

City of Portsmouth Financial Condition

Scioto County

Single Audit

January 1, 2001 Through December 31, 2001

Fiscal Year Audited Under GAGAS: 2001

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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 Balestra & Company, for the audit period January 1, 2001 through December 31, 2001. 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, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

August 27, 2002

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CITY OF PORTSMOUTH
FINANCIAL CONDITION

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City of Portsmouth
Scioto County

Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2001

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U. S. Department of Agriculture			
<i>Direct from Federal Government</i>			
Franklin Furnace Water Tower	D	10.760	\$126,945
Water & Waste Disposal Systems for Rural Communities Grant	97-DG-F02-7203	10.760	105,093
Water & Waste Disposal Systems for Rural Communities Loan	97-DG-F02-7203	10.760	<u>600,000</u>
Total Water & Waste Disposal Systems for Rural Communities			832,038
U. S. Department of Housing & Urban Development			
<i>Passed through the Ohio Department of Development</i>			
Community Development Block Grants		14.228	
G 00-167/Y2K	910532		4,130
AF 00	G10558 H583		7,450
AF 99-167	G00669 H095		<u>67,701</u>
Total Community Development Block Grants			79,281
U. S. Department of Justice			
<i>Passed through Governor's Office of Criminal Justice Services</i>			
Law Enforcement Block Grant	N/A	16.592	24,329
U.S. Environmental Protection Agency			
<i>Passed through the Ohio Environmental Protection Agency</i>			
Air Pollution Control Program Support Grant	N/A	66.001	128,424
U. S. Department of Transportation			
<i>Passed through the Ohio Department of Transportation</i>			
State and Community Highway Safety Grant (COPS)	GR-1-861-0	20.600	23,729
U.S. Department of Health & Human Services			
<i>Passed through the State Department of MRDD</i>			
Childhood Lead Poisoning Prevention Project Grant	73-2-01-F-BD-392	93.197	18,991
Immunization Grant	73-2-01-P-AZ-392	93.268	17,531
Social Services Block Grant - Title XX (2003)	N/A	93.667	800
Preventive Health & Health Services Block Grant	73-2-01-P-BP-387	93.991	28,221
Maternal & Child Health Services Block Grant	73-2-001-1-A1-01	93.994	<u>169,134</u>
Total U. S. Department of Health & Human Services			<u>234,677</u>
Total Federal Financial Assistance			<u><u>\$1,322,478</u></u>

D - Direct from Federal Government

N/A - Pass through entity number not available.

See Accompanying Notes to the Schedule of Federal Awards Expenditures

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A - - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the City's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - - USDA LOAN PROGRAM

The City participates in the United States Department of Agriculture Loan Program. The objective of the Water and Waste Disposal Systems for Rural Communities Program is to provide grants and loans for new and improved water and/or waste disposal systems serving rural areas when financing is not available at reasonable rates and terms from other sources. The City had an outstanding USDA loan balance of \$600,000 at December 31, 2001.

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

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2001, the gross amount of loans outstanding under this program was \$155,905.

NOTE D - - MATCHING REQUIREMENTS

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

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Ohio Society of Certified Public Accountants

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

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

We have audited the financial statements of the City of Portsmouth, as of and for the year ended December 31, 2001, in which we indicated the City had changed its method of accounting for non-exchange transactions, and have issued our report thereon dated June 7, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Portsmouth's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*. However, we noted certain other instances of non-compliance that we have reported to the management of the City in a separate letter dated June 7, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Portsmouth's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Portsmouth's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2001-001.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to the management of the City of Portsmouth in a separate letter dated June 7, 2002.

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

Balestra & Company
Balestra & Company

June 7, 2002

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

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

Compliance

We have audited the compliance of the City of Portsmouth with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2001. The City of Portsmouth's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City of Portsmouth's management. Our responsibility is to express an opinion on the City of Portsmouth's compliance based on our audit.

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

In our opinion, the City of Portsmouth complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2001.

