 15,072,285	\$ 1,840,159	\$ 334,062
Liabilities:			
Accounts Payable	\$ 75,690	\$ 211	\$ 0
Accrued Wages and Benefits Payable	21,466	0	0
Intergovernmental Payable	158,679	24,955	0
Claims Payable	82,295	0	0
Due to Others	0	0	0
Due to Other Funds	24,453	0	0
Interfund Loans Payable	0	550,000	0
Total Liabilities	362,583	575,166	0
Deferred Inflows of Resources:			
Property Tax	1,576,000	0	142,000
Unavailable Revenue	1,244,218	0	43,647
Total Deferred Inflows of Resources	2,820,218	0	185,647
Fund Balances:			
Nonspendable	182,095	33,419	0
Restricted	0	1,231,574	148,415
Committed	218,643	0	0
Assigned	382,873	0	0
Unassigned	11,105,873	0	0
Total Fund Balances	11,889,484	1,264,993	148,415
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,072,285	\$ 1,840,159	\$ 334,062

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 1,480,901	\$ 2,185,625	\$ 15,235,354
236,065	395,614	4,509,206
0	267,276	562,237
24,047	658,739	1,422,462
0	24,453	24,453
0	0	550,000
0	194	15,990
0	15,707	215,425
0	211,740	211,740
<u>\$ 1,741,013</u>	<u>\$ 3,759,348</u>	<u>\$ 22,746,867</u>
\$ 785	\$ 12,302	\$ 88,988
0	6,936	28,402
0	14,714	198,348
0	0	82,295
0	25,147	25,147
0	0	24,453
0	0	550,000
<u>785</u>	<u>59,099</u>	<u>997,633</u>
0	302,000	2,020,000
45,845	659,037	1,992,747
<u>45,845</u>	<u>961,037</u>	<u>4,012,747</u>
0	42,744	258,258
1,694,383	2,685,779	5,760,151
0	10,689	229,332
0	0	382,873
0	0	11,105,873
<u>1,694,383</u>	<u>2,739,212</u>	<u>17,736,487</u>
<u>\$ 1,741,013</u>	<u>\$ 3,759,348</u>	<u>\$ 22,746,867</u>

CITY OF PORTSMOUTH, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2020***

Total Governmental Fund Balances		\$ 17,736,487
<i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		20,527,073
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.		1,992,747
Internal Service Funds are used by management to charge the costs of insurance and use of supplies to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		2,388,751
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	4,696,924	
Deferred Inflows - Pension	(4,608,387)	
Net Pension Liability	<u>(20,194,403)</u>	(20,105,866)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - OPEB	2,884,141	
Deferred Inflows - OPEB	(2,470,935)	
Net OPEB Liability	<u>(6,370,263)</u>	(5,957,057)
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	(665,000)	
Capital Leases Payable	(251,327)	
Compensated Absences Payable	<u>(1,297,050)</u>	<u>(2,213,377)</u>
<i>Net Position of Governmental Activities</i>		<u>\$ 14,368,758</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, 2020**

	General	Health Department	Obligation Bond Retirement
Revenues:			
Taxes	\$ 15,050,493	\$ 0	\$ 151,854
Intergovernmental Revenues	1,022,823	2,337,216	18,303
Charges for Services	722,831	1,174,799	0
Licenses and Permits	283,014	0	0
Investment Earnings	2,803	0	0
Fines and Forfeitures	443,984	0	0
All Other Revenue	1,309,166	190,120	0
Total Revenue	18,835,114	3,702,135	170,157
Expenditures:			
Current:			
Security of Persons and Property	9,783,994	0	0
Public Health and Welfare Services	0	3,632,766	0
Leisure Time Activities	0	0	0
Community Environment	289,448	0	0
Transportation	706,021	0	0
General Government	3,869,079	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	120,000
Interest and Fiscal Charges	0	0	19,782
Total Expenditures	14,648,542	3,632,766	139,782
Excess (Deficiency) of Revenues Over Expenditures	4,186,572	69,369	30,375
Other Financing Sources (Uses):			
Transfers In	0	774,382	0
Transfers Out	(919,382)	0	0
Total Other Financing Sources (Uses)	(919,382)	774,382	0
Net Change in Fund Balances	3,267,190	843,751	30,375
Fund Balances at Beginning of Year	8,686,047	421,242	118,040
Decrease in Inventory	(63,753)	0	0
Fund Balances End of Year	\$ 11,889,484	\$ 1,264,993	\$ 148,415

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 1,784,545	\$ 406,892	\$ 17,393,784
302,835	4,449,337	8,130,514
0	45,075	1,942,705
0	0	283,014
0	5	2,808
0	540,199	984,183
49,212	90,847	1,639,345
<u>2,136,592</u>	<u>5,532,355</u>	<u>30,376,353</u>
0	2,259,340	12,043,334
0	0	3,632,766
0	48,392	48,392
0	421,641	711,089
0	1,015,881	1,721,902
0	1,910,484	5,779,563
2,112,078	0	2,112,078
232,098	0	352,098
34,636	0	54,418
<u>2,378,812</u>	<u>5,655,738</u>	<u>26,455,640</u>
(242,220)	(123,383)	3,920,713
0	145,000	919,382
0	0	(919,382)
<u>0</u>	<u>145,000</u>	<u>0</u>
(242,220)	21,617	3,920,713
1,936,603	2,717,661	13,879,593
0	(66)	(63,819)
<u>\$ 1,694,383</u>	<u>\$ 2,739,212</u>	<u>\$ 17,736,487</u>

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, 2020***

Net Change in Fund Balances - Total Governmental Funds \$ 3,920,713

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 capital outlays exceeded depreciation in the current period.

Capital Outlay	2,159,572	
Depreciation Expense	<u>(1,840,875)</u>	318,697

The statement of activities reports losses arising from the disposal of capital assets. However, in the governmental funds, proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold. (11,969)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (201,136)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,814,732

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (3,134,208)

Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities. (645,741)

The issuance of long-term debt (e.g. notes, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

General Obligation Bonds Payable	120,000	
Capital Leases Payable	<u>232,098</u>	352,098

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 6,612

CITY OF PORTSMOUTH, OHIO

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	(538,886)	
Change in Inventory	<u>(63,819)</u>	(602,705)

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.

503,033

Change in Net Position of Governmental Activities

\$ 2,320,126

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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 14,445,000	\$ 14,965,000	\$ 14,968,478	\$ 3,478
Intergovernmental Revenue	1,361,000	1,017,000	1,018,173	1,173
Charges for Services	743,000	723,000	734,083	11,083
Licenses and Permits	170,000	284,000	284,761	761
Investment Earnings	0	3,000	2,803	(197)
Fines and Forfeitures	532,000	457,000	457,413	413
All Other Revenues	89,000	1,289,000	1,291,305	2,305
Total Revenues	17,340,000	18,738,000	18,757,016	19,016
Expenditures:				
Current:				
Security of Persons and Property	10,936,005	9,808,768	9,808,768	0
Community Environment	308,317	289,834	289,834	0
Transportation	649,719	708,463	708,463	0
General Government	3,304,828	2,619,534	2,619,534	0
Total Expenditures	15,198,869	13,426,599	13,426,599	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,141,131	5,311,401	5,330,417	19,016
Other Financing Sources (Uses):				
Transfers In	100,000	0	0	0
Transfers Out	(2,449,153)	(2,190,152)	(2,190,152)	0
Advances In	1,060,000	1,060,000	1,060,000	0
Advances Out	(400,000)	(550,000)	(550,000)	0
Total Other Financing Sources (Uses):	(1,689,153)	(1,680,152)	(1,680,152)	0
Net Change in Fund Balance	451,978	3,631,249	3,650,265	19,016
Fund Balance at Beginning of Year	5,887,310	5,887,310	5,887,310	0
Prior Year Encumbrances	177,158	177,158	177,158	0
Fund Balance at End of Year	\$ 6,516,446	\$ 9,695,717	\$ 9,714,733	\$ 19,016

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)
Health Department Fund
For the Year Ended December 31, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,442,000	\$ 2,291,000	\$ 2,226,343	\$ (64,657)
Charges for Services	888,000	1,112,000	1,193,503	81,503
All Other Revenues	151,000	188,000	193,486	5,486
Total Revenues	<u>2,481,000</u>	<u>3,591,000</u>	<u>3,613,332</u>	<u>22,332</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	2,306,963	2,104,754	2,104,754	0
Materials and Supplies	466,279	1,299,983	1,299,983	0
Contractual Services	299,163	207,830	207,830	0
Capital Outlay	67,475	23,137	23,137	0
Total Expenditures	<u>3,139,880</u>	<u>3,635,704</u>	<u>3,635,704</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(658,880)	(44,704)	(22,372)	22,332
Other Financing Sources (Uses):				
Transfers In	755,000	775,000	774,382	(618)
Advances In	0	545,000	550,000	5,000
Advances Out	0	(1,060,000)	(1,060,000)	0
Total Other Financing Sources (Uses)	<u>755,000</u>	<u>260,000</u>	<u>264,382</u>	<u>4,382</u>
Net Change in Fund Balance	96,120	215,296	242,010	26,714
Fund Balance at Beginning of Year	<u>1,295,458</u>	<u>1,295,458</u>	<u>1,295,458</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,391,578</u>	<u>\$ 1,510,754</u>	<u>\$ 1,537,468</u>	<u>\$ 26,714</u>

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2020**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Sanitation
Assets:			
Current assets:			
Cash and Cash Equivalents	\$ 2,425,916	\$ 1,024,002	\$ 324,907
Accounts receivable (net of allowance for uncollectibles)	1,573,030	1,270,204	433,957
Inventory of Supplies at Cost	42,468	57,189	11,562
Prepaid Items	30,327	23,946	10,312
Total current assets	4,071,741	2,375,341	780,738
Noncurrent assets:			
Restricted Assets:			
Cash and Cash Equivalents	380,033	0	0
Capital assets:			
Capital Assets Not Being Depreciated	50,653	12,851	0
Capital Assets Being Depreciated, net of accumulated depreciation	15,619,128	12,269,124	853,209
Total capital assets	15,669,781	12,281,975	853,209
Total noncurrent assets	16,049,814	12,281,975	853,209
Total Assets	20,121,555	14,657,316	1,633,947
Deferred Outflows of Resources:			
Pension	307,009	276,650	138,215
OPEB	213,378	189,700	94,732
Total Deferred Outflows of Resources	520,387	466,350	232,947
Liabilities:			
Current liabilities:			
Accounts Payable	89,917	134,004	4,097
Accrued Wages and Benefits	3,009	4,117	523
Intergovernmental Payable	27,827	21,867	11,102
Claims Payable	0	0	0
Refundable Deposits	380,033	0	0
Accrued Interest Payable	52,245	88,562	0
Capital Leases Payable - Current	0	93,537	0
OWDA Loans Payable - Current	333,663	203,541	0
OPWC Loans Payable - Current	46,510	116,062	0
Compensated Absences Payable - Current	81,583	63,824	0
Total Current Liabilities	1,014,787	725,514	15,722

CITY OF PORTSMOUTH, OHIO

Total	Governmental Activities - Internal Service Funds
\$ 3,774,825	\$ 3,629,067
3,277,191	0
111,219	0
64,585	0
<u>7,227,820</u>	<u>3,629,067</u>
380,033	0
63,504	0
28,741,461	0
<u>28,804,965</u>	<u>0</u>
<u>29,184,998</u>	<u>0</u>
<u>36,412,818</u>	<u>3,629,067</u>
721,874	0
497,810	0
<u>1,219,684</u>	<u>0</u>
228,018	0
7,649	0
60,796	0
0	69,718
380,033	0
140,807	0
93,537	0
537,204	0
162,572	0
145,407	0
<u>1,756,023</u>	<u>69,718</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2020**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Sanitation
Noncurrent Liabilities:			
Capital Leases Payable	0	192,171	0
OWDA Loans Payable	3,567,814	5,120,602	0
OPWC Loans Payable	1,348,791	1,213,058	0
Compensated Absences Payable	30,643	22,242	0
Net Pension Liability	2,029,731	1,498,732	744,880
Net OPEB Liability	1,347,795	995,198	494,621
Total Noncurrent Liabilities	8,324,774	9,042,003	1,239,501
Total Liabilities	9,339,561	9,767,517	1,255,223
Deferred Inflows of Resources:			
Pension	478,978	322,118	214,223
OPEB	191,891	141,691	100,582
Total Deferred Inflows of Resources	670,869	463,809	314,805
Net Position:			
Net Investment in Capital Assets	10,373,003	5,388,004	853,209
Unrestricted	258,509	(495,664)	(556,343)
Total Net Position	<u>\$ 10,631,512</u>	<u>\$ 4,892,340</u>	<u>\$ 296,866</u>

Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds
Total Net Position per the government-wide Statement of Net Position

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
192,171	0
8,688,416	0
2,561,849	0
52,885	0
4,273,343	0
2,837,614	0
<u>18,606,278</u>	<u>0</u>
<u>20,362,301</u>	<u>69,718</u>
1,015,319	0
434,164	0
<u>1,449,483</u>	<u>0</u>
16,614,216	0
(793,498)	3,559,349
<u>\$ 15,820,718</u>	<u>\$ 3,559,349</u>
<u>1,170,598</u>	
<u>\$ 16,991,316</u>	

CITY OF PORTSMOUTH, OHIO

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Sanitation
Operating Revenues:			
Charges for Services	\$ 7,164,363	\$ 4,580,273	\$ 1,777,589
Other Operating Revenues	225,658	160,924	78,544
Total Operating Revenues	7,390,021	4,741,197	1,856,133
Operating Expenses:			
Personal Services	2,971,023	2,738,632	1,360,134
Contractual Services	1,616,899	1,186,413	148,786
Materials and Supplies	854,618	366,298	433,349
Depreciation	1,284,587	612,598	83,785
Total Operating Expenses	6,727,127	4,903,941	2,026,054
Operating Income (Loss)	662,894	(162,744)	(169,921)
Non-Operating Revenue (Expenses):			
Interest and Fiscal Charges	(106,703)	(176,111)	0
Intergovernmental Grants	225,000	0	0
Total Non-Operating Revenues (Expenses)	118,297	(176,111)	0
Change in Net Position	781,191	(338,855)	(169,921)
Net Position Beginning of Year	9,850,321	5,231,195	466,787
Net Position End of Year	\$ 10,631,512	\$ 4,892,340	\$ 296,866

Change in Net Position - Total Enterprise Funds

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

Change in Net Position - Total Business-Type Activities

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 13,522,225	\$ 1,045,401
465,126	0
<u>13,987,351</u>	<u>1,045,401</u>
7,069,789	321,736
2,952,098	0
1,654,265	0
1,980,970	0
<u>13,657,122</u>	<u>321,736</u>
330,229	723,665
(282,814)	0
225,000	0
<u>(57,814)</u>	<u>0</u>
272,415	723,665
15,548,303	2,835,684
<u>\$ 15,820,718</u>	<u>\$ 3,559,349</u>
272,415	
<u>220,632</u>	
<u>\$ 493,047</u>	

CITY OF PORTSMOUTH, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020**

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Sanitation
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$7,214,227	\$5,104,638	\$1,979,044
Cash Received from Interfund Services	0	0	0
Cash Payments for Goods and Services	(2,334,258)	(1,534,613)	(618,556)
Cash Payments to Employees	(2,661,501)	(2,420,564)	(1,265,856)
Customer Deposits Received	81,376	0	0
Customer Deposits Refunded	(71,106)	0	0
Net Cash Provided by Operating Activities	<u>2,228,738</u>	<u>1,149,461</u>	<u>94,632</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Proceeds from Intergovernmental Grants	225,000	0	0
Principal Paid on Ohio Public Works Commission Loan	0	(15,000)	0
Net Cash Provided (Used) by Noncapital Financing Activities	<u>225,000</u>	<u>(15,000)</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition and Construction of Assets	(591,368)	(225,225)	(100,420)
Principal Paid on Ohio Public Works Commission Loan	0	(43,031)	0
Principal Paid on Ohio Water Development Authority Loan	(163,309)	(99,254)	0
Capital Lease Payment	0	(99,340)	0
Interest Paid on All Debt	(54,458)	(87,549)	0
Net Cash Used by Capital and Related Financing Activities	<u>(809,135)</u>	<u>(554,399)</u>	<u>(100,420)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,644,603	580,062	(5,788)
Cash and Cash Equivalents at Beginning of Year	1,161,346	443,940	330,695
Cash and Cash Equivalents at End of Year	<u>\$2,805,949</u>	<u>\$1,024,002</u>	<u>\$324,907</u>
<u>Reconciliation of Cash and Cash Equivalent per the Statement of Net Position:</u>			
Cash and Cash Equivalents	\$2,425,916	\$1,024,002	\$324,907
Restricted Cash and Cash Equivalents	380,033	0	0
Cash and Cash Equivalents at End of Year	<u>\$2,805,949</u>	<u>\$1,024,002</u>	<u>\$324,907</u>

CITY OF PORTSMOUTH, OHIO

Total	Governmental Activities Internal Service Fund
\$14,297,909	\$0
0	1,045,401
(4,487,427)	(320,990)
(6,347,921)	0
81,376	0
(71,106)	0
<u>3,472,831</u>	<u>724,411</u>
225,000	0
(15,000)	0
<u>210,000</u>	<u>0</u>
(917,013)	0
(43,031)	0
(262,563)	0
(99,340)	0
(142,007)	0
<u>(1,463,954)</u>	<u>0</u>
2,218,877	724,411
<u>1,935,981</u>	<u>2,904,656</u>
<u>\$4,154,858</u>	<u>\$3,629,067</u>
\$3,774,825	\$3,629,067
380,033	0
<u>\$4,154,858</u>	<u>\$3,629,067</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Sanitation
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>			
Operating Income (Loss)	\$662,894	(\$162,744)	(\$169,921)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	1,284,587	612,598	83,785
Changes in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
(Increase) Decrease in Accounts Receivable	(175,794)	363,441	122,911
(Increase) Decrease in Inventory	136,031	(30,555)	(10,461)
(Increase) Decrease in Prepaid Items	2,932	1,613	(18)
Decrease in Deferred Outflows-Pension	559,882	441,129	253,068
Increase in Deferred Outflows-OPEB	(110,870)	(52,513)	(21,676)
Increase (Decrease) in Accounts Payable	2,728	48,654	(25,898)
Increase (Decrease) in Intergovernmental Payable	(563)	406	(4)
Increase (Decrease) in Accrued Wages and Benefits	(5,787)	(1,719)	248
Increase in Claims Payable	0	0	0
Increase in Customer Deposits	10,270	0	0
Increase in Compensated Absences	79,163	62,684	0
Increase in Net Pension Liability	(864,959)	(586,702)	(404,114)
Increase (Decrease) in Net OPEB Liability	40,697	53,520	(24,207)
Increase in Deferred Inflows-Pension	419,183	260,513	191,745
Increase in Deferred Inflows-OPEB	188,344	139,136	99,174
Total Adjustments	1,565,844	1,312,205	264,553
Net Cash Provided by Operating Activities	<u>\$2,228,738</u>	<u>\$1,149,461</u>	<u>\$94,632</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2020 the Water Fund had outstanding liabilities of \$4,742 for certain capital assets.