Internal Control Over Compliance

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

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

We have audited the general-purpose financial statements of the City of Portsmouth as of and for the year ended December 31, 2001, and have issued our report thereon dated June 7, 2002. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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

Balestra & Company

Balestra & Company

June 7, 2002

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505**

**CITY OF PORTSMOUTH
SCIOTO COUNTY
DECEMBER 31, 2001**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section .510?	No
(d)(1)(vii)	Major Programs (list):	Water & Waste Disposal Systems for Rural Communities, CFDA #10.760
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505**

**CITY OF PORTSMOUTH
SCIOTO COUNTY
DECEMBER 31, 2001**

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

Finding Number	2001-001
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Reportable Condition

The Clerk of the Portsmouth Municipal Court has been unable to properly reconcile the Court's Civil bank account with the Open Items List as maintained by the Clerk's Office. As of December 31, 2001, the reconciled bank balance was \$38,752.90. The aggregate amount of Open Items List per the Court's System at December 31, 2001 was \$19,893.41. As a result, there is \$18,859.49 more in the bank account than what is reported to be the Open Items. Since the Courts accounts are agency funds, all money received is owed to other funds of the City, other governments, or individuals, attorneys, etc.. All amounts due to others should be included on the Open Items List.

The Clerk of the Portsmouth Municipal Court has been unable to properly reconcile the Court's Criminal bank account with the Open Items List as maintained by the Clerk's Office. As of December 31, 2001, the reconciled bank balance was \$87,770.15. The aggregate amount of Open Items List per the Court's System at December 31, 2001 was \$12,213.00. As a result, there is \$75,557.15 more in the bank account than what is reported to be the Open Items. Since the Courts accounts are agency funds, all money received is owed to other funds of the City, other governments, or individuals, attorneys, etc.. All amounts due to others should be included on the Open Items List.

We recommend that the Clerk of Courts continue to work to resolve the variance between the reconciled bank amount and the Open Items List. The Clerks Office should be able to account for all amounts in the various bank accounts of the Court. This is important in ensuring that all moneys are properly disbursed to the various funds, governments, individuals, etc..

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2001-001	The Clerk of Municipal Court is continuing to work to resolve the variances between the reconciled bank amounts and Open Items List in order to ensure that all monies are disbursed properly. The Clerk will pay out or refund all open items, identify any other variances in civil, criminal and all other accounts and make corrections as necessary.	December 31, 2002	Clerk of Courts

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505**

**CITY OF PORTSMOUTH
SCIOTO COUNTY
DECEMBER 31, 2001
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	None
CFDA Title and Number	
Federal Award Number/Year	
Federal Agency	
Pass-Through Agency	

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

**CITY OF PORTSMOUTH
SCIOTO COUNTY
DECEMBER 31, 2001**

Finding Number	Finding Summary	Fully Corrected	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-14228-001	ORC, Section 5705.39	Yes	Original finding initiated in 1999.
2000-14228-002	ORC, Section 5705.41(B)	No	See Current Year Management Letter Comment. Original finding initiated in 1999.
2000-14228-003	Court Bank Reconciliations	No	See Current Year Finding 2001-001. Original finding initiated in 1999.
2000-14228-004	Refunding of Grant Proceeds	Yes	Original finding initiated in 1998.
2000-14228-005	Unbudgeted Charges to Grant	No	Not Corrected. The City shall strictly adhere to the guidelines listed in the Grant Agreement. The City shall not charge items to a grant that are not specifically budgeted and agreed upon, in the grant agreement. Anticipated Completion date: September 30, 2002. Original finding initiated in 1999.
2000-14228-006	Lack of Supporting Documentation	Yes	
2000-14228-007	Lack of Supporting Documentation	Yes	
2000-14228-008	Lack of Prior Approval	Yes	
2000-14228-009	Lack of Prior Approval	Yes	
2000-14228-010	Lack of Supporting Documentation	Yes	
2000-14228-011	Lack of Supporting Documentation	Yes	
2000-14228-012	Unbudgeted Charge to Grant	Yes	

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

**CITY OF PORTSMOUTH
SCIOTO COUNTY
DECEMBER 31, 2001**

Finding Number	Finding Summary	Fully Corrected	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-14228-013	Expenses Charged after Grant Completion	Yes	
2000-14228-014	Lack of Supporting Documentation	Yes	
2000-14228-015	Unbudgeted Charge to Community Development	Yes	Original finding initiated in 1999.
2000-14228-016	Allocation of Joint Costs	No	Not Corrected. The City is currently developing a Cost Allocation Plan but it has not been adopted as of our audit report date.
2000-14228-017	Discrepancies Between Financial Reports and Accounting Records	Yes	
2000-14228-018	Submission of Financial Status Reports	Yes	Original finding initiated in 1999.
2000-14228-019	Discrepancies Between General Ledger and Income Reports	Yes	Original finding initiated in 1999.
2000-14228-020	15 Day Rule	No	Not Corrected. The City Auditor and Community Development Director are monitoring cash balances and working towards drawing monies as close as possible to projected expenditure dates. Original finding initiated in 1999.
2000-14228-021	Transfers	Yes	

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

**CITY OF PORTSMOUTH
SCIOTO COUNTY
DECEMBER 31, 2001**

Finding Number	Finding Summary	Fully Corrected	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-14228-022	Allocation of Joint Costs	No	Not Corrected. The City is currently developing a Cost Allocation Plan but it has not been adopted as of our audit report date. Original finding initiated in 1999.
2000-14228-023	Lack of Internal Controls	No	Not Corrected. The City is currently developing a Cost Allocation Plan but it has not been adopted as of our audit report date. Correspondence between the City Auditor and Community Development Director is developing to ensure reconciliation between the City's general ledger and Community Development's records.

THE CITY OF PORTSMOUTH, OHIO

SCIOTO COUNTY



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2001

THE CITY OF PORTSMOUTH, OHIO

SCIOTO COUNTY

COMPREHENSIVE ANNUAL FINANCE REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2001

Prepared by:

M. TRENT WILLIAMS
City Auditor

Finance Department:

Constance J. Snipes
Deputy Auditor

Barbara A. Doyle
Finance Clerk II

Jennifer E. Spriggs
Finance Clerk I

Brenda D. Givens
Finance Clerk I

Income Tax Department:

John F. Queen
Tax Commissioner

David A. Lester
Deputy Tax Commissioner

Emily E. Conley
Finance Clerk I

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INTRODUCTORY SECTION

The City of Portsmouth

"Where the Ohio and Scioto Meet"

Department of Finance

Municipal Building, Room 3

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

Phone (419) 599-1235 - Fax (419) 599-8393
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M. Trent Williams
City Auditor



State of Ohio

June 24, 2002

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

As City Auditor, it is my pleasure to present the sixth Comprehensive Annual Financial Report (CAFR) of the City of Portsmouth, Ohio for the fiscal year ended December 31, 2001. 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.

The Report

This Comprehensive Annual Financial Report (CAFR) is designed to assist and guide the reader in understanding its contents. The report is comprised of the following three major sections:

1. *The Introductory Section* includes this letter of transmittal presenting the City's organization, operational structure and accomplishments; a list of elected officials and an organizational chart.
2. *The Financial Section* contains the Report of the Independent Auditors, the City's General Purpose Financial Statements and explanatory notes thereto and the combining and individual fund and account group financial statements and schedules that provide detailed information to the General Purpose Financial Statements.
3. *The Statistical Section* consists of social, economic and historical data in a multi-year format, which can be used to identify financial trends and data relative to the fiscal capacity of the City.

This CAFR was prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB) and other authoritative pronouncements.