During 2020 the Sewer Fund entered into a capital lease obligation for \$385,048.

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

Total	Governmental Activities Internal Service Fund
\$330,229	\$723,665
1,980,970	0
310,558	0
95,015	0
4,527	0
1,254,079	0
(185,059)	0
25,484	0
(161)	0
(7,258)	0
0	746
10,270	0
141,847	0
(1,855,775)	0
70,010	0
871,441	0
426,654	0
<u>3,142,602</u>	<u>746</u>
<u>\$3,472,831</u>	<u>\$724,411</u>

CITY OF PORTSMOUTH, OHIO

**Statement of Net Position
Fiduciary Funds
December 31, 2020**

	<u>Custodial</u>
Assets:	
Receivables:	
Accounts	\$ 585,755
Restricted Assets:	
Cash and Cash Equivalents	<u>50,815</u>
Total Assets	<u>636,570</u>
Liabilities:	
Intergovernmental Payable	19,237
Due to Others	<u>617,333</u>
Total Liabilities	<u>636,570</u>
Net Position:	
Unrestricted	<u>0</u>
Total Net Position	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

**Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2020**

	Custodial
Additions:	
Fines and Forfeitures Collections for Others	\$ 949,842
Charges Collected for Others	4,573
Total Additions	<u>954,415</u>
Deductions:	
Distribution of Fines and Forfeitures to Others	949,842
Distribution of Charges Collected for Others	4,573
Total Deductions	<u>954,415</u>
Change in Net Position	0
Net Position at Beginning of Year	<u>0</u>
Net Position End of Year	<u>\$ 0</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements are presented as of December 31, 2020 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

Based on the foregoing, the City's financial reporting entity includes the following services as authorized by its charter: 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.

Beginning 2019 it was determined that the Health Department was a legally separate entity under GASB Statement 61, "The Financial Reporting Entity", updated for GASB 80, "Blending Requirements for Certain Component Units". Previously there were multiple funds maintained by the City for Health Department activities of which one was part of the General Fund, one was an enterprise fund and the remaining were special revenue funds.

The Health Department provides public health services, and is a body politic and corporate. The City provides operating support and approves the Health Department's budget. Since the City is expected to repay outstanding debt of the Health Department, it is reported as a blended component unit. It's included as a major fund in the governmental statements due to its significance to the City.

B. Basis of Presentation - Fund Accounting

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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.

Health Department Fund – This fund is used to account for grant revenues and charges for services for, the operation of the City’s Health Department.

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

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

Proprietary Funds

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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:

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial 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 custodial funds account for revenues and expenditures of State Patrol fines to the County Law Library Resources Board, funds from the three percent (3%) fees as required by Ohio Revised Code, and funds that flow through the municipal court office.

C. Basis of Presentation – Financial Statements

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

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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.

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

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

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

Fiduciary funds are reported using the economic resources measurement focus.

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, 2020***

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 property taxes is recognized in the year for which the taxes were levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenues considered susceptible to accrual at year end include income taxes, interest on investments, and state levied locally shared taxes, including motor vehicle license fees and local government assistance. Other revenues, including licenses, permits, certain charges for services, and miscellaneous revenues are recorded when received in cash, because generally these revenues are not measurable until received.

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

E. Budgetary Process

The annual budgetary process is prescribed by Charter and by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds other than custodial 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

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

On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement as final budget reflect the amounts in the final amended official certificate of estimated resources issued during 2020.

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 2020. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

4. Encumbrances

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

5. Lapsing of Appropriations

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

6. Budgetary Basis of Accounting

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

	Net Change in Fund Balance	
	General Fund	Health Department Fund
GAAP Basis (as reported)	\$3,179,333	\$843,751
Increase (Decrease):		
Accrued Revenues at December 31, 2020 received during 2021	(2,121,799)	(269,272)
Accrued Revenues at December 31, 2019 received during 2020	2,671,558	180,469
Accrued Expenditures at December 31, 2020 paid during 2021	267,483	575,166
Accrued Expenditures at December 31, 2019 paid during 2020	(279,359)	(1,090,117)
2019 Prepays for 2020	149,983	35,432
2020 Prepays for 2021	(155,868)	(33,419)
Perspective Difference-		
Budgeted Special Revenue Funds reclassified as General Fund	(35,066)	0
Outstanding Encumbrances	(26,000)	0
Budget Basis	<u>\$3,650,265</u>	<u>\$242,010</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

I. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

Donated capital assets are recorded at their acquisition value as of 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, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets and Depreciation (Continued)

2. Property, Plant and Equipment – Business Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Infrastructure is included in Improvements other than Buildings in Note 9 B. Donated capital assets are recorded at their acquisition value as of the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

3. Depreciation

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

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

J. Long-Term Obligations

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences

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

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

L. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

M. Pensions/Other Postemployment Benefits (OPEB)

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Interfund Activity

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

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

O. Fund Balances

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Balances (Continued)

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

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

P. Operating Revenues and Expenses

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

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide and proprietary statements of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable amounts, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, income taxes, grants, and state levied shared taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide and proprietary statements of net position explained in Notes 10 and 11.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Restricted Assets

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

S. Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2020, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 83, “Certain Asset Retirement Obligations,” Statement No. 84, “Fiduciary Activities,” Statement No. 88, “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements,” and Statement No. 90, “Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61.”

GASB Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments.

GASB Statement No. 88 revises the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements.

GASB Statement No. 90 establishes criteria for reporting a government’s majority equity interest in a legally separate organization.

These changes were incorporated in the City’s 2020 financial statements; however, there was no effect on beginning net position/fund balance.

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 3 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General Fund	Health Department Fund	General Obligation Bond Retirement Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid Items	\$166,299	\$33,419	\$0	\$0	\$15,707	\$215,425
Supplies Inventory	15,796	0	0	0	194	15,990
Endowment	0	0	0	0	26,843	26,843
Total Nonspendable	<u>182,095</u>	<u>33,419</u>	<u>0</u>	<u>0</u>	<u>42,744</u>	<u>258,258</u>
Restricted:						
Transportation Projects	0	0	0	0	989,595	989,595
Court Projects	0	0	0	0	615,349	615,349
Public Safety	0	0	0	0	694,800	694,800
Health	0	1,231,574	0	0	0	1,231,574
Cemetery	0	0	0	0	184,897	184,897
Community Development	0	0	0	0	168,078	168,078
Debt Retirement	0	0	148,415	0	0	148,415
Capital Improvements	0	0	0	1,694,383	0	1,694,383
Parks and Recreation	0	0	0	0	33,060	33,060
Total Restricted	<u>0</u>	<u>1,231,574</u>	<u>148,415</u>	<u>1,694,383</u>	<u>2,685,779</u>	<u>5,760,151</u>
Committed:						
Parks and Recreation	0	0	0	0	10,689	10,689
Compensated Absences	218,643	0	0	0	0	218,643
Total Committed	<u>218,643</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,689</u>	<u>229,332</u>
Assigned:						
Projected Budgetary Deficit	356,873	0	0	0	0	356,873
Services and Supplies	26,000	0	0	0	0	26,000
Total Assigned	<u>382,873</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>382,873</u>
Unassigned:						
Total Unassigned	<u>11,105,873</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,105,873</u>
Total Fund Balances	<u>\$11,889,484</u>	<u>\$1,264,993</u>	<u>\$148,415</u>	<u>\$1,694,383</u>	<u>\$2,739,212</u>	<u>\$17,736,487</u>

The Nonspendable endowment listed within the table has been established pursuant to state law and binds the City to forever hold such money as a permanent fund and to provide perpetual care of the lots. Income or interest of such money is considered restricted for the current operations of the cemetery.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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;
- 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;
- Time certificates of deposit or savings or deposit accounts including, but not limited to , passbook accounts;
- Bonds and other obligations of the State of Ohio and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio if training requirements have been met;
- 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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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

- The State Treasury’s investment pool (STAR Ohio).
- Certain bankers’ acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the government’s deposits may not be returned. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. The City has no policy on custodial credit risk and is governed by Ohio Revised Code. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At year end the carrying amount of the City’s deposits was \$23,281,834 and the bank balance was \$24,141,545. Federal depository insurance covered \$416,087 of the bank balance and \$23,725,458 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 in the Ohio Pooled Collateral System	<u>\$23,725,458</u>
Total Balance	<u><u>\$23,725,458</u></u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

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 collected during 2020 were levied after October 1, 2019 on assessed values as of January 1, 2019, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. Public utility tangible personal property is currently assessed at varying percentages of its true value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 2019. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder payable by June 20.

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

The full tax rate for all City operations for the year ended December 31, 2020 was \$10.25 per \$1,000 of assessed value. The assessed value upon which the 2020 tax collections were based was \$235,397,690. This amount constituted \$211,184,510 in real property assessed value and \$24,213,180 in public utility assessed.

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

B. Income Tax

The City levies a tax of 2.5% 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 50% 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, 2020 consisted of taxes, intergovernmental, and accounts receivable. All receivables are expected to be collected with the next year.

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables balances at December 31, 2020 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$0	\$24,453
Other Governmental Funds	24,453	0
Total Governmental Funds	<u>\$24,453</u>	<u>\$24,453</u>
	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$550,000	\$0
Health Department Fund	0	550,000
Total Governmental Funds	<u>\$550,000</u>	<u>\$550,000</u>

On the Statement of Net Position, the Business-Type Activities reported an internal balance at December 31, 2020 of \$1,170,598, which was offset in the Governmental Activities by the same amount. The Due from Other Funds in the Other Governmental Funds is for reimbursement of expenditures made by the Community Development Fund for the General Fund. The Interfund Loan is a short-term loan which will be paid back within the year. The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by December 31, 2020. All interfund receivables are expected to be collected within the next year.

NOTE 8 - TRANSFERS

Following is a summary of Transfers in and out for all funds for 2020:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$0	\$919,382
Health Department Fund	774,382	0
Other Governmental Funds	145,000	0
Totals	<u>\$919,382</u>	<u>\$919,382</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; and to provide additional resources for current operations or debt service.

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 - CAPITAL ASSETS

A. Governmental Capital Assets

Summary by category of changes in Governmental Capital Assets:

Historical Cost:

Class	December 31, 2019	Additions	Deletions	December 31, 2020
Capital assets not being depreciated:				
Land	\$2,012,027	\$25,000	\$0	\$2,037,027
Construction in Progress	66,437	188,604	(66,437)	188,604
Subtotal	2,078,464	213,604	(66,437)	2,225,631
Capital assets being depreciated:				
Buildings	6,685,222	33,926	0	6,719,148
Improvements	2,849,788	391,560	0	3,241,348
Machinery and Equipment	12,284,229	927,032	(122,320)	13,088,941
Infrastructure	32,640,357	659,887	(131,671)	33,168,573
Subtotal	54,459,596	2,012,405	(253,991)	56,218,010
Total Cost	\$56,538,060	\$2,226,009	(\$320,428)	\$58,443,641

Accumulated Depreciation:

Class	December 31, 2019	Additions	Deletions	December 31, 2020
Buildings	(\$3,157,616)	(\$141,531)	\$0	(\$3,299,147)
Improvements	(1,780,979)	(101,427)	0	(1,882,406)
Machinery and Equipment	(8,618,219)	(807,904)	122,320	(9,303,803)
Infrastructure	(22,760,901)	(790,013)	119,702	(23,431,212)
Total Depreciation	(\$36,317,715)	(\$1,840,875) *	\$242,022	(\$37,916,568)
Net Value:	\$20,220,345			\$20,527,073

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$625,178
Public Health & Welfare Services	50,475
Leisure Time Activities	7,809
Community Environment	96,136
Transportation	832,954
General Government	228,313
Total Depreciation Expense	\$1,840,865

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business Type Capital Assets

Summary by Category at December 31, 2020:

Historical Cost:

Class	December 31, 2019	Additions	Deletions	December 31, 2020
<i>Capital assets not being depreciated:</i>				
Land	\$63,504	\$0	\$0	\$63,504
Construction in Progress	-	0	0	-
Subtotal	63,504	0	0	63,504
<i>Capital assets being depreciated:</i>				
Buildings	6,888,544	0	0	6,888,544
Improvements other than Buildings	40,878,558	350,163	0	41,228,721
Machinery and Equipment	16,053,881	924,904	0	16,978,785
Subtotal	63,820,983	1,275,067	0	65,096,050
Total Cost	\$63,884,487	\$1,275,067	\$0	\$65,159,554

Accumulated Depreciation:

Class	December 31, 2019	Additions	Deletions	December 31, 2020
Buildings	(\$1,697,661)	(\$157,057)	\$0	(\$1,854,718)
Improvements other than Buildings	(21,341,287)	(852,260)	0	(22,193,547)
Machinery and Equipment	(11,334,671)	(971,653)	0	(12,306,324)
Total Depreciation	(\$34,373,619)	(\$1,980,970)	\$0	(\$36,354,589)

Net Value:

	\$29,510,868			\$28,804,965
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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member’s FAS for the first 30 years of service.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member’s FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS’s Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS Comprehensive Annual Financial Report.

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

	<u>State and Local</u>
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2020 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$1,062,828 for 2020. Of this amount, \$91,659 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

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

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to 3.00% of their base pension or disability benefit.

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2020 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2020 through December 31, 2020	12.25 %	12.25 %
2020 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2020 through December 31, 2020	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$1,143,192 for 2020. Of this amount, \$100,971 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$10,862,426	\$13,605,320	\$24,467,746
Proportion of the Net Pension Liability-2020	0.054956%	0.201963%	
Proportion of the Net Pension Liability-2019	<u>0.056051%</u>	<u>0.214478%</u>	
Percentage Change	<u>(0.001095%)</u>	<u>(0.012515%)</u>	
Pension Expense	\$1,977,147	\$1,844,929	\$3,822,076

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$580,181	\$333,976	\$914,157
Differences between expected and actual experience	0	515,006	515,006
Change in proportionate share	289,402	1,494,213	1,783,615
City contributions subsequent to the measurement date	<u>1,062,828</u>	<u>1,143,192</u>	<u>2,206,020</u>
Total Deferred Outflows of Resources	<u>\$1,932,411</u>	<u>\$3,486,387</u>	<u>\$5,418,798</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$2,166,808	\$657,247	\$2,824,055
Differences between expected and actual experience	137,342	701,683	839,025
Change in proportionate share	<u>153,141</u>	<u>1,807,485</u>	<u>1,960,626</u>
Total Deferred Inflows of Resources	<u>\$2,457,291</u>	<u>\$3,166,415</u>	<u>\$5,623,706</u>

\$2,206,020 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2021	(\$65,748)	(\$35,726)	(\$101,474)
2022	(751,316)	48,431	(702,885)
2023	89,724	72,532	162,256
2024	(860,368)	(789,851)	(1,650,219)
2025	<u>0</u>	<u>(118,606)</u>	<u>(118,606)</u>
Total	<u>(\$1,587,708)</u>	<u>(\$823,220)</u>	<u>(\$2,410,928)</u>

Actuarial Assumptions - OPERS

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2019 and December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>December 31, 2019</u>
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	1.4 percent simple through 2020. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age
	<u>December 31, 2018</u>
Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2% for 2019.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other investments	13.00	4.98
Total	100.00 %	5.61 %

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$17,915,656	\$10,862,426	\$4,521,780

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2019 is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2019, compared with January 1, 2018, are presented below.