The Reporting Entity

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

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

Historical Information

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

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

Location

Portsmouth, at an altitude of 533 feet above sea level, is located in southern Ohio approximately 90 miles south of Columbus, the state capital, and 100 miles east of Cincinnati, Ohio. Portsmouth, the county seat of Scioto County, encompasses an area of 12 square miles and serves a residential population of 20,909 (2000 Census). The City, which is bisected by U.S. Routes 23 and 52, is strategically located on the Ohio River providing distribution alternatives which include highways, railways and waterways. The City is also situated in close proximity to an abundance of fossil fuels, namely coal and natural gas from nearby Kentucky and West Virginia. The City is connected to Kentucky by two bridges: the U.S. Grant Bridge in downtown Portsmouth and the Carl Perkins Bridge located approximately two miles west of the City. Portsmouth is served by the CSX Railway System and the Norfolk Southern. The Greater Portsmouth Regional Airport, which is located in Minford, Ohio and owned by Scioto County, has a 5,000 foot paved runway which can accommodate corporate jets the size of a Boeing 727.

Form of Government

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

Municipal Services

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

The City also operates 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 Mayor has the necessary authority to establish and amend appropriate user rates as required. The rates are monitored on an on-going basis to insure their adequacy to meet operation, maintenance, debt service and capital replacement needs. Responsibility for the frequency and amount of rate changes lies solely with the Mayor.

Bases of Accounting

Except for that used for budgetary purposes, the bases of accounting used by the City are in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units and are consistent with GASB Codified Section 1600, "Basis of Accounting."

All governmental and expendable trust funds are accounted for by using a current financial resources (current assets and current liabilities) measurement focus. The modified accrual basis of accounting is utilized for the governmental, expendable trust and agency funds. Revenues are recognized when they are susceptible to accrual, both measurable and available. Expenditures are recognized when the related liability is incurred, except for interest on long-term debt which is recorded when due.

The measurement focus for the City's proprietary funds and nonexpendable trust funds is the flow of total economic resources (all assets and all liabilities). The accrual basis of accounting is utilized which recognizes revenues when earned and expenses when incurred.

The City's basis of accounting for budgetary purposes differs from generally accepted accounting principles in that revenues are recognized when received, rather than when susceptible to accrual (measurable and available), and encumbrances are recorded as expenditures rather than as reservations of fund balances. A reconciliation of the results of these two methods appears in Note 1. During 2001, all accounting policies were applied consistently with those of 2000. Accounting policies are further explained in Note 1.

ECONOMIC CONDITION AND OUTLOOK

Business and Industry

Among the principal products and services provided by Portsmouth area businesses are shoelaces, castings, concrete products, and health services. Portsmouth is served by one daily newspaper, one weekly and one bi-weekly, and by three local radio stations. Cable television is available, offering education and community access channels in addition to entertainment channels. Financial services are provided to the city by six banks and two credit unions. A complete range of medical services is provided to the Portsmouth area by the Southern Ohio Medical Center. The Medical Center recently completed and opened a new wing at Scioto Memorial Hospital. The new addition houses an expanded, well equipped, emergency room and trauma center as well as a new intensive care unit and maternity facility. Several new physician office buildings have been erected on the Scioto memorial Campus. SOMC has expanded its Mercy Hospital Campus with the addition of a new Dialysis Center and looks to offer alternatives to its Mercy LIFE Center fitness and rehabilitation location with similar facilities to be constructed outside 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 7.0% for the 2001 calendar year, which is substantially above the state average of 4.3% and the national average of 4.8%. While the unemployment number is high in comparison to the state and national average, it is 1.8% lower than the 8.8% rate recorded in 2000. The state of the local economy has been improving and local initiatives are serving to promote a renewed spirit of pride in the community.

Utilities

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

- Electric American Electric Power
- Telephone Verizon
- Natural Gas Columbia Gas of Ohio, Inc.

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

Water is provided by the City of Portsmouth to approximately 14,489 customers both within the City and in some areas of Scioto County. The City filtration plant has the capacity to produce 12 million gallons of treated water daily and is currently producing six to seven million gallons of water per day. There are approximately 25 million gallons of water stored in reservoirs and tanks located in and around the City.

Serving 9,117 connections are two separate facilities for wastewater treatment. The main plant located in Portsmouth has the capacity to treat twelve million gallons daily and is currently treating approximately five to six million gallons daily. A small plant is located in Sciotoville. The City is currently collecting and treating sewage for Portsmouth, New Boston Village and the Rosemount area located in Clay Township.

Solid waste collection and disposal is operated by the City of Portsmouth providing service to approximately 7,800 customers. The solid waste transfer station officially commenced operations in the fall of 1993. Improved efficiency at the new transfer station has allowed the City to maintain operating costs at current levels for the solid waste collection and disposal function.

Recreation and Cultural Facilities and Events

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

Another citizen sponsored project, which started in 1992 and is still ongoing, is the painting of murals on the flood wall on Front Street in the Boneyfiddle District. When completed, these murals will tell the "story" of Portsmouth and are proving to be a great tourist attraction. The funds were raised for this project by the people of Portsmouth through donations and fund-raisers and a state grant. At present there are 45 completed panels on the flood wall. Long range plans provide for the completion of about 50 murals by 2002. Plans are in motion now to provide a visitors center to accommodate those viewing the 2000 feet of spectacular Portsmouth history.

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

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

Portsmouth is ideally located on the Ohio and Scioto Rivers for all types of water related activities, including fishing, boating and water skiing. There are camping facilities along the river which are usually filled to capacity during the summer months. These facilities are owned and operated by the City. The annual River Days Festival is held over the Labor Day weekend and draws many visitors to our area.

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

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

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

Education

Portsmouth City Schools are comprised of five elementary schools, three middle schools and two high schools, with a total combined enrollment of approximately 2,628 students. The pupil-teacher ratio is approximately thirteen to one. Adult education programs are offered by Portsmouth City Schools and Shawnee State University.

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

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

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

Employee Relations

The City of Portsmouth has contracts with five employee bargaining units. These groups are Local 512 of the International Association of Firefighters, Lodge 33 of the Fraternal Order of Police, Local 1039 AFSCME, Ohio Council 8, 1039-A AFSCME Dispatchers and 1039-C Finance Department Employees. Contract periods are varied for these groups.

MAJOR INITIATIVES

Present

The City's largest project during 2001 was the continuation of the major overhaul of the City's waterlines, storage tanks and treatment facilities. The City completed its US 52 waterline upgrade project by implementing Phase II, which replaced over three miles of existing lines with larger 24" lines

from the Young Street Viaduct east to Clayport Street in New Boston, near the Filtration Plant. Several smaller 6" and 8" waterlines were upgraded or replaced in the New Boston, Sciotoville, Wheelersburg and Portsmouth areas. The largest water project item completed in 2001 was the construction of a 750,000 gallon water storage tank in the Franklin Furnace area in the east end of the county. This tank will provide city water service to several industrial plants located at the eastern end of the county and meet the needs of the proposed industrial developments in that area.

The City made major improvements to its Waste Water and Flood Defense systems including pump station electrical system upgrades and several others pump station enhancements as well as many repairs to flood gate, floodwall, and pump station lighting and heating facilities at its various locations throughout the city.

As a result of damage from a fire in 1997 and general deterioration to the Spartan Municipal Stadium, the stadium has been refurbished with upgrades to the press box, concession stands, spectator seating, locker rooms and restroom facilities. Upgrades in parks and recreation included completion of a playground at Bannon Park, and upgrades to all city parks, additional baseball field lighting and renovation of the playing field and plumbing and sprinkler systems at Branch Rickey Park. Branch Rickey is home to several baseball teams and leagues and is considered one of the top baseball facilities in Southern Ohio. Tracy Park now enjoys the addition of a renovated bandstand pavilion, which will greatly enhance summer park concerts. The first phase of construction of terraced seating of the riverfront soundstage has been completed. Several trees have been replaced along Chillicothe Street enhancing the downtown landscape.

Future

The City continues its water line upgrade project by continuing replacement of various 6" lines throughout the City, systemwide meter replacements and various Filtration Plant enhancements. A 12" water line extension from Franklin Furnace to the Haverhill industrial park and the additions of 750,000 gallon elevated water towers in both locations are also underway to assist with industrial park and future industrial development. The City's roads will undergo major resurfacing in all areas affected by waterline replacement in addition to all state routes within the City.