	January 1, 2019	January 1, 2018
Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For the January 1, 2019 valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

For the January 1, 2019 valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2019 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	<u>120.00 %</u>	

* levered 2x

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2019, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2018 was 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$18,856,500	\$13,605,320	\$9,213,228

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (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 trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Comprehensive Annual Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2020.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. 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 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

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 2020, the portion of employer contributions allocated to health care was 0.5 percent 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 is also 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 contractually required contribution to OP&F was \$26,835 for 2020. Of this amount, \$2,368 is reported as an intergovernmental payable.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$7,212,939	\$1,994,938	\$9,207,877
Proportion of the Net OPEB Liability-2020	0.052220%	0.201963%	
Proportion of the Net OPEB Liability-2019	0.053168%	0.214478%	
Percentage Change	<u>(0.000948%)</u>	<u>(0.012515%)</u>	
OPEB Expense	\$901,722	\$55,624	\$957,346

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$1,141,733	\$1,166,318	\$2,308,051
Differences between expected and actual experience	192	0	192
Change in proportionate share	186,153	860,720	1,046,873
City contributions subsequent to the measurement date	0	26,835	26,835
Total Deferred Outflows of Resources	<u>\$1,328,078</u>	<u>\$2,053,873</u>	<u>\$3,381,951</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on OPEB plan investments	\$367,280	\$91,803	\$459,083
Changes in assumptions	0	425,151	425,151
Differences between expected and actual experience	659,657	214,533	874,190
Change in proportionate share	30,161	1,116,514	1,146,675
Total Deferred Inflows of Resources	<u>\$1,057,098</u>	<u>\$1,848,001</u>	<u>\$2,905,099</u>

\$26,835 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2021	\$347,781	\$16,225	\$364,006
2022	79,852	16,221	96,073
2023	291	35,053	35,344
2024	(156,944)	5,366	(151,578)
2025	0	53,310	53,310
2026	0	36,130	36,130
2027	0	16,732	16,732
Total	<u>\$270,980</u>	<u>\$179,037</u>	<u>\$450,017</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.16 percent
Prior Measurement date	3.96 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior Measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.75 percent
Prior Measurement date	3.71 percent
Health Care Cost Trend Rate:	
Current measurement date	10.5 percent initial, 3.5 percent ultimate in 2030
Prior Measurement date	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7 percent for 2019.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

Discount Rate A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
City's proportionate share of the net OPEB liability	\$9,439,287	\$7,212,939	\$5,430,358

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$7,000,091	\$7,212,939	\$7,423,073

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11- DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Single discount rate	3.56 percent	4.66 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016. The prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	120.00 %	

* levered 2x

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

Discount Rate For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
City's proportionate share of the net OPEB liability	\$2,473,594	\$1,994,938	\$1,597,208

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

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CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2020 were as follows:

				Balance December 31, 2019	Additions	(Deletions)	Balance December 31, 2020	Amount due Within One Year
Business-Type Activities:								
Ohio Public Works Commission Loans:*								
2000	0.0%	Wastewater Improvement	2021	\$60,000	\$0	(\$15,000)	\$45,000	\$30,000
2008	0.0%	Wastewater-Sludge Digester	2029	350,000	0	(17,500)	332,500	35,000
2011	0.0%	Wastewater-Primary Clarifier	2028	396,944	0	(11,026)	385,918	22,052
2014	0.0%	Wastewater-Grandview Avenue	2035	580,207	0	(14,505)	565,702	29,010
2018	0.0%	Water - Sunrise Reservoir Water Main	2050	1,395,301	0	0	1,395,301	46,510
Total Ohio Public Works Commission Loans				2,782,452	0	(58,031)	2,724,421	162,572
Ohio Water Development Authority Loans:*								
2007	3.25%	Water MIEX Installation	2028	1,786,707	0	(98,680)	1,688,027	202,198
2008	4.11%	Wastewater-Sludge Digester	2038	375,945	0	(6,882)	369,063	14,191
2009	3.43%	Wastewater-Lawson Run	2031	1,082,248	0	(40,910)	1,041,338	83,939
2010	0.00%	Water-High Service Pumps	2029	21,391	0	(1,126)	20,265	2,251
2010	4.39%	Wastewater-Collection System	2016	581,859	0	(8,650)	573,209	17,657
2012	2.00%	Water-Filtration Filter Rebuild	2032	1,125,491	0	(41,726)	1,083,765	84,708
2014	3.30%	Wastewater-Sewer Improvements	2044	3,383,345	0	(42,812)	3,340,533	87,754
2016	2.90%	Water-Sunrise Reservoir	2039	1,131,197	0	(21,777)	1,109,420	44,506
Total Ohio Water Development Authority Loans				9,488,183	0	(262,563)	9,225,620	537,204
Compensated Absences				56,445	239,286	(97,439)	198,292	145,407
Capital Lease - Enterprise Funds				0	385,048	(99,340)	285,708	93,537
Total Business-Type Long-Term Debt				\$12,327,080	\$624,334	(\$517,373)	\$12,434,041	\$938,720
Governmental Activities:								
General Obligation Bond								
2016	2.52%	Refunding General Obligation Bond-Police and Fireman's Disability/Pension	2025	\$785,000	\$0	(\$120,000)	\$665,000	\$125,000
Compensated Absences				758,164	937,074	(398,188)	1,297,050	573,970
Capital Lease Payable				483,425	0	(232,098)	251,327	123,163
Total Governmental Activities				\$2,026,589	\$937,074	(\$750,286)	\$2,213,377	\$822,133

* The Ohio Public Works Commission Loans and Ohio Water Development Loans are direct borrowings.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

				Original Issue
Business-Type Activities				
Ohio Public Works Commission Loans (OPWC):				
0.00%	Wastewater Improvement	2001-2021		\$600,000
0.00%	Wastewater-Sludge Digester	2008-2029		700,000
0.00%	Wastewater-Primary Clarifier	2011-2028		441,049
0.00%	Wastewater-Grandview Avenue	2014-2035		580,207
0.00%	Water - Sunrise Reservoir Water Main	2018-2050		1,395,301
	Total OPWC Loans			<u>\$3,716,557</u>
Ohio Water Development Authority Loans (OWDA):				
3.25%	Water MIEX Installation	2007-2028		\$3,734,915
4.11%	Wastewater-Sludge Digester	2008-2038		501,078
3.43%	Wastewater-Lawson Run	2009-2031		1,711,234
0.00%	Water-High Service Pumps	2010-2029		45,034
4.39%	Wastewater-Collection System	2010-2016		676,977
2.00%	Water Filtration Filter Rebuild	2012-2032		1,739,606
3.30%	Wastewater-Sewer Improvements	2014-2045		3,738,695
2.90%	Water-Sunrise Reservoir Improvements	2016-2039		1,152,663
	Total OWDA Loans			<u>\$13,300,202</u>
Governmental Activities Long-Term Debt				
General Obligation Bonds:				
	Police and Fireman's Disability and Pension			
2.52%	Refunding	2016-2025		\$1,250,000
	Total General Obligation Bonds			<u>\$1,250,000</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2020**

NOTE 12 - 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, 2020 follows:

Business-Type Activities:				
Years	OPWC Loans		OWDA Loan	
	Principal	Interest	Principal	Interest
2021	\$162,572	\$0	\$537,204	\$272,587
2022	147,573	0	553,731	256,949
2023	132,573	0	570,783	240,816
2024	132,573	0	588,377	224,172
2025	132,573	0	606,531	207,001
2026-2030	645,362	0	2,663,914	777,231
2031-2035	487,863	0	1,417,740	480,192
2036-2040	418,232	0	1,274,651	270,855
2041-2045	232,550	0	1,012,689	90,031
2046-2050	232,550	0	0	0
Totals	<u>\$2,724,421</u>	<u>\$0</u>	<u>\$9,225,620</u>	<u>\$2,819,834</u>

Governmental Activities:		
Years	General Obligation Bonds	
	Principal	Interest
2021	\$125,000	\$16,758
2022	130,000	13,608
2023	135,000	10,332
2024	135,000	6,930
2025	140,000	3,528
Totals	<u>\$665,000</u>	<u>\$51,156</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 13 - CAPITALIZED LEASES

The City leases a fire pumper truck under a capital lease. The cost of the vehicle obtained under the capital leases is \$594,698. The original cost of the vehicle and the related liability are reported on the Government – wide Statement of Net Position. The City also leases a vactor truck under a capital lease. The cost of the truck obtained under the lease is \$385,048. The cost and related liability are reported in the Sewer Fund.

The following is a schedule of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 2020.

Year Ending December 31,	Governmental Activities	Business-Type Activities
2021	\$133,367	\$99,340
2022	133,367	99,340
2023	0	99,340
Minimum Lease Payments	266,734	298,020
Less amount representing interest at the City's incremental borrowing rate of interest	(15,407)	(12,312)
Present value of minimum lease payments	<u>\$251,327</u>	<u>\$285,708</u>

NOTE 14 - INSURANCE AND RISK MANAGEMENT

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 14 - INSURANCE AND RISK MANAGEMENT (Continued)

The liability for unpaid claims costs of \$68,718 reported in the fund at December 31, 2020 is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability is based on an estimate provided by the third party administrator.

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2018	\$69,692	\$505,842	(\$506,562)	\$68,972
2019	\$68,972	\$321,736	(\$320,990)	\$69,718

NOTE 15 - CONTINGENCIES

A. Litigation

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

B. Federal and State Grants

For the period January 1, 2020 to December 31, 2020, the City received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. However, amounts are undeterminable at this time.

C. Asset Retirement Obligations

GASB Statement No. 83 "*Certain Asset Retirement Obligations*" establishes criteria for determining the recognition of a liability for an Asset Retirement Obligation (ARO). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Recognition of the ARO occurs when the liability is both incurred and reasonably estimable. An ARO is incurred based on external laws, regulations, or contracts. The City has not incurred a legally liability nor is it expected to incur one.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2020***

NOTE 16 – SIGNIFICANT COMMITMENTS

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

Governmental Funds:	
General Fund	\$26,000
Capital Improvement Fund	674,097
Other Governmental Funds	<u>159,240</u>
Total Governmental Funds	859,337
Enterprise Funds:	
Water Fund	242,292
Sewer Fund	179,987
Sanitation Fund	<u>60,000</u>
Total Enterprise Funds	<u>482,279</u>
Total	<u><u>\$1,341,616</u></u>

NOTE 17 – FINANCIAL CONDITION

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

NOTE 18 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. In addition, the impact of the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PORTSMOUTH, OHIO

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

Year	2014	2015	2016
City's proportion of the net pension liability	0.055479%	0.055479%	0.053581%
City's proportionate share of the net pension liability	\$6,540,251	\$6,691,387	\$9,280,905
City's covered payroll	\$6,774,262	\$6,801,733	\$6,668,708
City's proportionate share of the net pension liability as a percentage of its covered payroll	96.55%	98.38%	139.17%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

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

Ohio Police and Fire Pension Fund

Year	2014	2015	2016
City's proportion of the net pension liability	0.1956245%	0.1956245%	0.195448%
City's proportionate share of the net pension liability	\$9,527,527	\$10,134,165	\$12,573,277
City's covered payroll	\$3,981,831	\$3,799,457	\$3,949,444
City's proportionate share of the net pension liability as a percentage of its covered payroll	239.28%	266.73%	318.36%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

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

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2014 is not available.

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

CITY OF PORTSMOUTH, OHIO

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
0.051062%	0.050855%	0.056051%	0.054956%
\$11,595,312	\$7,978,164	\$15,351,233	\$10,862,426
\$6,627,308	\$6,586,669	\$7,593,536	\$7,743,143
174.96%	121.13%	202.16%	140.28%
77.25%	84.66%	74.70%	82.17%
<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
0.229788%	0.191289%	0.214478%	0.201963%
\$14,554,541	\$11,740,270	\$17,507,072	\$13,605,320
\$4,729,486	\$4,158,486	\$4,802,572	\$4,753,888
307.74%	282.32%	364.54%	286.19%
68.36%	70.91%	63.07%	69.89%

CITY OF PORTSMOUTH, OHIO

**Schedule of City Pension Contributions
Last Eight Years**

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 68 in 2015.

CITY OF PORTSMOUTH, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$795,277	\$856,267	\$1,063,095	\$1,084,040	\$1,062,828
<u>795,277</u>	<u>856,267</u>	<u>1,063,095</u>	<u>1,084,040</u>	<u>1,062,828</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,627,308	\$6,586,669	\$7,593,536	\$7,743,143	\$7,591,629
12.00%	13.00%	14.00%	14.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$1,031,501	\$884,510	\$1,026,790	\$1,013,529	\$1,143,192
<u>1,031,501</u>	<u>884,510</u>	<u>1,026,790</u>	<u>1,013,529</u>	<u>1,143,192</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,729,486	\$4,158,486	\$4,802,572	\$4,753,888	\$5,367,099
21.81%	21.27%	21.38%	21.32%	21.30%



CITY OF PORTSMOUTH, OHIO

***Schedule of City's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability
Last Four Years***

Ohio Public Employees Retirement System

Year	2017	2018	2019	2020
City's proportion of the net OPEB liability	0.048390%	0.048300%	0.053168%	0.052220%
City's proportionate share of the net OPEB liability	\$4,887,554	\$5,245,024	\$6,931,852	\$7,212,939
City's covered payroll	\$6,627,308	\$6,586,669	\$7,593,536	\$7,743,143
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	73.75%	79.63%	91.29%	93.15%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%	46.33%	47.80%

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

Ohio Police and Fire Pension Fund

Year	2017	2018	2019	2020
City's proportion of the net OPEB liability	0.229788%	0.191289%	0.214478%	0.201963%
City's proportionate share of the net OPEB liability	\$10,907,520	\$10,838,167	\$1,953,151	\$1,994,938
City's covered payroll	\$4,729,486	\$4,158,486	\$4,802,572	\$4,753,888
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	230.63%	260.63%	40.67%	41.96%
Plan fiduciary net position as a percentage of the total OPEB liability	15.96%	14.13%	46.57%	47.08%

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

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2017 is not available.

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

CITY OF PORTSMOUTH, OHIO

**Schedule of City's Other Postemployment Benefit (OPEB) Contributions
Last Eight Years**

Ohio Public Employees Retirement System

Year	2013	2014	2015
Contractually required contribution	\$67,743	\$136,035	\$133,374
Contributions in relation to the contractually required contribution	67,743	136,035	133,374
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$6,774,262	\$6,801,733	\$6,668,708
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%

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

Ohio Police and Fire Pension Fund

Year	2013	2014	2015
Contractually required contribution	\$143,238	\$18,997	\$19,747
Contributions in relation to the contractually required contribution	143,238	18,997	19,747
Contribution deficiency (excess)	\$0	\$0	\$0
City's covered payroll	\$3,981,831	\$3,799,457	\$3,949,444
Contributions as a percentage of covered payroll	3.60%	0.50%	0.50%

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

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2013 is not available. Additional years' information will be displayed as it becomes available.

CITY OF PORTSMOUTH, OHIO

2016	2017	2018	2019	2020
\$132,546	\$65,866	\$0	\$0	\$0
132,546	65,866	0	0	0
\$0	\$0	\$0	\$0	\$0
\$6,627,308	\$6,586,669	\$7,593,536	\$7,743,143	\$7,591,629
2.00%	1.00%	0.00%	0.00%	0.00%

2016	2017	2018	2019	2020
\$23,645	\$20,796	\$24,011	\$23,769	\$26,835
23,645	20,796	24,011	23,769	26,835
\$0	\$0	\$0	\$0	\$0
\$4,729,486	\$4,158,486	\$4,802,572	\$4,753,888	\$5,367,099
0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2020***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2020.

Changes in assumptions:

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%
- Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality Table.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2019: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 7.50% to 7.20%

2020: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 3.00% to 1.4% for post 1/7/13 retirees.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2020.

Changes in assumptions:

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2020***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND (Continued)

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

2019-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

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***Notes to the Required Supplementary Information
For the Year Ended December 31, 2020***

NET OPEB LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2020.

Changes in assumptions:

For 2018, the single discount rate changed from 4.23% to 3.85%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.85% to 3.96%.
- Reduction in actuarial assumed rate of return from 6.50% to 6.00%
- Change in health care cost trend rate from 7.5% to 10%
- The Municipal Bond Rate changed from 3.31% to 3.71%

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.96% to 3.16%.
- Change in health care cost trend rate from 10.0% to 10.5%
- The Municipal Bond Rate changed from 3.71% to 2.75%

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

2019: The retiree health care model and the current self-insured health care plan were replaced with a stipend-based health care model.

2020: There were no changes in benefit terms.

Changes in assumptions:

2018: The single discount rate changed from 3.79% to 3.24%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.24% to 4.66%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 4.66% to 3.56%.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

*THE FOLLOWING COMBINING STATEMENTS AND SCHEDULES
INCLUDE THE MAJOR AND NONMAJOR GOVERNMENTAL 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 Subsidy Fund

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

Municipal Court Special Projects Fund

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

Municipal Court Probation Services Fund

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

Municipal Court Programs Fund

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

Justice Reinvestment and Incentive Grant Fund

To account for grant monies to the probation department to adopt policies and practices for reducing the number of offenders on probation supervision who violate the conditions of the supervision.

Municipal Court Computer Fund

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

Municipal Court Security Fund

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

Fire Donation Fund

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

(Continued)

Special Revenue Funds

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.

Police Donation Fund

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

Justice Assistance Grant (JAG) Grants Fund

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

Community Oriented Policing Services (COPS) Fast Grant Fund

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

Indigent Drivers Alcohol Treatment Fund

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

Indigent Drivers Alcohol Monitoring Fund

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

Enforcement and Education Fund

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

Mandatory Fines Fund

To account for mandatory fines for drug offenses.

Law Enforcement Fund

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

Federal Forfeitures Fund

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

(Continued)

Special Revenue Funds

Ohio Peace Officers Training (OPOTA) Fund

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

Community Oriented Policing Services (COPS)

Hiring Recovery Program Grant Fund

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

Rural Law Enforcement Assistance Grant Fund

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

Street Construction, Maintenance and Repair Fund

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

State Highway Improvement Fund

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

Community Development Fund

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

Tourism and Cultural Development Fund

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

F.E.M.A. Grant Fund

To account for Federal Emergency Management Agency funds received as reimbursement for flood damage. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Flood Defense Fund

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

Coronavirus Relief Fund

This fund is used to account for Coronavirus Relief funds received through passage of the CARES Act. These funds can be used for necessary expenditures incurred due to the Covid-19 public health emergency.

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.

(Continued)

Special Revenue Funds

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

Performance Bond Fund

To account for funds placed in escrow for various construction projects. (This fund is not part of the City's appropriated budget; therefore no budgetary schedule is presented.)

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, 2020**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 2,185,625	\$ 0	\$ 2,185,625
Receivables (net of allowance for doubtful accounts):			
Taxes	395,614	0	395,614
Intergovernmental	658,739	0	658,739
Due from Other Funds	24,453	0	24,453
Inventory of Supplies, at Cost	194	0	194
Prepaid Items	15,707	0	15,707
Restricted Assets:			
Cash and Cash Equivalents	0	211,740	211,740
Total Assets	\$ 3,547,608	\$ 211,740	\$ 3,759,348
Liabilities:			
Accounts Payable	\$ 12,302	\$ 0	\$ 12,302
Accrued Wages and Benefits Payable	6,936	0	6,936
Intergovernmental Payable	14,714	0	14,714
Due to Others	25,147	0	25,147
Total Liabilities	59,099	0	59,099
Deferred Inflows of Resources			
Property Tax	302,000	0	302,000
Unavailable Revenue	659,037	0	659,037
Total Deferred Inflows of Resources	961,037	0	961,037
Fund Balances:			
Nonspendable	15,901	26,843	42,744
Restricted	2,500,882	184,897	2,685,779
Committed	10,689	0	10,689
Total Fund Balances	2,527,472	211,740	2,739,212
Total Liabilities, Deferred Inflows of Resources, and Funds Balances	\$ 3,547,608	\$ 211,740	\$ 3,759,348

CITY OF PORTSMOUTH, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2020**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ 406,892	\$ 0	\$ 406,892
Intergovernmental Revenues	4,449,337	0	4,449,337
Charges for Services	44,475	600	45,075
Investment Earnings	5	0	5
Fines and Forfeitures	540,199	0	540,199
All Other Revenue	90,847	0	90,847
Total Revenue	5,531,755	600	5,532,355
Expenditures:			
Current:			
Security of Persons and Property	2,259,340	0	2,259,340
Leisure Time Activities	48,392	0	48,392
Community Environment	421,641	0	421,641
Transportation	1,015,881	0	1,015,881
General Government	1,910,484	0	1,910,484
Total Expenditures	5,655,738	0	5,655,738
Excess (Deficiency) of Revenues Over Expenditures	(123,983)	600	(123,383)
Other Financing Sources (Uses):			
Transfers In	145,000	0	145,000
Total Other Financing Sources (Uses)	145,000	0	145,000
Net Change in Fund Balances	21,017	600	21,617
Fund Balances at Beginning of Year	2,506,521	211,140	2,717,661
Decrease in Inventory	(66)	0	(66)
Fund Balances End of Year	\$ 2,527,472	\$ 211,740	\$ 2,739,212

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020**

	Municipal Court Grants	Municipal Court Special Project	Municipal Court Probation Services	Municipal Court Programs
Assets:				
Cash and Cash Equivalents	\$ 50,052	\$ 139,201	\$ 79,481	\$ 77,066
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	0
Intergovernmental	75,552	0	0	0
Due from Other Funds	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	1,399	699	2,903	562
Total Assets	\$ 127,003	\$ 206,112	\$ 258,973	\$ 77,628
Liabilities:				
Accounts Payable	\$ 0	\$ 5,034	\$ 0	\$ 4,481
Accrued Wages and Benefits Payable	0	92	0	0
Intergovernmental Payable	1,731	690	3,515	286
Due to Others	0	0	0	0
Total Liabilities	1,731	5,816	3,515	4,767
Deferred Inflows of Resources:				
Property Tax	0	0	0	0
Unavailable Revenue	37,776	45,812	122,182	0
Total Deferred Inflows of Resources	37,776	45,812	122,182	0
Fund Balances:				
Nonspendable	1,399	699	2,903	562
Restricted	86,097	153,785	130,373	72,299
Committed	0	0	0	0
Total Fund Balances	87,496	154,484	133,276	72,861
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 127,003	\$ 206,112	\$ 258,973	\$ 77,628

CITY OF PORTSMOUTH, OHIO

<u>Justice Reinvestment and Incentive Grant</u>	<u>Municipal Court Computer</u>	<u>Municipal Court Security</u>	<u>Fire Donation</u>	<u>Fire Pension</u>	<u>Police Pension</u>
\$ 15,266	\$ 33,356	\$ 2,481	\$ 1,913	\$ 0	\$ 0
0	0	0	0	76,858	76,858
17,698	0	0	0	3,849	3,849
0	0	0	0	0	0
0	0	0	0	0	0
477	0	1,537	0	0	0
<u>\$ 33,441</u>	<u>\$ 48,640</u>	<u>\$ 4,018</u>	<u>\$ 1,913</u>	<u>\$ 80,707</u>	<u>\$ 80,707</u>
\$ 0	\$ 1,125	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
610	0	1,931	0	0	0
0	0	0	0	0	0
<u>610</u>	<u>1,125</u>	<u>1,931</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	62,000	62,000
8,849	10,575	0	0	18,707	18,707
<u>8,849</u>	<u>10,575</u>	<u>0</u>	<u>0</u>	<u>80,707</u>	<u>80,707</u>
477	0	1,537	0	0	0
23,505	36,940	550	1,913	0	0
0	0	0	0	0	0
<u>23,982</u>	<u>36,940</u>	<u>2,087</u>	<u>1,913</u>	<u>0</u>	<u>0</u>
<u>\$ 33,441</u>	<u>\$ 48,640</u>	<u>\$ 4,018</u>	<u>\$ 1,913</u>	<u>\$ 80,707</u>	<u>\$ 80,707</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020**

	D.A.R.E. State Grant	Police Donation	JAG Grants	COPS Fast Grant
Assets:				
Cash and Cash Equivalents	\$ 52,533	\$ 3,369	\$ 22,468	\$ 298,982
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	0
Intergovernmental	0	0	0	0
Due from Other Funds	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$ 52,533	\$ 3,369	\$ 22,468	\$ 298,982
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Due to Others	0	0	0	0
Total Liabilities	0	0	0	0
Deferred Inflows of Resources:				
Property Tax	0	0	0	0
Unavailable Revenue	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	52,533	3,369	22,468	298,982
Committed	0	0	0	0
Total Fund Balances	52,533	3,369	22,468	298,982
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 52,533	\$ 3,369	\$ 22,468	\$ 298,982

CITY OF PORTSMOUTH, OHIO

Indigent Drivers Alcohol Treatment	Indigent Drivers Alcohol Monitoring	Enforcement and Education	Mandatory Fines	Law Enforcement	Federal Forfeitures
\$ 38,860	\$ 54,711	\$ 1,070	\$ 14,327	\$ 61,746	\$ 82,142
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>\$ 45,125</u>	<u>\$ 57,637</u>	<u>\$ 1,070</u>	<u>\$ 14,327</u>	<u>\$ 61,746</u>	<u>\$ 82,142</u>
\$ 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
4,335	2,024	0	0	0	0
<u>4,335</u>	<u>2,024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
40,790	55,613	1,070	14,327	61,746	82,142
0	0	0	0	0	0
<u>40,790</u>	<u>55,613</u>	<u>1,070</u>	<u>14,327</u>	<u>61,746</u>	<u>82,142</u>
<u>\$ 45,125</u>	<u>\$ 57,637</u>	<u>\$ 1,070</u>	<u>\$ 14,327</u>	<u>\$ 61,746</u>	<u>\$ 82,142</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020**

	OPOTA Fund	COPS - Hiring Recovery Program Grant	Rural Law Enforcement Assistance Grant	Street Construction, Maintenance and Repair
Assets:				
Cash and Cash Equivalents	\$ 28,480	\$ 14,805	\$ 13,342	\$ 544,699
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	0
Intergovernmental	0	0	0	490,269
Due from Other Funds	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	194
Prepaid Items	0	0	0	7,393
Total Assets	\$ 28,480	\$ 14,805	\$ 13,342	\$ 1,042,555
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 1,458
Accrued Wages and Benefits Payable	0	0	0	6,844
Intergovernmental Payable	0	0	0	5,951
Due to Others	0	0	0	0
Total Liabilities	0	0	0	14,253
Deferred Inflows of Resources:				
Property Tax	0	0	0	0
Unavailable Revenue	0	0	0	315,000
Total Deferred Inflows of Resources	0	0	0	315,000
Fund Balances:				
Nonspendable	0	0	0	7,587
Restricted	28,480	14,805	13,342	705,715
Committed	0	0	0	0
Total Fund Balances	28,480	14,805	13,342	713,302
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 28,480	\$ 14,805	\$ 13,342	\$ 1,042,555

CITY OF PORTSMOUTH, OHIO

State Highway Improvement	Community Development	Tourism and Cultural Development	Flood Defense	Coronavirus Relief	Council Trust for Recreation
\$ 272,403	\$ 76,207	\$ 15,436	\$ 68,689	\$ 46,331	\$ 10,893
0	0	20,826	221,072	0	0
32,477	24,047	0	10,998	0	0
0	24,453	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	737
<u>\$ 304,880</u>	<u>\$ 124,707</u>	<u>\$ 36,262</u>	<u>\$ 300,759</u>	<u>\$ 46,331</u>	<u>\$ 11,630</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 204
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>204</u>
0	0	0	178,000	0	0
21,000	0	0	54,070	0	0
<u>21,000</u>	<u>0</u>	<u>0</u>	<u>232,070</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	737
283,880	124,707	36,262	68,689	46,331	0
0	0	0	0	0	10,689
<u>283,880</u>	<u>124,707</u>	<u>36,262</u>	<u>68,689</u>	<u>46,331</u>	<u>11,426</u>
<u>\$ 304,880</u>	<u>\$ 124,707</u>	<u>\$ 36,262</u>	<u>\$ 300,759</u>	<u>\$ 46,331</u>	<u>\$ 11,630</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020**

	Playground Trust	Performance Bonds	Total Nonmajor Special Revenue Funds
Assets:			
Cash and Cash Equivalents	\$ 33,060	\$ 32,256	\$ 2,185,625
Receivables (net of allowance for doubtful accounts):			
Taxes	0	0	395,614
Intergovernmental	0	0	658,739
Due from Other Funds	0	0	24,453
Inventory of Supplies, at Cost	0	0	194
Prepaid Items	0	0	15,707
Total Assets	<u>\$ 33,060</u>	<u>\$ 32,256</u>	<u>\$ 3,547,608</u>
Liabilities:			
Accounts Payable	\$ 0	\$ 0	\$ 12,302
Accrued Wages and Benefits Payable	0	0	6,936
Intergovernmental Payable	0	0	14,714
Due to Others	0	25,147	25,147
Total Liabilities	<u>0</u>	<u>25,147</u>	<u>59,099</u>
Deferred Inflows of Resources:			
Property Tax	0	0	302,000
Unavailable Revenue	0	0	659,037
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>961,037</u>
Fund Balances:			
Nonspendable	0	0	15,901
Restricted	33,060	7,109	2,500,882
Committed	0	0	10,689
Total Fund Balances	<u>33,060</u>	<u>7,109</u>	<u>2,527,472</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 33,060</u>	<u>\$ 32,256</u>	<u>\$ 3,547,608</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, 2020**

	Municipal Court Grants	Municipal Court Special Project	Municipal Court Probation Services	Municipal Court Programs
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	151,104	0	0	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	82,194	178,622	100,253
All Other Revenue	0	0	3,650	0
Total Revenue	151,104	82,194	182,272	100,253
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	153,834	110,078	313,023	76,888
Total Expenditures	153,834	110,078	313,023	76,888
Excess (Deficiency) of Revenues Over Expenditures	(2,730)	(27,884)	(130,751)	23,365
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(2,730)	(27,884)	(130,751)	23,365
Fund Balances at Beginning of Year	90,226	182,368	264,027	49,496
Decrease in Inventory	0	0	0	0
Fund Balances End of Year	\$ 87,496	\$ 154,484	\$ 133,276	\$ 72,861

(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, 2020**

	Justice Reinvestment and Incentive Grant	Municipal Court Computer	Municipal Court Security	Fire Donation
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	35,396	0	0	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	22,331	39,075	0
All Other Revenue	0	0	0	6,000
Total Revenue	35,396	22,331	39,075	6,000
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	4,587
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	37,961	24,815	182,401	0
Total Expenditures	37,961	24,815	182,401	4,587
Excess (Deficiency) of Revenues Over Expenditures	(2,565)	(2,484)	(143,326)	1,413
Other Financing Sources (Uses):				
Transfers In	0	0	145,000	0
Total Other Financing Sources (Uses)	0	0	145,000	0
Net Change in Fund Balances	(2,565)	(2,484)	1,674	1,413
Fund Balances at Beginning of Year	26,547	39,424	413	500
Decrease in Inventory	0	0	0	0
Fund Balances End of Year	\$ 23,982	\$ 36,940	\$ 2,087	\$ 1,913

CITY OF PORTSMOUTH, OHIO

<u>Fire Pension</u>	<u>Police Pension</u>	<u>D.A.R.E. State Grant</u>	<u>Police Donation</u>	<u>JAG Grants</u>	<u>COPS Fast Grant</u>
\$ 65,081	\$ 65,081	\$ 0	\$ 0	\$ 0	\$ 0
7,844	7,844	0	0	42,768	70,058
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	30	0	0
<u>72,925</u>	<u>72,925</u>	<u>0</u>	<u>30</u>	<u>42,768</u>	<u>70,058</u>
72,925	72,925	0	310	22,665	45,405
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>72,925</u>	<u>72,925</u>	<u>0</u>	<u>310</u>	<u>22,665</u>	<u>45,405</u>
0	0	0	(280)	20,103	24,653
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	(280)	20,103	24,653
0	0	52,533	3,649	2,365	274,329
0	0	0	0	0	0
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 52,533</u>	<u>\$ 3,369</u>	<u>\$ 22,468</u>	<u>\$ 298,982</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, 2020**

	Indigent Drivers Alcohol Treatment	Indigent Drivers Alcohol Monitoring	Enforcement and Education	Mandatory Fines
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	8,504	71,946	276	0
All Other Revenue	0	0	0	0
Total Revenue	8,504	71,946	276	0
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	364
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	60,000	21,094	345	0
Total Expenditures	60,000	21,094	345	364
Excess (Deficiency) of Revenues Over Expenditures	(51,496)	50,852	(69)	(364)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(51,496)	50,852	(69)	(364)
Fund Balances at Beginning of Year	92,286	4,761	1,139	14,691
Decrease in Inventory	0	0	0	0
Fund Balances End of Year	\$ 40,790	\$ 55,613	\$ 1,070	\$ 14,327

CITY OF PORTSMOUTH, OHIO

Law Enforcement	Federal Forfeitures	OPOTA Fund	COPS Hiring Recovery Program Grant	Rural Law Enforcement Assistance Grant	Street Construction, Maintenance and Repair
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	1,092,366
0	0	0	0	0	0
0	0	0	0	0	0
36,998	0	0	0	0	0
2,150	0	0	0	0	101
<u>39,148</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,092,467</u>
33,197	29,180	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	1,015,881
0	0	0	0	0	0
<u>33,197</u>	<u>29,180</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,015,881</u>
5,951	(29,180)	0	0	0	76,586
0	0	0	0	0	0
0	0	0	0	0	0
5,951	(29,180)	0	0	0	76,586
55,795	111,322	28,480	14,805	13,342	636,782
0	0	0	0	0	(66)
<u>\$ 61,746</u>	<u>\$ 82,142</u>	<u>\$ 28,480</u>	<u>\$ 14,805</u>	<u>\$ 13,342</u>	<u>\$ 713,302</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, 2020**

	State Highway Improvement	Community Development	Tourism and Cultural Development	F.E.M.A. Grant
Revenues:				
Taxes	\$ 0	\$ 0	\$ 82,572	\$ 0
Intergovernmental Revenues	70,802	260,914	0	0
Charges for Services	0	0	0	0
Investment Earnings	0	5	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	15,143	0	0
Total Revenue	70,802	276,062	82,572	0
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	272,084	92,893	0
Transportation	0	0	0	0
General Government	0	0	0	2,959
Total Expenditures	0	272,084	92,893	2,959
Excess (Deficiency) of Revenues Over Expenditures	70,802	3,978	(10,321)	(2,959)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	70,802	3,978	(10,321)	(2,959)
Fund Balances at Beginning of Year	213,078	120,729	46,583	2,959
Decrease in Inventory	0	0	0	0
Fund Balances End of Year	\$ 283,880	\$ 124,707	\$ 36,262	\$ 0

CITY OF PORTSMOUTH, OHIO

Flood Defense	Coronavirus Relief	Council Trust for Recreation	Playground Trust	Performance Bonds	Total Nonmajor Special Revenue Funds
\$ 194,158	\$ 0	\$ 0	\$ 0	\$ 0	\$ 406,892
717,171	1,993,070	0	0	0	4,449,337
0	0	44,475	0	0	44,475
0	0	0	0	0	5
0	0	0	0	0	540,199
0	0	0	0	63,773	90,847
<u>911,329</u>	<u>1,993,070</u>	<u>44,475</u>	<u>0</u>	<u>63,773</u>	<u>5,531,755</u>
958,129	1,019,653	0	0	0	2,259,340
0	0	48,392	0	0	48,392
0	0	0	0	56,664	421,641
0	0	0	0	0	1,015,881
0	927,086	0	0	0	1,910,484
<u>958,129</u>	<u>1,946,739</u>	<u>48,392</u>	<u>0</u>	<u>56,664</u>	<u>5,655,738</u>
(46,800)	46,331	(3,917)	0	7,109	(123,983)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>145,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>145,000</u>
(46,800)	46,331	(3,917)	0	7,109	21,017
115,489	0	15,343	33,060	0	2,506,521
0	0	0	0	0	(66)
<u>\$ 68,689</u>	<u>\$ 46,331</u>	<u>\$ 11,426</u>	<u>\$ 33,060</u>	<u>\$ 7,109</u>	<u>\$ 2,527,472</u>

CITY OF PORTSMOUTH, OHIO

***Combining Balance Sheet
Nonmajor Permanent Funds
December 31, 2020***

	<u>Cemetery Trust</u>	<u>Mausoleum Trust</u>	<u>Total Nonmajor Permanent Funds</u>
Assets:			
Restricted Assets:			
Cash and Cash Equivalents	\$ 206,888	\$ 4,852	\$ 211,740
Total Assets	<u>\$ 206,888</u>	<u>\$ 4,852</u>	<u>\$ 211,740</u>
Fund Balances:			
Nonspendable	22,339	4,504	26,843
Restricted	184,549	348	184,897
Total Fund Balances	<u>206,888</u>	<u>4,852</u>	<u>211,740</u>
Total Liabilities and Fund Balances	<u>\$ 206,888</u>	<u>\$ 4,852</u>	<u>\$ 211,740</u>

CITY OF PORTSMOUTH, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Permanent Funds
For the Year Ended December 31, 2020***

	Cemetery Trust	Mausoleum Trust	Total Nonmajor Permanent Funds
Revenues:			
Charges for Services	\$ 600	\$ 0	\$ 600
Total Revenue	<u>600</u>	<u>0</u>	<u>600</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	600	0	600
Fund Balances at Beginning of Year	206,288	4,852	211,140
Fund Balances End of Year	<u>\$ 206,888</u>	<u>\$ 4,852</u>	<u>\$ 211,740</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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 14,445,000	\$ 14,965,000	\$ 14,968,478	\$ 3,478
Intergovernmental Revenues	1,361,000	1,017,000	1,018,173	1,173
Charges for Services	743,000	723,000	734,083	11,083
Licenses and Permits	170,000	284,000	284,761	761
Investment Earnings	0	3,000	2,803	(197)
Fines and Forfeitures	532,000	457,000	457,413	413
All Other Revenues	89,000	1,289,000	1,291,305	2,305
Total Revenues	17,340,000	18,738,000	18,757,016	19,016
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	4,691,568	4,171,449	4,171,449	0
Materials and Supplies	218,988	214,563	214,563	0
Contractual Services	354,850	305,124	305,124	0
Capital Outlay	1,500	1,456	1,456	0
Total Police	5,266,906	4,692,592	4,692,592	0
Fire:				
Personal Services	4,450,636	3,949,541	3,949,541	0
Materials and Supplies	145,590	147,705	147,705	0
Contractual Services	200,548	248,218	248,218	0
Capital Outlay	11,000	5,503	5,503	0
Total Fire	4,807,774	4,350,967	4,350,967	0
Police Dispatch:				
Personal Services	630,825	565,673	565,673	0
Contractual Services	20,500	345	345	0
Total Police Dispatch	651,325	566,018	566,018	0
Street Lighting:				
Contractual Services	210,000	199,191	199,191	0
Total Street Lighting	210,000	199,191	199,191	0
Total Security of Persons and Property	10,936,005	9,808,768	9,808,768	0