The Charles Street Waste Water treatment plant will see continued pump and plant and storm gate upgrades, sewer linings and the creation and implementation of a Storm Water Utility Program, working with the City's Graphical Information System to utilize three-dimensional modeling capabilities. The Public Service department has begun the construction of a recycling sorting building near the City garage and Mound Park will see new tennis court surfacing, fencing and facilities upgrades.

The City has purchased the former American Electric Power office building and has completed the renovation of the building in order to relocate several City offices formerly housed in Griffin Hall. Offices located in the annex include all City health department offices, the Public Utilities office and the City Income Tax division. Renovations to the new Municipal Building annex were completed in 2001 allowing for demolition of the former Griffin Hall building necessary for the construction of and replacement by the State of Ohio of a new U.S. Grant Bridge. The modern bridge, with wider lane capacity, spanning the Ohio River from Chillicothe Street in downtown Portsmouth to South Shore, Kentucky is projected to be open in June of 2004. As the replacement of the structure with a new, state-funded steel, cable-stayed bridge takes place, the Carl Perkins Bridge, erected in 1987, just two miles west of the Grant Bridge will keep Portsmouth connected to its southern neighbor.

The City is currently in the planning and negotiation stages with developers of a proposed downtown retail center. The addition of a central retail center and restaurants will do much to enhance and revitalize and bring new interest to the downtown area. Currently renovations are being made to a large downtown building that will be home to a number of apartments. Several new businesses have begun to spring up in the downtown and Boneyfiddle districts of Portsmouth. The City has recently acquired a large building in the downtown area and plans to convert this building to its new City Hall. The project is currently in the planning and architectural stage with plans to bring the remaining city offices together in the renovated building by 2004.

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System

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

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

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

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

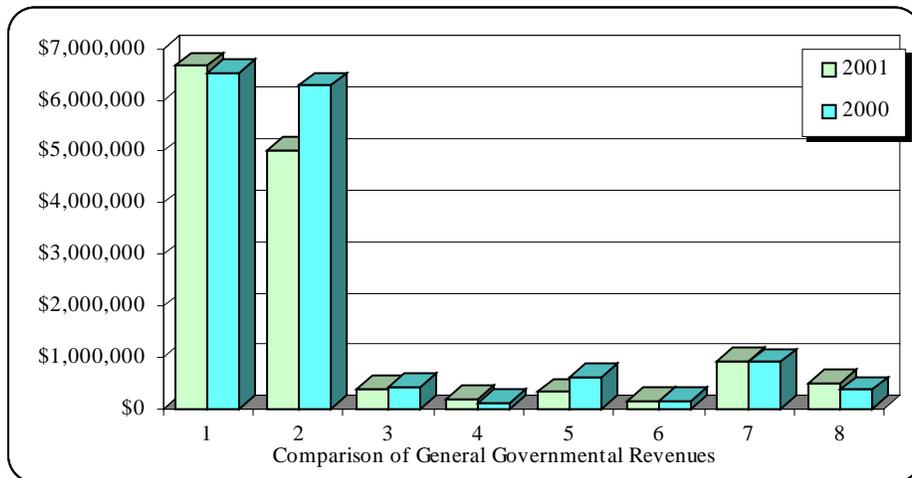
All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions. The Auditor's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

General Governmental Functions

The following schedule presents a summary of general governmental functions (including General, Special Revenue, and Debt Service funds), revenues for the years ended December 31, 2001 and 2000, the percentage of each revenue source to total revenues, and the amount of increase/(decrease) relative to prior year revenue.