(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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:				
Building Inspection:				
Personal Services	156,279	156,568	156,568	0
Materials and Supplies	2,100	106	106	0
Contractual Services	53,600	79,479	79,479	0
Total Building Inspection	211,979	236,153	236,153	0
Administration:				
Personal Services	91,388	51,624	51,624	0
Materials and Supplies	1,350	578	578	0
Contractual Services	3,600	1,479	1,479	0
Total Administration	96,338	53,681	53,681	0
Total Community Environment	308,317	289,834	289,834	0
Transportation:				
Traffic Lights:				
Personal Services	266,415	335,857	335,857	0
Materials and Supplies	25,700	30,980	30,980	0
Contractual Services	27,250	24,335	24,335	0
Total Traffic Lights	319,365	391,172	391,172	0
Cemetery Grounds:				
Personal Services	209,801	268,680	268,680	0
Materials and Supplies	11,050	9,292	9,292	0
Contractual Services	10,900	4,888	4,888	0
Capital Outlay	2,000	3,410	3,410	0
Total Cemetery Grounds	233,751	286,270	286,270	0
Recreational Grounds:				
Personal Services	89,103	28,391	28,391	0
Materials and Supplies	3,000	422	422	0
Contractual Services	4,500	2,208	2,208	0
Total Recreational Grounds	96,603	31,021	31,021	0
Total Transportation	649,719	708,463	708,463	0
General Government:				
City Council:				
Personal Services	113,648	84,917	84,917	0
Materials and Supplies	800	362	362	0
Contractual Services	6,550	7,703	7,703	0
Total City Council	120,998	92,982	92,982	0

(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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Executive:				
Personal Services	64,897	63,109	63,109	0
Materials and Supplies	3,000	658	658	0
Contractual Services	13,900	18,561	18,561	0
Total Executive	81,797	82,328	82,328	0
Legal:				
Personal Services	298,786	283,686	283,686	0
Materials and Supplies	4,500	2,164	2,164	0
Contractual Services	7,300	2,593	2,593	0
Total Legal	310,586	288,443	288,443	0
Finance:				
Personal Services	207,188	224,983	224,983	0
Materials and Supplies	4,075	4,521	4,521	0
Contractual Services	47,665	62,851	62,851	0
Capital Outlay	0	988	988	0
Total Finance	258,928	293,343	293,343	0
Civil Service:				
Personal Services	15,805	17,305	17,305	0
Materials and Supplies	250	0	0	0
Contractual Services	15,500	7,514	7,514	0
Total Civil Service	31,555	24,819	24,819	0
Income Tax:				
Personal Services	138,387	136,223	136,223	0
Materials and Supplies	10,600	7,134	7,134	0
Contractual Services	17,495	15,859	15,859	0
Capital Outlay	150	0	0	0
Total Income Tax	166,632	159,216	159,216	0
Engineering:				
Personal Services	104,135	35,002	35,002	0
Materials and Supplies	5,850	2,895	2,895	0
Contractual Services	138,488	94,506	94,506	0
Total Engineering	248,473	132,403	132,403	0

(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, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Service:				
Personal Services	(3,391)	18,670	18,670	0
Materials and Supplies	1,050	1,557	1,557	0
Contractual Services	58,750	51,668	51,668	0
Capital Outlay	500	0	0	0
Total Public Service	56,909	71,895	71,895	0
City Building:				
Personal Services	80,653	77,329	77,329	0
Materials and Supplies	3,500	2,902	2,902	0
Contractual Services	157,000	131,783	131,783	0
Total City Building	241,153	212,014	212,014	0
Drainage Projects:				
Capital Outlay	130,000	13,700	13,700	0
Total Drainage Projects	130,000	13,700	13,700	0
Garage:				
Personal Services	24,636	135,105	135,105	0
Materials and Supplies	229,500	95,300	95,300	0
Contractual Services	25,344	15,756	15,756	0
Capital Outlay	5,000	2,969	2,969	0
Total Garage	284,480	249,130	249,130	0
Economic Development:				
Materials and Supplies	55,000	55,000	55,000	0
Contractual Services	30,000	3,272	3,272	0
Total Economic Development	85,000	58,272	58,272	0
Non-Departmental:				
Personal Services	180,000	0	0	0
Materials and Supplies	5,000	5,341	5,341	0
Contractual Services	1,103,317	935,648	935,648	0
Total Non-Departmental	1,288,317	940,989	940,989	0
Total General Government	3,304,828	2,619,534	2,619,534	0
Total Expenditures	15,198,869	13,426,599	13,426,599	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,141,131	5,311,401	5,330,417	19,016

(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, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers In	100,000	0	0	0
Transfers Out	(2,449,153)	(2,190,152)	(2,190,152)	0
Advances In	1,060,000	1,060,000	1,060,000	0
Advances Out	(400,000)	(550,000)	(550,000)	0
Total Other Financing Sources (Uses)	<u>(1,689,153)</u>	<u>(1,680,152)</u>	<u>(1,680,152)</u>	<u>0</u>
Net Change in Fund Balance	451,978	3,631,249	3,650,265	19,016
Fund Balance at Beginning of Year	5,887,310	5,887,310	5,887,310	0
Prior Year Encumbrances	<u>177,158</u>	<u>177,158</u>	<u>177,158</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,516,446</u>	<u>\$ 9,695,717</u>	<u>\$ 9,714,733</u>	<u>\$ 19,016</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund
For the Year Ended December 31, 2020**

HEALTH DEPARTMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 1,442,000	\$ 2,291,000	\$ 2,226,343	\$ (64,657)
Charges for Services	888,000	1,112,000	1,193,503	81,503
All Other Revenues	151,000	188,000	193,486	5,486
Total Revenues	<u>2,481,000</u>	<u>3,591,000</u>	<u>3,613,332</u>	<u>22,332</u>
Expenditures:				
Public Health and Welfare Services:				
Health Department Operating:				
Personal Services	645,549	594,236	594,236	0
Materials and Supplies	5,250	11,843	11,843	0
Contractual Services	105,583	115,145	115,145	0
Total Health Department Operating	<u>756,382</u>	<u>721,224</u>	<u>721,224</u>	<u>0</u>
Environmental State Grants:				
Personal Services	474,735	469,938	469,938	0
Materials and Supplies	25,737	9,258	9,258	0
Contractual Services	59,725	36,294	36,294	0
Capital Outlay	63,475	23,137	23,137	0
Total Environmental State Grants	<u>623,672</u>	<u>538,627</u>	<u>538,627</u>	<u>0</u>
Safety State Grant:				
Personal Services	34,603	29,568	29,568	0
Materials and Supplies	518	670	670	0
Contractual Services	1,250	227	227	0
Total Safety State Grant	<u>36,371</u>	<u>30,465</u>	<u>30,465</u>	<u>0</u>
Rural AIDS State Grant:				
Personal Services	33,629	27,137	27,137	0
Materials and Supplies	2,000	0	0	0
Contractual Services	5,185	6,141	6,141	0
Total Rural AIDS State Grant	<u>40,814</u>	<u>33,278</u>	<u>33,278</u>	<u>0</u>
Drug Free Communities Grant:				
Personal Services	114,112	102,396	102,396	0
Materials and Supplies	5,000	1,366	1,366	0
Contractual Services	8,031	6,870	6,870	0
Total Drug Free Communities Grant	<u>127,143</u>	<u>110,632</u>	<u>110,632</u>	<u>0</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund
For the Year Ended December 31, 2020***

HEALTH DEPARTMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Injury Prevention Grant:				
Personal Services	83,862	67,792	67,792	0
Materials and Supplies	1,244	166	166	0
Contractual Services	4,414	215	215	0
Total Injury Prevention Grant	89,520	68,173	68,173	0
Family Planning Grant:				
Personal Services	214,945	144,252	144,252	0
Materials and Supplies	55,437	37,439	37,439	0
Contractual Services	12,200	7,259	7,259	0
Total Family Planning Grant	282,582	188,950	188,950	0
Rural Health Opioid Program:				
Personal Services	212,542	105,146	105,146	0
Materials and Supplies	10,126	5,909	5,909	0
Contractual Services	6,914	7,159	7,159	0
Total Rural Health Opioid Program	229,582	118,214	118,214	0
Rural Community Opioid Response Program:				
Personal Services	112,940	50,927	50,927	0
Materials and Supplies	4,500	21,051	21,051	0
Contractual Services	5,500	4,262	4,262	0
Total Rural Community Opioid Response Program	122,940	76,240	76,240	0
Public Health Emergency Preparedness:				
Personal Services	69,988	91,577	91,577	0
Materials and Supplies	9,000	289,028	289,028	0
Contractual Services	7,178	11,025	11,025	0
Capital Outlay	4,000	0	0	0
Total Public Health Emergency Preparedness	90,166	391,630	391,630	0
Federal HIV Prevention Grant:				
Personal Services	154,517	81,999	81,999	0
Materials and Supplies	27,550	65,304	65,304	0
Contractual Services	39,980	1,033	1,033	0
Total Federal HIV Prevention Grant	222,047	148,336	148,336	0

(Continued)

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund
For the Year Ended December 31, 2020***

HEALTH DEPARTMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
State HIV Prevention Grant:				
Personal Services	33,009	83,493	83,493	0
Materials and Supplies	9,831	6,149	6,149	0
Contractual Services	4,000	45	45	0
Total State HIV Prevention Grant	46,840	89,687	89,687	0
Land Reutilization:				
Contractual Services	23,000	1,375	1,375	0
Total Land Reutilization	23,000	1,375	1,375	0
Primary Care:				
Personal Services	122,532	256,293	256,293	0
Materials and Supplies	310,086	851,800	851,800	0
Contractual Services	16,203	10,780	10,780	0
Total Primary Care	448,821	1,118,873	1,118,873	0
Total Expenditures	3,139,880	3,635,704	3,635,704	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(658,880)	(44,704)	(22,372)	22,332
Other Financing Sources (Uses):				
Transfers In	755,000	775,000	774,382	(618)
Advances In	0	545,000	550,000	5,000
Advances Out	0	(1,060,000)	(1,060,000)	0
Total Other Financing Sources (Uses)	755,000	260,000	264,382	4,382
Net Change in Fund Balance	96,120	215,296	242,010	26,714
Fund Balance at Beginning of Year	1,295,458	1,295,458	1,295,458	0
Fund Balance at End of Year	\$ 1,391,578	\$ 1,510,754	\$ 1,537,468	\$ 26,714

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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 130,000	\$ 150,000	\$ 151,854	\$ 1,854
Intergovernmental Revenues	20,000	20,000	18,303	(1,697)
Total Revenues	150,000	170,000	170,157	157
Expenditures:				
Debt Service:				
Principal Retirement	120,000	120,000	120,000	0
Interest and Fiscal Charges	20,000	19,782	19,782	0
Total Expenditures	140,000	139,782	139,782	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,000	30,218	30,375	157
Fund Balance at Beginning of Year	118,040	118,040	118,040	0
Fund Balance at End of Year	\$ 128,040	\$ 148,258	\$ 148,415	\$ 157

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, 2020**

	CAPITAL IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 1,700,000	\$ 1,777,000	\$ 1,773,362	\$ (3,638)
Intergovernmental Revenues	0	303,000	303,047	47
All Other Revenues	0	50,000	50,032	32
Total Revenues	<u>1,700,000</u>	<u>2,130,000</u>	<u>2,126,441</u>	<u>(3,559)</u>
Expenditures:				
Capital Outlay	2,400,363	2,815,102	2,815,102	0
Debt Service:				
Principal Retirement	232,098	232,098	232,098	0
Interest and Fiscal Charges	34,636	34,636	34,636	0
Total Expenditures	<u>2,667,097</u>	<u>3,081,836</u>	<u>3,081,836</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(967,097)	(951,836)	(955,395)	(3,559)
Fund Balance at Beginning of Year	816,102	816,102	816,102	0
Prior Year Encumbrances	946,097	946,097	946,097	0
Fund Balance at End of Year	<u>\$ 795,102</u>	<u>\$ 810,363</u>	<u>\$ 806,804</u>	<u>\$ (3,559)</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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 200,000	\$ 152,000	\$ 151,104	\$ (896)
Total Revenues	<u>200,000</u>	<u>152,000</u>	<u>151,104</u>	<u>(896)</u>
Expenditures:				
General Government:				
Personal Services	<u>151,235</u>	<u>153,769</u>	<u>153,769</u>	<u>0</u>
Total Expenditures	<u>151,235</u>	<u>153,769</u>	<u>153,769</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	48,765	(1,769)	(2,665)	(896)
Fund Balance at Beginning of Year	<u>52,717</u>	<u>52,717</u>	<u>52,717</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 101,482</u>	<u>\$ 50,948</u>	<u>\$ 50,052</u>	<u>\$ (896)</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, 2020**

	MUNICIPAL COURT SUBSIDY FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
All Other Revenues	\$ 0	\$ 30,000	\$ 30,000	\$ 0
Total Revenues	<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Expenditures:				
General Government:				
Personal Services	1,221,395	1,223,589	1,223,589	0
Materials and Supplies	9,500	3,585	3,585	0
Contractual Services	39,875	36,308	36,308	0
Total Expenditures	<u>1,270,770</u>	<u>1,263,482</u>	<u>1,263,482</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,270,770)	(1,233,482)	(1,233,482)	0
Other Financing Sources (Uses):				
Transfers In	1,150,000	1,271,000	1,270,770	(230)
Total Other Financing Sources (Uses)	<u>1,150,000</u>	<u>1,271,000</u>	<u>1,270,770</u>	<u>(230)</u>
Net Change in Fund Balance	(120,770)	37,518	37,288	(230)
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>\$ (120,770)</u>	<u>\$ 37,518</u>	<u>\$ 37,288</u>	<u>\$ (230)</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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 100,000	\$ 90,000	\$ 88,185	\$ (1,815)
Total Revenues	<u>100,000</u>	<u>90,000</u>	<u>88,185</u>	<u>(1,815)</u>
Expenditures:				
General Government:				
Personal Services	60,649	60,195	60,195	0
Materials and Supplies	50,000	26,141	26,141	0
Contractual Services	35,000	25,617	25,617	0
Capital Outlay	4,800	0	0	0
Total Expenditures	<u>150,449</u>	<u>111,953</u>	<u>111,953</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,449)	(21,953)	(23,768)	(1,815)
Fund Balance at Beginning of Year	<u>157,994</u>	<u>157,994</u>	<u>157,994</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 107,545</u>	<u>\$ 136,041</u>	<u>\$ 134,226</u>	<u>\$ (1,815)</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, 2020**

MUNICIPAL COURT PROBATION SERVICES FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 100,000	\$ 188,000	\$ 183,837	\$ (4,163)
All Other Revenues	0	0	3,650	3,650
Total Revenues	100,000	188,000	187,487	(513)
Expenditures:				
General Government:				
Personal Services	439,238	299,925	299,925	0
Materials and Supplies	8,598	9,533	9,533	0
Contractual Services	0	5,736	5,736	0
Total Expenditures	447,836	315,194	315,194	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(347,836)	(127,194)	(127,707)	(513)
Fund Balance at Beginning of Year	189,477	189,477	189,477	0
Prior Year Encumbrances	6,598	6,598	6,598	0
Fund Balance at End of Year	\$ (151,761)	\$ 68,881	\$ 68,368	\$ (513)

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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 130,000	\$ 115,000	\$ 113,216	\$ (1,784)
Total Revenues	<u>130,000</u>	<u>115,000</u>	<u>113,216</u>	<u>(1,784)</u>
Expenditures:				
General Government:				
Personal Services	14,688	47,199	47,199	0
Materials and Supplies	0	4,261	4,261	0
Contractual Services	60,000	32,993	32,993	0
Total Expenditures	<u>74,688</u>	<u>84,453</u>	<u>84,453</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	55,312	30,547	28,763	(1,784)
Fund Balance at Beginning of Year	<u>48,303</u>	<u>48,303</u>	<u>48,303</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 103,615</u>	<u>\$ 78,850</u>	<u>\$ 77,066</u>	<u>\$ (1,784)</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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 15,000	\$ 35,000	\$ 35,396	\$ 396
Total Revenues	<u>15,000</u>	<u>35,000</u>	<u>35,396</u>	<u>396</u>
Expenditures:				
General Government:				
Personal Services	33,753	37,828	37,828	0
Contractual Services	1,642	0	0	0
Total Expenditures	<u>35,395</u>	<u>37,828</u>	<u>37,828</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,395)	(2,828)	(2,432)	396
Fund Balance at Beginning of Year	<u>17,698</u>	<u>17,698</u>	<u>17,698</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (2,697)</u>	<u>\$ 14,870</u>	<u>\$ 15,266</u>	<u>\$ 396</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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 25,000	\$ 25,000	\$ 24,243	\$ (757)
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>24,243</u>	<u>(757)</u>
Expenditures:				
General Government:				
Materials and Supplies	3,000	670	670	0
Contractual Services	11,300	15,074	15,074	0
Capital Outlay	16,000	8,153	8,153	0
Total Expenditures	<u>30,300</u>	<u>23,897</u>	<u>23,897</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,300)	1,103	346	(757)
Fund Balance at Beginning of Year	<u>31,652</u>	<u>31,652</u>	<u>31,652</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 26,352</u>	<u>\$ 32,755</u>	<u>\$ 31,998</u>	<u>\$ (757)</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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 40,000	\$ 39,075	\$ (925)
Total Revenues	0	40,000	39,075	(925)
Expenditures:				
General Government:				
Personal Services	182,408	181,594	181,594	0
Total Expenditures	182,408	181,594	181,594	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(182,408)	(141,594)	(142,519)	(925)
Other Financing Sources (Uses):				
Transfers In	155,000	145,000	145,000	0
Total Other Financing Sources (Uses)	155,000	145,000	145,000	0
Net Change in Fund Balance	(27,408)	3,406	2,481	(925)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ (27,408)	\$ 3,406	\$ 2,481	\$ (925)

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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 0	\$ 6,000	\$ 6,000	\$ 0
Total Revenues	0	6,000	6,000	0
Expenditures:				
Security of Persons and Property:				
Contractual Services	500	4,587	4,587	0
Total Expenditures	500	4,587	4,587	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500)	1,413	1,413	0
Fund Balance at Beginning of Year	500	500	500	0
Fund Balance at End of Year	\$ 0	\$ 1,913	\$ 1,913	\$ 0

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, 2020***

	FIRE PENSION FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes	\$ 60,000	\$ 66,000	\$ 65,081	\$ (919)
Intergovernmental Revenues	10,000	7,000	7,844	844
Total Revenues	<u>70,000</u>	<u>73,000</u>	<u>72,925</u>	<u>(75)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	70,000	72,925	72,925	0
Total Expenditures	<u>70,000</u>	<u>72,925</u>	<u>72,925</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	75	0	(75)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 75</u>	<u>\$ 0</u>	<u>\$ (75)</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, 2020**

POLICE PENSION FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 60,000	\$ 66,000	\$ 65,081	\$ (919)
Intergovernmental Revenues	10,000	7,000	7,844	844
Total Revenues	<u>70,000</u>	<u>73,000</u>	<u>72,925</u>	<u>(75)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	70,000	72,925	72,925	0
Total Expenditures	<u>70,000</u>	<u>72,925</u>	<u>72,925</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	75	0	(75)
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 75</u>	<u>\$ 0</u>	<u>\$ (75)</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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Other Financing Sources (Uses):				
Transfers Out	(50,000)	0	0	0
Total Other Financing Sources (Uses)	(50,000)	0	0	0
Net Change in Fund Balance	(50,000)	0	0	0
Fund Balance at Beginning of Year	52,533	52,533	52,533	0
Fund Balance at End of Year	\$ 2,533	\$ 52,533	\$ 52,533	\$ 0

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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 0	\$ 0	\$ 30	\$ 30
Total Revenues	0	0	30	30
Expenditures:				
Security of Persons and Property:				
Contractual Services	3,600	310	310	0
Total Expenditures	3,600	310	310	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,600)	(310)	(280)	30
Fund Balance at Beginning of Year	3,649	3,649	3,649	0
Fund Balance at End of Year	\$ 49	\$ 3,339	\$ 3,369	\$ 30

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, 2020**

JAG GRANTS FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 43,000	\$ 42,768	\$ (232)
Total Revenues	<u>0</u>	<u>43,000</u>	<u>42,768</u>	<u>(232)</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	0	11,645	11,645	0
Contractual Services	0	11,020	11,020	0
Total Expenditures	<u>0</u>	<u>22,665</u>	<u>22,665</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	20,335	20,103	(232)
Fund Balance at Beginning of Year	2,365	2,365	2,365	0
Fund Balance at End of Year	<u>\$ 2,365</u>	<u>\$ 22,700</u>	<u>\$ 22,468</u>	<u>\$ (232)</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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 75,000	\$ 75,000	\$ 70,058	\$ (4,942)
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>70,058</u>	<u>(4,942)</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	0	24,020	24,020	0
Capital Outlay	0	21,385	21,385	0
Total Expenditures	<u>0</u>	<u>45,405</u>	<u>45,405</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	75,000	29,595	24,653	(4,942)
Other Financing Sources (Uses):				
Transfers Out	(200,000)	0	0	0
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(125,000)	29,595	24,653	(4,942)
Fund Balance at Beginning of Year	274,329	274,329	274,329	0
Fund Balance at End of Year	<u>\$ 149,329</u>	<u>\$ 303,924</u>	<u>\$ 298,982</u>	<u>\$ (4,942)</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, 2020**

	INDIGENT DRIVERS ALCOHOL TREATMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 25,000	\$ 17,000	\$ 8,233	\$ (8,767)
Total Revenues	25,000	17,000	8,233	(8,767)
Expenditures:				
General Government:				
Contractual Services	88,605	60,000	60,000	0
Total Expenditures	88,605	60,000	60,000	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(63,605)	(43,000)	(51,767)	(8,767)
Fund Balance at Beginning of Year	90,263	90,263	90,263	0
Fund Balance at End of Year	\$ 26,658	\$ 47,263	\$ 38,496	\$ (8,767)

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, 2020**

INDIGENT DRIVERS ALCOHOL MONITORING FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 72,000	\$ 72,352	\$ 352
Total Revenues	<u>0</u>	<u>72,000</u>	<u>72,352</u>	<u>352</u>
Expenditures:				
General Government:				
Contractual Services	20,000	21,094	21,094	0
Total Expenditures	<u>20,000</u>	<u>21,094</u>	<u>21,094</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,000)	50,906	51,258	352
Fund Balance at Beginning of Year	<u>3,283</u>	<u>3,283</u>	<u>3,283</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (16,717)</u>	<u>\$ 54,189</u>	<u>\$ 54,541</u>	<u>\$ 352</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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 276	\$ 276
Total Revenues	0	0	276	276
Expenditures:				
General Government:				
Personal Services	0	345	345	0
Total Expenditures	0	345	345	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(345)	(69)	276
Fund Balance at Beginning of Year	1,139	1,139	1,139	0
Fund Balance at End of Year	\$ 1,139	\$ 794	\$ 1,070	\$ 276

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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 200	\$ 200
Total Revenues	<u>0</u>	<u>0</u>	<u>200</u>	<u>200</u>
Expenditures:				
Security of Persons and Property:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	200	200
Fund Balance at Beginning of Year	14,127	14,127	14,127	0
Fund Balance at End of Year	<u>\$ 14,127</u>	<u>\$ 14,127</u>	<u>\$ 14,327</u>	<u>\$ 200</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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 35,000	\$ 40,000	\$ 36,998	\$ (3,002)
All Other Revenues	0	0	2,150	2,150
Total Revenues	<u>35,000</u>	<u>40,000</u>	<u>39,148</u>	<u>(852)</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	<u>55,000</u>	<u>33,197</u>	<u>33,197</u>	<u>0</u>
Total Expenditures	<u>55,000</u>	<u>33,197</u>	<u>33,197</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,000)	6,803	5,951	(852)
Other Financing Sources (Uses):				
Advances In	<u>15,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(5,000)	6,803	5,951	(852)
Fund Balance at Beginning of Year	<u>55,795</u>	<u>55,795</u>	<u>55,795</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 50,795</u>	<u>\$ 62,598</u>	<u>\$ 61,746</u>	<u>\$ (852)</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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	14,455	29,180	29,180	0
Total Expenditures	14,455	29,180	29,180	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,455)	(29,180)	(29,180)	0
Fund Balance at Beginning of Year	96,867	96,867	96,867	0
Prior Year Encumbrances	14,455	14,455	14,455	0
Fund Balance at End of Year	\$ 96,867	\$ 82,142	\$ 82,142	\$ 0

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, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Security of Persons and Property:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	28,480	28,480	28,480	0
Fund Balance at End of Year	\$ 28,480	\$ 28,480	\$ 28,480	\$ 0

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, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Security of Persons and Property:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	14,805	14,805	14,805	0
Fund Balance at End of Year	\$ 14,805	\$ 14,805	\$ 14,805	\$ 0

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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Security of Persons and Property:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	13,342	13,342	13,342	0
Fund Balance at End of Year	\$ 13,342	\$ 13,342	\$ 13,342	\$ 0

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, 2020**

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,200,000	\$ 1,105,000	\$ 1,103,611	\$ (1,389)
All Other Revenues	0	0	101	101
Total Revenues	<u>1,200,000</u>	<u>1,105,000</u>	<u>1,103,712</u>	<u>(1,288)</u>
Expenditures:				
Transportation:				
Personal Services	760,167	743,204	743,204	0
Materials and Supplies	96,800	77,541	77,541	0
Contractual Services	284,859	238,867	238,867	0
Capital Outlay	10,000	0	0	0
Total Expenditures	<u>1,151,826</u>	<u>1,059,612</u>	<u>1,059,612</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	48,174	45,388	44,100	(1,288)
Fund Balance at Beginning of Year	<u>456,379</u>	<u>456,379</u>	<u>456,379</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 504,553</u>	<u>\$ 501,767</u>	<u>\$ 500,479</u>	<u>\$ (1,288)</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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 70,000	\$ 70,000	\$ 71,438	\$ 1,438
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>71,438</u>	<u>1,438</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	70,000	70,000	71,438	1,438
Fund Balance at Beginning of Year	<u>200,965</u>	<u>200,965</u>	<u>200,965</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 270,965</u>	<u>\$ 270,965</u>	<u>\$ 272,403</u>	<u>\$ 1,438</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, 2020**

COMMUNITY DEVELOPMENT FUND				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 237,000	\$ 236,867	\$ (133)
Investment Earnings	0	0	5	5
All Other Revenues	200,000	15,000	15,143	143
Total Revenues	<u>200,000</u>	<u>252,000</u>	<u>252,015</u>	<u>15</u>
Expenditures:				
Community Environment:				
Personal Services	0	5,000	5,000	0
Contractual Services	53,323	267,084	267,084	0
Total Expenditures	<u>53,323</u>	<u>272,084</u>	<u>272,084</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	146,677	(20,084)	(20,069)	15
Fund Balance at Beginning of Year	42,953	42,953	42,953	0
Prior Year Encumbrances	53,323	53,323	53,323	0
Fund Balance at End of Year	<u>\$ 242,953</u>	<u>\$ 76,192</u>	<u>\$ 76,207</u>	<u>\$ 15</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, 2020**

TOURISM AND CULTURAL DEVELOPMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 105,000	\$ 90,000	\$ 88,763	\$ (1,237)
Total Revenues	<u>105,000</u>	<u>90,000</u>	<u>88,763</u>	<u>(1,237)</u>
Expenditures:				
Community Environment:				
Contractual Services	105,000	92,893	92,893	0
Total Expenditures	<u>105,000</u>	<u>92,893</u>	<u>92,893</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(2,893)	(4,130)	(1,237)
Fund Balance at Beginning of Year	<u>19,566</u>	<u>19,566</u>	<u>19,566</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 19,566</u>	<u>\$ 16,673</u>	<u>\$ 15,436</u>	<u>\$ (1,237)</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, 2020**

	F.E.M.A. GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Public Health and Welfare Services:				
Contractual Services	0	2,959	2,959	0
Total Expenditures	0	2,959	2,959	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(2,959)	(2,959)	0
Fund Balance at Beginning of Year	2,959	2,959	2,959	0
Fund Balance at End of Year	\$ 2,959	\$ 0	\$ 0	\$ 0

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, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 181,000	\$ 195,000	\$ 194,158	\$ (842)
Intergovernmental Revenues	20,000	717,000	717,171	171
Total Revenues	<u>201,000</u>	<u>912,000</u>	<u>911,329</u>	<u>(671)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	5,080	4,122	4,122	0
Materials and Supplies	21,000	16,045	16,045	0
Contractual Services	102,430	105,711	105,711	0
Capital Outlay	112,000	900,940	900,940	0
Total Expenditures	<u>240,510</u>	<u>1,026,818</u>	<u>1,026,818</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(39,510)	(114,818)	(115,489)	(671)
Fund Balance at Beginning of Year	115,489	115,489	115,489	0
Fund Balance at End of Year	<u>\$ 75,979</u>	<u>\$ 671</u>	<u>\$ 0</u>	<u>\$ (671)</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, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 1,993,070	\$ 1,993,070	\$ 0
Total Revenues	0	1,993,070	1,993,070	0
Expenditures:				
Security of Persons and Property:				
Personal Services	0	1,019,653	1,019,653	0
Total Security of Persons and Property	0	1,019,653	1,019,653	0
General Government:				
Personal Services	0	40,574	40,574	0
Materials and Supplies	0	77,307	77,307	0
Contractual Services	0	663,510	663,510	0
Capital Outlay	0	192,026	192,026	0
Total General Government	0	973,417	973,417	0
Total Expenditures	0	1,993,070	1,993,070	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$ 0	\$ 0	\$ 0	\$ 0

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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 59,000	\$ 45,000	\$ 44,475	\$ (525)
All Other Revenues	1,000	0	0	0
Total Revenues	<u>60,000</u>	<u>45,000</u>	<u>44,475</u>	<u>(525)</u>
Expenditures:				
Leisure Time Activities:				
Personal Services	34,934	20,467	20,467	0
Materials and Supplies	16,250	7,198	7,198	0
Contractual Services	28,550	20,372	20,372	0
Total Expenditures	<u>79,734</u>	<u>48,037</u>	<u>48,037</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,734)	(3,037)	(3,562)	(525)
Fund Balance at Beginning of Year	14,455	14,455	14,455	0
Fund Balance at End of Year	<u>\$ (5,279)</u>	<u>\$ 11,418</u>	<u>\$ 10,893</u>	<u>\$ (525)</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, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	\$ 2,000	\$ 2,000	\$ 0	\$ (2,000)
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>0</u>	<u>(2,000)</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	0	(2,000)
Fund Balance at Beginning of Year	<u>33,060</u>	<u>33,060</u>	<u>33,060</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 35,060</u>	<u>\$ 35,060</u>	<u>\$ 33,060</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 Permanent Fund
For the Year Ended December 31, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 0	\$ 0	\$ 600	\$ 600
Total Revenues	0	0	600	600
Expenditures:				
Public Health and Welfare Services:				
Contractual Services	1,000	0	0	0
Total Expenditures	1,000	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,000)	0	600	600
Fund Balance at Beginning of Year	206,288	206,288	206,288	0
Fund Balance at End of Year	\$ 205,288	\$ 206,288	\$ 206,888	\$ 600

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, 2020***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0
Fund Balance at Beginning of Year	4,852	4,852	4,852	0
Fund Balance at End of Year	\$ 4,852	\$ 4,852	\$ 4,852	\$ 0

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.

Custodial Funds

Law Library Fund

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

Ohio Board of Building Standards Fund

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

Municipal Court Fund

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

CITY OF PORTSMOUTH, OHIO

**Statement of Net Position
Fiduciary Funds
December 31, 2020**

	<u>Law Library</u>	<u>Ohio Board of Building Standards</u>	<u>Municipal Court</u>	<u>Total Custodial Funds</u>
Assets:				
Receivables:				
Accounts	24,457	0	561,298	585,755
Restricted Assets:				
Cash and Cash Equivalents	1,421	11,668	37,726	50,815
Total Assets	<u>25,878</u>	<u>11,668</u>	<u>599,024</u>	<u>636,570</u>
Liabilities:				
Intergovernmental Payable	0	0	19,237	19,237
Due to Others	25,878	11,668	579,787	617,333
Total Liabilities	<u>25,878</u>	<u>11,668</u>	<u>599,024</u>	<u>636,570</u>
Net Position:				
Unrestricted	0	0	0	0
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF PORTSMOUTH, OHIO

**Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2020**

	Law Library	Ohio Board of Building Standards	Municipal Court	Total Custodial Funds
Additions:				
Fines and Forfeiture Collections for Others	\$ 23,475	\$ 0	\$ 926,367	\$ 949,842
Charges Collected for Others	0	4,573	0	4,573
Total Additions	<u>23,475</u>	<u>4,573</u>	<u>926,367</u>	<u>954,415</u>
Deductions:				
Distribution of Fines and Forfeitures to Others	23,475	0	926,367	949,842
Distribution of Charges Collected for Others	0	4,573	0	4,573
Total Deductions	<u>23,475</u>	<u>4,573</u>	<u>926,367</u>	<u>954,415</u>
Change in Net Position	0	0	0	0
Net Position at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Position End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



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 29
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 30 – S 35
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.	

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City of Portsmouth, Ohio

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

	2011	2012	2013	2014
Governmental Activities:	(1)			(1)
Net Investment in Capital Assets	\$20,921,788	\$20,630,492	\$20,650,606	\$19,585,820
Restricted	6,931,652	5,446,225	5,948,525	5,561,675
Unrestricted	(2,855,991)	(1,846,035)	(101,280)	(11,796,128)
Total Governmental Activities Net Position	<u>\$24,997,449</u>	<u>\$24,230,682</u>	<u>\$26,497,851</u>	<u>\$13,351,367</u>
Business-type Activities:				
Net Investment in Capital Assets	\$14,001,292	\$14,995,902	\$15,122,072	\$15,436,290
Restricted	942,914	953,034	963,878	557,025
Unrestricted	2,030,176	1,921,714	2,337,602	163,750
Total Business-type Activities Net Position	<u>\$16,974,382</u>	<u>\$17,870,650</u>	<u>\$18,423,552</u>	<u>\$16,157,065</u>
Primary Government:				
Net Investment in Capital Assets	\$34,923,080	\$35,626,394	\$35,772,678	\$35,022,110
Restricted	7,874,566	6,399,259	6,912,403	6,118,700
Unrestricted	(825,815)	75,679	2,236,322	(11,632,378)
Total Primary Government Net Position	<u>\$41,971,831</u>	<u>\$42,101,332</u>	<u>\$44,921,403</u>	<u>\$29,508,432</u>

Source: City Auditor's Office

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

City of Portsmouth, Ohio

2015	2016	2017	2018	2019	2020
		(1)	(1)		
\$18,924,619	\$18,518,783	\$19,448,701	\$19,371,039	\$19,736,920	\$20,275,746
5,578,284	5,525,394	5,736,295	5,987,081	6,146,334	6,404,322
(10,850,195)	(8,842,212)	(21,893,895)	(21,889,402)	(13,834,622)	(12,311,310)
<u>\$13,652,708</u>	<u>\$15,201,965</u>	<u>\$3,291,101</u>	<u>\$3,468,718</u>	<u>\$12,048,632</u>	<u>\$14,368,758</u>
\$15,753,500	\$16,163,417	\$16,482,329	\$16,842,545	\$17,300,233	\$16,614,216
0	0	0	0	0	0
820,725	352,414	(1,322,632)	(1,006,253)	(801,964)	377,100
<u>\$16,574,225</u>	<u>\$16,515,831</u>	<u>\$15,159,697</u>	<u>\$15,836,292</u>	<u>\$16,498,269</u>	<u>\$16,991,316</u>
\$34,678,119	\$34,682,200	\$35,931,030	\$36,213,584	\$37,037,153	\$36,889,962
5,578,284	5,525,394	5,736,295	5,987,081	6,146,334	6,404,322
(10,029,470)	(8,489,798)	(23,216,527)	(22,895,655)	(14,636,586)	(11,934,210)
<u>\$30,226,933</u>	<u>\$31,717,796</u>	<u>\$18,450,798</u>	<u>\$19,305,010</u>	<u>\$28,546,901</u>	<u>\$31,360,074</u>