Revenue Source	2001 Total	Percent of Total	2000 Total	Increase (Decrease) over 2000	Percent of Increase (Decrease)
1. Tax Revenues	\$6,660,757	46.89%	\$6,527,317	\$133,440	2.04%
2. Intergovernmental Revenues	5,015,661	35.31%	6,276,285	(1,260,624)	(20.09%)
3. Charges for Services	402,186	2.83%	447,215	(45,029)	(10.07%)
4. Licenses and Permits	193,154	1.36%	115,686	77,468	66.96%
5. Investment Earnings	339,097	2.39%	616,196	(277,099)	(44.97%)
6. Special Assessments	156,083	1.10%	154,473	1,610	1.04%
7. Fines and Forfeitures	933,608	6.57%	919,845	13,763	1.50%
8. All Other Revenues	505,475	3.55%	378,961	126,514	33.38%
Total	\$14,206,021	100.00%	\$15,435,978	(\$1,229,957)	



Revenue Narrative

General government revenues totaled \$14,206,021 for 2001, a decrease of \$1,229,957 from 2000. The City's income tax is the primary source of revenue for the City. This tax applies to all income earned within the City and to Portsmouth residents' earnings from outside the City. The tax also applies to net proceeds from the operation of a business, profession or other enterprise activity. This tax was originally voted in 1965 for 1/2 percent for a five year period, and was continued indefinitely in 1970. In 1972, the voters of Portsmouth increased the rate to one percent, also for an indefinite period. On November 3, 1987, the voters increased the tax by four tenths of one percent (.4%) indefinitely, raising the total tax

percentage to 1.4%. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual tax payers are required to pay their estimated tax quarterly and to file a declaration and tax return annually.

The most significant decrease in revenues was that inheritance taxes decreased over \$750,000. In addition there were several intergovernmental grants received in 2000 for community development that were not renewed in 2001.

Charges for services decreased as a result of the City giving special duty operations back to the Fraternal Order of Police in early 2001. While this was operated by the City, the City recognized revenues and expenditures for this activity. This decrease in charges for services was partly offset by new services to the Scioto County Juvenile Detention Center by the Health Department.

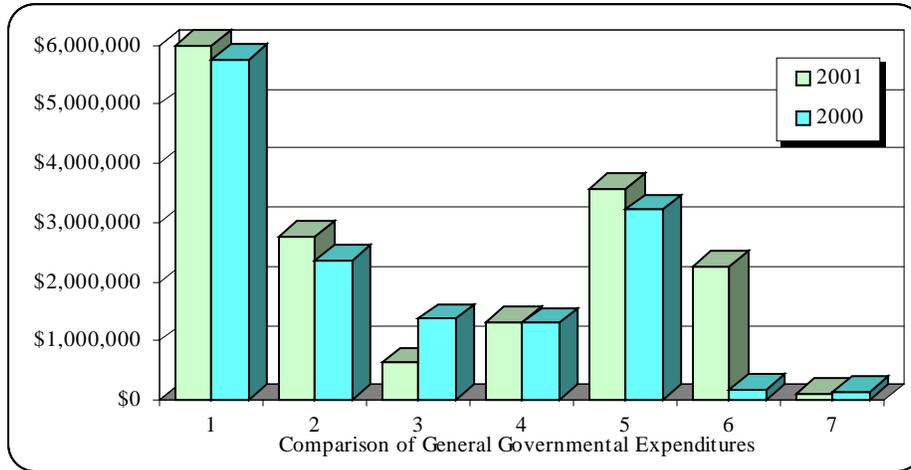
The increase in licenses and permits is a result of a large increase in commercial construction in the city as well as an increase in the fee structure for food service permits and the number of establishments that were identified as requiring food permits.

Investment earnings decreased compared to 2000 because the amount of funds invested during the year decreased and the interest rates decreased during 2001. The City's investment policies are discussed later in more detail under the topic of "Cash Management."

The increase in other revenue is attributable to a refund of workers' compensation premiums from the State.