City of Portsmouth, Ohio

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

	2011	2012	2013
Expenses	(1)		
Governmental Activities:			
Security of Persons and Property	\$8,579,519	\$8,608,663	\$8,888,183
Public Health and Welfare Services	2,621,773	2,840,139	2,893,736
Leisure Time Activities	79,666	126,749	83,400
Community Environment	693,688	822,320	616,289
Transportation	1,632,106	2,119,056	1,872,986
General Government	4,197,318	3,960,999	3,890,219
Interest and Fiscal Charges	121,302	113,254	111,808
<i>Total Governmental Activities Expenses</i>	<u>17,925,372</u>	<u>18,591,180</u>	<u>18,356,621</u>
Business-type Activities:			
Water	5,786,341	6,032,711	5,841,561
Sewer	2,896,984	2,894,710	3,097,309
Sanitation	1,314,807	1,431,274	1,532,213
Primary Care (2)	44,432	50,045	92,388
<i>Total Business-type Activities Expenses</i>	<u>10,042,564</u>	<u>10,408,740</u>	<u>10,563,471</u>
<i>Total Primary Government Expenses</i>	<u>\$27,967,936</u>	<u>\$28,999,920</u>	<u>\$28,920,092</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$758,640	\$862,367	\$1,179,840
Public Health and Welfare Services	336,951	414,378	407,318
Leisure Time Activities	68,158	86,633	79,158
Community Environment	95,092	89,638	76,568
Transportation	41,584	36,224	34,715
General Government	349,822	435,442	442,522
Operating Grants and Contributions	2,727,791	2,926,892	4,341,552
Capital Grants and Contributions	0	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>4,378,038</u>	<u>4,851,574</u>	<u>6,561,673</u>

City of Portsmouth, Ohio

2014	2015	2016	2017	2018	2019	2020
\$9,047,187	\$9,277,034	\$10,060,825	\$11,246,084	\$12,000,917	\$3,416,830	\$13,563,806
2,959,083	2,646,659	2,993,466	2,593,327	3,373,410	4,247,598	3,999,162
68,933	74,438	71,114	90,138	82,158	91,374	61,331
1,236,218	750,567	624,103	508,146	453,197	646,488	833,460
2,431,358	2,048,345	2,597,717	2,042,145	2,414,383	2,548,051	2,744,888
4,037,247	4,194,086	4,089,277	5,242,442	5,562,132	6,301,546	6,604,638
100,934	89,558	50,031	31,788	25,752	43,889	47,806
<u>19,880,960</u>	<u>19,080,687</u>	<u>20,486,533</u>	<u>21,754,070</u>	<u>23,911,949</u>	<u>17,295,776</u>	<u>27,855,091</u>
5,939,858	5,549,162	6,456,104	6,144,431	6,853,813	7,058,219	6,736,112
3,538,609	3,303,902	3,976,485	3,990,481	4,471,089	4,718,402	4,994,544
1,858,980	1,739,108	1,904,954	2,061,479	2,177,201	2,297,236	1,988,648
111,594	41,722	201,008	366,654	523,175	0	0
<u>11,449,041</u>	<u>10,633,894</u>	<u>12,538,551</u>	<u>12,563,045</u>	<u>14,025,278</u>	<u>14,073,857</u>	<u>13,719,304</u>
<u>\$31,330,001</u>	<u>\$29,714,581</u>	<u>\$33,025,084</u>	<u>\$34,317,115</u>	<u>\$37,937,227</u>	<u>\$31,369,633</u>	<u>\$41,574,395</u>
\$755,818	\$778,082	\$708,802	\$847,879	\$1,103,638	\$1,202,860	\$1,145,441
351,480	279,450	237,720	264,343	635,500	1,448,954	1,370,987
76,153	76,955	82,455	80,821	118,063	77,172	68,265
93,865	112,766	116,083	75,345	73,153	126,420	191,498
39,790	31,081	35,198	35,831	36,931	42,197	42,244
497,485	448,460	391,251	527,275	527,493	564,266	434,225
3,108,213	3,201,644	3,191,459	3,199,010	3,733,198	3,490,624	6,907,230
0	0	124,695	790,795	0	0	0
<u>4,922,804</u>	<u>4,928,438</u>	<u>4,887,663</u>	<u>5,821,299</u>	<u>6,227,976</u>	<u>6,952,493</u>	<u>10,159,890</u>

(continued)

City of Portsmouth, Ohio

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

	2011	2012	2013
Business-type Activities:	(1)		
Charges for Services			
Water	6,008,911	6,332,121	6,348,951
Sewer	2,943,096	3,178,003	3,289,947
Sanitation	1,369,124	1,341,395	1,385,365
Primary Care (2)	40,166	45,259	92,110
Operating Grants and Contributions	0	0	0
Capital Grants and Contributions	500,210	408,230	0
<i>Total Business-type Activities Program Revenues</i>	<u>10,861,507</u>	<u>11,305,008</u>	<u>11,116,373</u>
<i>Total Primary Government Program Revenues</i>	<u>15,239,545</u>	<u>16,156,582</u>	<u>17,678,046</u>
Net (Expense)/Revenue			
Governmental Activities	(13,547,334)	(13,739,606)	(11,794,948)
Business-type Activities	818,943	896,268	552,902
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$12,728,391)</u>	<u>(\$12,843,338)</u>	<u>(\$11,242,046)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	\$1,596,316	\$1,465,856	\$1,455,262
Special Purposes	326,443	300,613	289,880
Debt Service	154,074	147,508	145,693
Income Taxes	6,684,933	9,620,121	10,253,546
Other Local Taxes	296,427	330,303	318,840
Grants and Entitlements not			
Restricted to Specific Programs	2,536,309	806,287	1,285,909
Investment Earnings	44	40	1,641
Miscellaneous	251,205	302,111	311,346
Transfers	0	0	0
<i>Total Governmental Activities</i>	<u>11,845,751</u>	<u>12,972,839</u>	<u>14,062,117</u>
Business-type Activities:			
Transfers	0	0	0
<i>Total Business-type Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$11,845,751</u>	<u>\$12,972,839</u>	<u>\$14,062,117</u>
Change in Net Position			
Governmental Activities	(\$1,701,583)	(\$766,767)	\$2,267,169
Business-type Activities	818,943	896,268	552,902
<i>Total Primary Government Change in Net Position</i>	<u>(\$882,640)</u>	<u>\$129,501</u>	<u>\$2,820,071</u>

Source: City Auditor's Office

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

(2) In 2019, the Primary Care Fund was reclassified as part of the Health Department Fund.

City of Portsmouth, Ohio

2014	2015	2016	2017	2018	2019	2020
6,260,916	5,693,192	6,174,408	6,372,974	6,431,274	6,670,304	7,390,021
3,350,865	3,074,800	3,703,214	4,314,536	4,520,067	5,751,751	4,741,197
1,957,495	2,181,292	2,042,592	2,105,509	2,110,316	2,190,481	1,856,133
80,164	66,219	253,339	264,293	446,652	0	0
0	0	0	0	0	0	225,000
0	35,551	306,604	269,624	907,178	123,298	0
<u>11,649,440</u>	<u>11,051,054</u>	<u>12,480,157</u>	<u>13,326,936</u>	<u>14,415,487</u>	<u>14,735,834</u>	<u>14,212,351</u>
<u>16,572,244</u>	<u>15,979,492</u>	<u>17,367,820</u>	<u>19,148,235</u>	<u>20,643,463</u>	<u>21,688,327</u>	<u>24,372,241</u>
(14,958,156)	(14,152,249)	(15,598,870)	(15,932,771)	(17,683,973)	(10,343,283)	(17,695,201)
200,399	417,160	(58,394)	763,891	390,209	661,977	493,047
<u>(\$14,757,757)</u>	<u>(\$13,735,089)</u>	<u>(\$15,657,264)</u>	<u>(\$15,168,880)</u>	<u>(\$17,293,764)</u>	<u>(\$9,681,306)</u>	<u>(\$17,202,154)</u>
\$1,397,123	\$1,575,946	\$1,602,080	\$1,631,039	\$1,645,052	\$1,671,710	\$1,706,366
303,136	306,374	307,312	306,846	306,076	316,727	320,492
136,218	138,622	140,242	143,409	141,949	146,962	150,062
10,165,799	10,605,852	13,263,572	13,789,556	14,305,157	14,710,992	15,050,130
311,926	313,388	320,904	349,724	241,947	280,159	319,955
917,790	1,069,435	919,894	962,843	991,191	1,096,085	1,031,751
182	30	14	1,259	9,001	8,484	2,808
544,864	443,943	594,109	425,618	507,603	692,078	1,433,763
(47,325)	0	0	0	(23,519)	0	0
<u>13,729,713</u>	<u>14,453,590</u>	<u>17,148,127</u>	<u>17,610,294</u>	<u>18,124,457</u>	<u>18,923,197</u>	<u>20,015,327</u>
<u>47,325</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,519</u>	<u>0</u>	<u>0</u>
<u>47,325</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,519</u>	<u>0</u>	<u>0</u>
<u>\$13,777,038</u>	<u>\$14,453,590</u>	<u>\$17,148,127</u>	<u>\$17,610,294</u>	<u>\$18,147,976</u>	<u>\$18,923,197</u>	<u>\$20,015,327</u>
(\$1,228,443)	\$301,341	\$1,549,257	\$1,677,523	\$440,484	\$8,579,914	\$2,320,126
247,724	417,160	(58,394)	763,891	413,728	661,977	493,047
<u>(\$980,719)</u>	<u>\$718,501</u>	<u>\$1,490,863</u>	<u>\$2,441,414</u>	<u>\$854,212</u>	<u>\$9,241,891</u>	<u>\$2,813,173</u>

City of Portsmouth, Ohio

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

	2011	2012	2013	2014
General Fund				
Nonspendable	\$46,310	\$33,670	\$36,236	\$72,839
Committed	0	0	0	0
Assigned	0	0	0	373,351
Unassigned	(1,704,694)	(795,901)	937,700	887,753
<i>Total General Fund</i>	<u>(1,658,384)</u>	<u>(762,231)</u>	<u>973,936</u>	<u>1,333,943</u>
All Other Governmental Funds				
Nonspendable	\$57,896	\$55,253	\$63,215	\$86,495
Restricted	4,927,522	4,699,200	4,735,911	4,723,099
Committed	55,800	132,861	104,261	74,273
Unassigned	(227,741)	(102,569)	(42,822)	(75,571)
<i>Total All Other Governmental Funds</i>	<u>4,813,477</u>	<u>4,784,745</u>	<u>4,860,565</u>	<u>4,808,296</u>
<i>Total Governmental Funds</i>	<u><u>\$3,155,093</u></u>	<u><u>\$4,022,514</u></u>	<u><u>\$5,834,501</u></u>	<u><u>\$6,142,239</u></u>

Source: City Auditor's Office

City of Portsmouth, Ohio

2015	2016	2017	2018	2019	2020
\$58,906	\$56,728	\$97,898	\$75,438	\$241,201	\$182,095
52,556	319,965	358,947	175,198	154,832	218,643
62,043	0	289,028	358,000	143,170	382,873
<u>1,601,983</u>	<u>3,352,833</u>	<u>5,182,566</u>	<u>6,547,594</u>	<u>8,146,844</u>	<u>11,105,873</u>
<u>1,775,488</u>	<u>3,729,526</u>	<u>5,928,439</u>	<u>7,156,230</u>	<u>8,686,047</u>	<u>11,889,484</u>
\$61,360	\$70,874	\$53,953	\$35,548	\$78,768	\$76,163
4,636,197	4,676,483	4,622,731	4,901,593	5,102,321	5,760,151
58,919	49,934	35,957	30,474	14,337	10,689
(18,382)	(76,160)	(51,773)	(3,448)	(1,880)	0
<u>4,738,094</u>	<u>4,721,131</u>	<u>4,660,868</u>	<u>4,964,167</u>	<u>5,193,546</u>	<u>5,847,003</u>
<u>\$6,513,582</u>	<u>\$8,450,657</u>	<u>\$10,589,307</u>	<u>\$12,120,397</u>	<u>\$13,879,593</u>	<u>\$17,736,487</u>

City of Portsmouth, Ohio

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

	2011	2012	2013	2014
Revenues:				
Taxes	\$9,061,432	\$11,758,657	\$12,497,593	\$12,500,502
Intergovernmental Revenues	5,973,637	5,189,942	5,163,625	4,414,477
Charges for Services	448,864	472,811	393,396	403,816
Licenses and Permits	200,268	273,045	273,901	238,668
Investment Earnings	44	40	1,641	182
Fines and Forfeitures	974,985	1,115,368	1,581,009	1,109,375
All Other Revenue	267,930	413,568	369,475	574,018
Total Revenue	16,927,160	19,223,431	20,280,640	19,241,038
Expenditures:				
Current:				
Security of Persons and Property	8,359,182	8,200,417	8,535,167	8,560,561
Public Health and Welfare Services	2,585,053	2,782,053	2,855,740	2,939,025
Leisure Time Activities	64,374	65,033	70,920	56,452
Community Environment	668,983	809,263	551,749	904,167
Transportation	1,306,133	1,291,458	1,014,996	1,297,001
General Government	3,462,550	3,376,636	3,373,740	3,672,978
Capital Outlay	699,867	1,830,744	1,696,298	1,161,110
Debt Service:				
Principal Retirement	161,881	286,885	248,051	255,331
Interest and Fiscal Charges	122,282	114,338	112,998	102,147
Total Expenditures	17,430,305	18,756,827	18,459,659	18,948,772
Excess (Deficiency) of Revenues Over Expenditures	(503,145)	466,604	1,820,981	292,266
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	33,034	27,030	0	0
Other Financing Sources - Capital Leases	0	389,116	0	0
Refunding General Obligation Bonds	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	18,000	40,862	18,000	178,410
Transfers Out	(18,000)	(40,862)	(18,000)	225,735
Total Other Financing Sources (Uses)	33,034	416,146	0	404,145
Net Change in Fund Balance	(\$470,111)	\$882,750	\$1,820,981	\$696,411
Debt Service as a Percentage of Noncapital Expenditures	1.65%	2.35%	2.13%	1.92%

Source: City Auditor's Office

City of Portsmouth, Ohio

2015	2016	2017	2018	2019	2020
\$12,749,590	\$15,506,101	\$16,193,330	\$16,705,620	\$17,170,801	\$17,393,784
4,056,009	4,366,694	3,823,990	4,738,922	4,397,656	8,130,514
414,356	496,119	521,577	1,221,514	2,079,630	1,942,705
210,454	213,680	165,177	173,262	230,122	283,014
30	14	1,259	9,001	8,484	2,808
1,093,935	882,641	1,030,819	1,065,652	1,173,221	984,183
525,638	683,141	557,477	521,348	926,477	1,639,345
<u>19,050,012</u>	<u>22,148,390</u>	<u>22,293,629</u>	<u>24,435,319</u>	<u>25,986,391</u>	<u>30,376,353</u>
8,937,793	9,257,240	9,711,886	10,784,563	11,049,426	12,043,334
2,626,098	2,988,836	2,344,996	3,253,449	3,604,297	3,632,766
62,191	57,121	73,178	67,786	70,942	48,392
588,429	538,514	419,810	368,753	522,096	711,089
1,148,978	1,288,165	1,165,108	1,286,596	1,475,285	1,721,902
3,685,862	3,945,141	4,691,647	4,941,114	4,866,161	5,779,563
1,323,226	1,739,556	1,512,327	1,954,631	2,988,375	2,112,078
238,079	333,781	216,618	163,575	231,273	352,098
90,883	64,184	32,756	26,763	44,900	54,418
<u>18,701,539</u>	<u>20,212,538</u>	<u>20,168,326</u>	<u>22,847,230</u>	<u>24,852,755</u>	<u>26,455,640</u>
348,473	1,935,852	2,125,303	1,588,089	1,133,636	3,920,713
57,067	0	0	0	0	0
0	0	0	0	594,698	0
0	1,250,000	0	0	0	0
0	(1,250,000)	0	0	0	0
389,427	536,408	231,852	456,548	1,261,376	919,382
(389,427)	(536,408)	(231,852)	(480,067)	(1,261,376)	(919,382)
<u>57,067</u>	<u>0</u>	<u>0</u>	<u>(23,519)</u>	<u>594,698</u>	<u>0</u>
<u>\$405,540</u>	<u>\$1,935,852</u>	<u>\$2,125,303</u>	<u>\$1,564,570</u>	<u>\$1,728,334</u>	<u>\$3,920,713</u>
1.87%	2.07%	1.35%	0.89%	1.24%	1.67%

City of Portsmouth, Ohio

*Income Tax Revenues by Source, Governmental Funds
Last Ten Years*

Tax year	2011	2012	2013	2014
Income Tax Rate	1.40%	2.00%	2.00%	2.00%
Estimated Personal Income (in thousands)	\$584,289	\$615,922	\$620,756	\$639,688
Total Tax Collected	\$6,717,776	\$9,272,190	\$10,223,100	\$10,151,503
Income Tax Receipts				
Withholding	5,900,172	8,296,325	8,846,473	8,921,883
Percentage	87.83%	89.48%	86.53%	87.89%
Corporate	565,908	678,619	1,006,435	891,858
Percentage	8.42%	7.32%	9.84%	8.79%
Individuals	251,696	297,246	370,192	337,762
Percentage	3.75%	3.20%	3.63%	3.32%

Source: City Income Tax Department

City of Portsmouth, Ohio

2015	2016	2017	2018	2019	2020
2.00%	2.50%	2.50%	2.50%	2.50%	2.50%
\$663,939	\$674,315	\$737,561	\$790,432	\$811,953	\$811,953
\$10,282,891	\$12,978,301	\$14,085,123	\$14,275,245	\$14,613,408	\$14,776,724
9,013,520	11,475,951	12,336,088	12,655,154	12,922,222	13,121,874
87.66%	88.42%	87.58%	88.65%	88.43%	88.80%
887,742	1,081,816	1,212,293	1,031,434	1,133,570	1,086,273
8.63%	8.34%	8.61%	7.23%	7.76%	7.35%
381,629	420,534	536,742	588,657	557,616	568,577
3.71%	3.24%	3.81%	4.12%	3.81%	3.85%



City of Portsmouth, Ohio

*Income Tax Collections
Current Year and Nine Years Ago*

Calendar Year 2020

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.09%	\$254,665,080	43.09%	\$6,366,627	43.09%
All Others	11,704	99.91%	336,403,880	56.91%	8,410,097	56.91%
Total	<u>11,714</u>	<u>100.00%</u>	<u>\$591,068,960</u>	<u>100.00%</u>	<u>\$14,776,724</u>	<u>100.00%</u>

Calendar Year 2011

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.14%	\$213,495,786	44.49%	\$2,988,941	44.49%
All Others	7,065	99.86%	266,345,357	55.51%	3,728,835	55.51%
Total	<u>7,075</u>	<u>100.00%</u>	<u>\$479,841,143</u>	<u>100.00%</u>	<u>\$6,717,776</u>	<u>100.00%</u>

Source: City Income Tax Department

City of Portsmouth, Ohio

Ratio of Outstanding Debt By Type Last Ten Years

	2011	2012	2013	2014
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$1,585,000	\$1,520,000	\$1,450,000	\$1,380,000
Capital Leases	673,204	840,435	662,384	477,053
Business-type Activities ⁽¹⁾				
OWDA Loan Payable	\$5,237,048	\$6,944,097	\$6,974,518	\$8,289,564
OPWC Loan Payable	1,299,069	1,306,049	1,208,549	1,366,722
Water Refunding Revenue Bonds Payable	2,100,000	1,605,000	1,090,000	555,000
Capital Leases	5,284,523	4,424,232	3,786,817	2,983,048
Total Primary Government	<u>\$16,178,844</u>	<u>\$16,639,813</u>	<u>\$15,172,268</u>	<u>\$15,051,387</u>
Population ⁽²⁾				
City of Portsmouth	20,226	20,226	20,226	20,226
Outstanding Debt Per Capita	\$800	\$823	\$750	\$744
Income ⁽³⁾				
Personal (in thousands)	584,289	615,922	620,756	639,688
Percentage of Personal Income	2.77%	2.70%	2.44%	2.35%

Sources:

- (1) City Auditor's Office
- (2) US Bureau of Census, Population Division
- (3) US Department of Commerce, Bureau of Economic Analysis
 - (a) Per Capita Income is only available by County, Total Personal Income is a calculation

Note: OPWC Loan Payable was restated in 2011 for a prior period adjustment.

City of Portsmouth, Ohio

2015	2016	2017	2018	2019	2020
\$1,305,000	\$1,140,000	\$1,025,000	\$905,000	\$785,000	\$665,000
313,974	145,193	43,575	0	483,425	251,327
\$9,933,465	\$9,764,232	\$9,433,247	\$9,445,440	\$9,488,183	\$9,225,620
1,626,817	1,626,256	1,561,256	2,071,959	2,782,452	2,724,421
0	0	0	0	0	0
2,145,492	1,272,725	363,255	0	0	285,708
<u>\$15,324,748</u>	<u>\$13,948,406</u>	<u>\$12,426,333</u>	<u>\$12,422,399</u>	<u>\$13,539,060</u>	<u>\$13,152,076</u>
20,226	20,226	20,226	20,226	20,226	20,226
\$758	\$690	\$614	\$614	\$669	\$650
663,939	674,315	737,561	790,432	811,953	811,953
2.31%	2.07%	1.68%	1.57%	1.67%	1.62%

City of Portsmouth, Ohio

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2011	2012	2013	2014
Population (1)	20,226	20,226	20,226	20,226
Assessed Value (2)	\$217,525,430	\$215,298,860	\$213,252,580	\$216,860,000
General Bonded Debt (3)				
General Obligation Bonds-Governmental	\$1,585,000	\$1,520,000	\$1,450,000	\$1,380,000
Resources Available to Pay Principal (4)	\$65,065	\$80,553	\$97,815	\$124,831
Net General Bonded Debt	\$1,519,935	\$1,439,447	\$1,352,185	\$1,255,169
Ratio of Net Bonded Debt to Assessed Value	0.70%	0.67%	0.63%	0.58%
Net Bonded Debt per Capita	\$75.15	\$71.17	\$66.85	\$62.06

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, Ohio

2015	2016	2017	2018	2019	2020
20,226	20,226	20,226	20,226	20,226	20,226
\$215,872,520	\$224,323,360	\$233,969,550	\$232,591,780	\$232,837,810	\$235,397,690
\$1,305,000	\$1,140,000	\$1,025,000	\$905,000	\$785,000	\$665,000
\$123,719	\$60,382	\$78,413	\$95,381	\$118,040	\$148,415
\$1,181,281	\$1,079,618	\$946,587	\$809,619	\$666,960	\$516,585
0.55%	0.48%	0.40%	0.35%	0.29%	0.22%
\$58.40	\$53.38	\$46.80	\$40.03	\$32.98	\$25.54



City of Portsmouth, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2020*

<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	\$916,327	100.00%	\$916,327
Overlapping:			
Scioto County	4,230,840	19.64%	830,937
Portsmouth City School District	6,790,559	92.04%	<u>6,250,031</u>
		Subtotal	<u>7,080,968</u>
		Total	<u><u>\$7,997,295</u></u>

Source: Scioto County Auditor
Portsmouth City School District

Percentages determined by dividing each overlapping subdivisions' assessed valuation within the City by the subdivisions' total assessed valuation.

City of Portsmouth, Ohio

*Debt Limitations
Last Ten Years*

Collection Year	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$217,525,430	\$215,298,860	\$213,252,580	\$216,860,000
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	22,840,170	22,606,380	22,391,521	22,770,300
City Debt Outstanding (2)	1,585,000	1,520,000	1,450,000	1,380,000
Less: Applicable Debt Service Fund Amounts	<u>(65,065)</u>	<u>(80,553)</u>	<u>(97,815)</u>	<u>(124,831)</u>
Net Indebtedness Subject to Limitation	<u>1,519,935</u>	<u>1,439,447</u>	<u>1,352,185</u>	<u>1,255,169</u>
Overall Legal Debt Margin	<u><u>\$21,320,235</u></u>	<u><u>\$21,166,933</u></u>	<u><u>\$21,039,336</u></u>	<u><u>\$21,515,131</u></u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$217,525,430	\$215,298,860	\$213,252,580	\$216,860,000
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	11,963,899	11,841,437	11,728,892	11,927,300
City Debt Outstanding (2)	1,585,000	1,520,000	1,450,000	1,380,000
Less: Applicable Debt Service Fund Amounts	<u>(65,065)</u>	<u>(80,553)</u>	<u>(97,815)</u>	<u>(124,831)</u>
Net Indebtedness Subject to Limitation	<u>1,519,935</u>	<u>1,439,447</u>	<u>1,352,185</u>	<u>1,255,169</u>
Overall Legal Debt Margin	<u><u>\$10,443,964</u></u>	<u><u>\$10,401,990</u></u>	<u><u>\$10,376,707</u></u>	<u><u>\$10,672,131</u></u>

(1) Direct Debt Limitation based upon Section 133, The Uniform Bond Act of the Ohio Revised Code.

(2) City Debt Outstanding includes Non Self-Supporting General Obligation Bonds and Notes only.
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: City Auditor's Office

City of Portsmouth, Ohio

2015	2016	2017	2018	2019	2020
\$215,872,520	\$224,323,360	\$233,969,550	\$232,591,780	\$232,837,810	\$235,397,690
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
22,666,615	23,553,953	24,566,803	24,422,137	24,447,970	24,716,757
1,305,000	1,140,000	1,025,000	905,000	785,000	665,000
(123,719)	(60,382)	(78,413)	(95,381)	(118,040)	(148,415)
<u>1,181,281</u>	<u>1,079,618</u>	<u>946,587</u>	<u>809,619</u>	<u>666,960</u>	<u>516,585</u>
<u>\$21,485,334</u>	<u>\$22,474,335</u>	<u>\$23,620,216</u>	<u>\$23,612,518</u>	<u>\$23,781,010</u>	<u>\$24,200,172</u>

\$215,872,520	\$224,323,360	\$233,969,550	\$232,591,780	\$232,837,810	\$235,397,690
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
11,872,989	12,337,785	12,868,325	12,792,548	12,806,080	12,946,873
1,305,000	1,140,000	1,025,000	905,000	785,000	665,000
(123,719)	(60,382)	(78,413)	(95,381)	(118,040)	(148,415)
<u>1,181,281</u>	<u>1,079,618</u>	<u>946,587</u>	<u>809,619</u>	<u>666,960</u>	<u>516,585</u>
<u>\$10,691,708</u>	<u>\$11,258,167</u>	<u>\$11,921,738</u>	<u>\$11,982,929</u>	<u>\$12,139,120</u>	<u>\$12,430,288</u>

City of Portsmouth, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	2011	2012	2013	2014
Water Mortgage Bonds (1)				
Gross Revenues (2)	\$6,008,911	\$6,332,121	\$6,348,951	\$6,260,916
Direct Operating Expenses (3)	4,330,730	4,484,572	4,361,713	4,509,207
Net Revenue Available for Debt Service	1,678,181	1,847,549	1,987,238	1,751,709
Annual Debt Service Requirement	571,155	571,631	570,921	569,134
Coverage	2.94	3.23	3.48	3.08

N/A - Not Applicable

- (1) Water Mortgage Revenue Bonds were paid off in 2015.
- (2) Gross revenues include operating revenues plus interest income.
- (3) Direct operating expenses include operating expenses less depreciation.

Source: City Auditor's Office

City of Portsmouth, Ohio

2015	2016	2017	2018	2019	2020
\$5,693,192	N/A	N/A	N/A	N/A	N/A
4,276,206	N/A	N/A	N/A	N/A	N/A
1,416,986	N/A	N/A	N/A	N/A	N/A
566,516	N/A	N/A	N/A	N/A	N/A
2.50	N/A	N/A	N/A	N/A	N/A

City of Portsmouth, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2011	2012	2013	2014	2015
Population (1)					
City of Portsmouth	20,226	20,226	20,226	20,226	20,226
Scioto County	79,277	78,477	78,153	77,258	76,825
Income (2) (a)					
Total Personal (in thousands)	584,289	615,922	620,756	639,688	663,939
Per Capita	28,888	30,452	30,691	31,627	32,826
Unemployment Rate (3)					
Federal	8.3%	8.1%	7.4%	6.2%	5.3%
State	7.6%	7.2%	7.4%	5.7%	4.9%
Scioto County	11.6%	10.7%	11.5%	8.7%	7.7%
Civilian Work Force Estimates (3)					
State	5,762,000	5,747,900	5,765,700	5,719,500	5,700,300
Scioto County	31,900	31,900	31,200	29,900	29,600

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2019.

For the presentation of 2020 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, Ohio

2016	2017	2018	2019	2020
20,226	20,226	20,226	20,226	20,226
76,088	75,929	75,502	75,314	75,314
674,315	737,561	790,432	811,953	811,953
33,339	36,466	39,080	40,144	40,144
4.9%	4.4%	3.9%	3.7%	8.1%
4.9%	5.0%	4.6%	4.1%	8.1%
7.6%	7.1%	6.8%	6.3%	8.7%
5,713,100	5,780,000	5,754,900	5,802,300	5,754,300
29,900	29,700	29,000	28,900	29,400



City of Portsmouth, Ohio

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2020	
		Number of Employees	Rank
Southern Ohio Medical Center	Health Care Services	3,190	1
Shawnee State University	Education	1,151	2
Scioto County Offices	Government	504	3
Portsmouth City Schools	Education	369	4
Scioto County Counseling Center	Health Care Services	349	5
City of Portsmouth	Government	262	6
OSCO Industries	Manufacturing	188	7
State of Ohio	Government	170	8
SOMC Medical Care Foundation	Medical	168	9
Apogee Medical Group	Medical	35	10
Total		<u>6,386</u>	

Employer	Nature of Business	2011	
		Number of Employees	Rank
Southern Ohio Medical Center	Health Care Services	2,425	1
Shawnee State University	Education	1,500	2
Scioto County Offices	Government	709	3
Portsmouth City Schools	Education	394	4
Community Action Organization	Government / Social Services	350	5
State of Ohio	Government	312	6
City of Portsmouth	Government	266	7
Norfolk and Southern Railway	Railroad	250	8
OSCO Industries	Manufacturing	222	9
SOMC Medical Care Foundation	Medical	75	10
Total		<u>6,503</u>	

Sources: City Auditor's Office

Total employment within the City is not available.

City of Portsmouth, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities				
Security of Persons and Property				
Police	50.0	44.0	47.0	47.0
Fire	36.0	37.0	36.0	38.0
Public Health and Welfare Services				
Health	25.5	28.0	28.5	25.5
General Government				
Legislative	7.0	7.0	7.0	7.0
Mayor	3.0	3.0	2.0	2.0
Finance	5.0	5.0	5.0	5.0
Legal	5.0	5.0	5.0	5.0
Court	24.5	25.0	25.0	26.0
Income Tax	2.0	2.0	2.0	2.0
Engineering	3.0	2.0	4.0	3.0
Administration	3.0	3.0	3.0	3.0
Garage	3.0	3.0	3.0	3.0
Transportation				
Streets	12.0	14.0	13.0	11.0
Cemetery Grounds	3.0	3.0	2.0	2.0
Recreational Grounds	2.0	2.0	0.0	0.0
Community Environment				
Building Inspection	1.0	1.0	1.0	1.0
Community Development	1.0	1.0	1.0	1.0
Business-Type Activities				
Utilities				
Water	38.0	38.0	38.0	38.0
Sewer	24.0	24.0	22.0	24.0
Sanitation	12.0	13.0	15.0	12.0
<i>Total Employees</i>	<u>260.0</u>	<u>260.0</u>	<u>259.5</u>	<u>255.5</u>

Method: 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

Source: City Auditor's Office

City of Portsmouth, Ohio

2015	2016	2017	2018	2019	2020
50.0	51.0	52.0	53.0	52.0	53.0
39.0	39.0	39.0	39.0	39.0	39.0
26.0	27.0	27.0	29.5	29.5	27.0
7.0	7.0	7.0	7.0	7.0	7.0
2.0	2.0	3.0	1.5	2.0	2.0
5.0	5.0	5.0	5.0	5.0	5.0
5.0	5.0	5.0	5.0	5.0	5.0
26.5	24.5	27.5	27.0	27.5	27.0
2.0	2.0	2.0	2.0	2.0	2.0
1.0	2.0	1.0	1.0	1.0	2.0
3.0	3.0	2.0	2.0	2.0	2.0
3.0	3.0	2.0	2.0	3.0	3.0
9.0	9.0	9.0	9.0	7.5	11.0
2.0	2.0	2.0	2.0	3.0	5.0
0.0	0.0	0.0	0.0	0.0	0.0
1.0	1.0	2.0	2.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0	1.0
35.0	29.0	32.0	32.5	32.0	32.0
24.0	24.0	23.0	24.0	22.0	23.0
13.0	13.0	13.0	14.0	14.0	15.0
<u>254.5</u>	<u>249.5</u>	<u>254.5</u>	<u>258.5</u>	<u>256.5</u>	<u>263.0</u>

City of Portsmouth, Ohio

*Operating Indicators by Function
Last Ten Years*

	2011	2012	2013	2014
Governmental Activities				
General Government				
Licenses and Permits				
Number of Building Permits	325	352	516	463
Security of Persons and Property				
Police				
Number of Patrol Units	27	27	29	29
Criminal/Juvenile Citations and Charges	1,686	1,332	1,482	1,795
Traffice Citations Issued	1,604	738	3,537	619
Parking Tickets Written	549	495	233	325
Fire				
Number of Calls Answered	789	861	792	962
Number of Fire Inspections	79	79	84	99
Number of Investigations	46	83	86	61
Number of EMS Transports	0	0	0	0
Business-Type Activities				
Water				
Number of Service Connections	13,600	13,600	13,493	13,398
Average Daily Consumption (thousands of gallons)	6M	6M	6M	6M
Maximum Daily Capacity (thousands of gallons)	12M	12M	12M	12M
Sewer				
Number of Service Connections	8,200	8,200	8,119	7,843
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	7,600	7,600	7,440	6,371

Source: City Auditor's Office

City of Portsmouth, Ohio

2015	2016	2017	2018	2019	2020
404	377	458	352	351	312
29	29	34	33	26	26
2,024	1,647	1,809	1,620	1,914	1,441
637	640	561	960	772	467
410	416	308	223	311	301
1,235	2,230	2,851	3,579	3,919	2,375
98	128	77	72	69	62
104	5	10	32	55	62
0	0	152	1,594	1,698	1,363
13,400	13,400	13,288	13,236	13,216	13,215
6M	6M	6M	6M	6M	6M
12M	12M	12M	12M	12M	12M
7,850	7,850	7,695	7,664	7,633	7,639
5	5	5	5	5	5
10	10	10	10	10	10
6,375	6,375	6,179	6,148	6,136	6,156

City of Portsmouth, Ohio

*Capital Asset Statistics by Function
Last Ten Years*

	2011	2012	2013	2014
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	27	27	29	29
Fire				
Stations	3	3	3	3
Vehicles	17	17	17	17
Transportation				
Street				
Streets (lane miles)	220	220	220	220
Street Lights	1,476	1,476	1,476	1,476
Leisure Time Activities				
Recreation/Seniors				
Land (acres)	223	223	223	223
Parks	17	17	17	17
Number of Ball Fields (Lighted)	7	7	7	7
Number of Ball Fields (Unlighted)	4	4	4	4
Number of Tennis Courts (Lighted)	0	0	0	0
Number of Tennis Courts (Unlighted)	11	11	11	11
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, Ohio

2015	2016	2017	2018	2019	2020
7,680	7,680	7,680	7,680	7,680	7,680
1	1	1	1	1	1
29	29	34	33	51	50
3	3	3	3	3	3
17	17	19	17	17	16
220	220	220	220	220	220
1,476	1,476	1,476	1,476	1,476	1,476
223	223	223	223	233	233
17	17	17	17	17	17
7	7	7	7	7	7
4	4	4	4	4	4
0	0	0	0	0	0
11	11	7	7	7	7
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



OHIO AUDITOR OF STATE KEITH FABER



CITY OF PORTSMOUTH

SCIOTO COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/9/2021

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Phone: 614-466-4514 or 800-282-0370

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