Expenditures for general governmental purposes (including General, Special Revenue, and Debt Service funds), totaled \$16,620,368, an increase of \$2,293,960 compared to 2000. Expenditures for the major functions of the City, increases/(decreases) over 2000 and the percentage of the total are shown in the following table:

Function	2001 Total	Percent of Total	2000 Total	Increase (Decrease) over 2000	Percent of Increase (Decrease)
1. Security of Persons and Property	\$5,991,355	36.05%	\$5,757,590	\$233,765	4.06%
2. Public Health and Welfare	2,769,406	16.66%	2,373,333	396,073	16.69%
3. Community Environment	626,376	3.77%	1,367,040	(740,664)	(54.18%)
4. Transportation	1,307,038	7.86%	1,300,667	6,371	0.49%
5. General Government	3,572,084	21.49%	3,216,901	355,183	11.04%
6. Debt Service - Principal	2,247,980	13.53%	160,862	2,087,118	1297.46%
7. Debt Service - Interest	106,129	0.64%	150,015	(43,886)	(29.25%)
Total	<u>\$16,620,368</u>	<u>100.00%</u>	<u>\$14,326,408</u>	<u>\$2,293,960</u>	



Expenditure Narrative

The significant increase in expenditures is a result of paying in full, the Police/Fire accrued pension liability of more than \$2,000,000. The payoff was funded by issuing general obligation bonds.

Increases in general government and public health and welfare expenditures were due to substantial increases in health and liability insurance premiums as well as to routine increases in payroll, supplies and services.

The decrease in grant revenues for community environment lead to decreased spending for that function.

Proprietary Operations

Enterprise Funds:

The enterprise funds supported by user charges include a water treatment and distribution system, a sewage treatment and collection system and a solid waste (garbage) collection service. The enterprise funds are supported by revenues derived from user charges. Construction and acquisition of capital assets utilized in the distribution and collection systems are financed by self-supporting general obligation debt.

Certain pertinent data relating to the enterprise operations of the City is indicated below:

	Total Assets	Net Income	Return on Assets
Water	\$12,467,322	\$755,516	6.06%
Sewer	1,137,741	26,841	2.36%
Sanitation	1,256,701	105,296	8.38%

Internal Service Funds:

The City's internal service funds consist of the operations of the Garage Revolving Fund, the Store Room Revolving Fund and the Employees Insurance Account "B" Fund. The funds are supported by charges levied against other funds for goods/services provided. The cost of the garage mechanic's labor, automotive parts, office supplies and insurance premiums are internally billed to the departments. Any deficit remaining subsequent to these internal billings is balanced through proportionate contributions from the general, water, sewer and sanitation funds based upon departmental use of the services. During 2001, the operations of the Garage Revolving Fund were moved to the General Fund.

Fiduciary Operations

The fiduciary funds of the City include three expendable trust funds, two nonexpendable trust funds and five agency funds. The expendable trust funds account for recreational program revenues used for recreational facility improvements. The nonexpendable trusts account for principal balances from specific bequests. Interest earnings from the nonexpendable trusts are used for cemetery and mausoleum maintenance as designated in the appropriate trust agreement.

The City also serves as an agent for the County Law Library in the collection of fines. The Portsmouth Municipal Court is also an agency fund of the City. Additional agency funds are maintained to account for the employees' share of health insurance premiums, Board of Building Standards fees, and construction project escrow money. The total assets and corresponding liabilities for the agency funds of the City amounted to \$2,618,631 as of December 31, 2001.

Debt Administration

The debt service fund accumulates resources for the payment of principal, interest and associated administrative costs on the City's general and special assessment long-term debt. Resources are derived from property taxes (real and personal) and special assessments. The City's bond credit rating is Baa1. The total bonded debt of the City reported in the General Long-Term Obligations Account Group as of December 31, 2001, consisted of the following:

Special Assessment Bonds with Governmental Commitment	\$280,000
General Obligation Bonds	2,090,000

The ratio of property tax supported general bonded debt to assessed value and the amount of bonded debt per capita are considered to be good indicators to municipal managers, citizens and investors in general governmental debt of the City's debt position.

The City's debt position as of December 31, 2001 was as follows:

Overall Legal Debt Margin	\$21,807,405
Unvoted Legal Debt Margin	11,422,926
Net General Obligation Bonded Debt Payable from Property Taxes	0
Percentage of Assessed Value	0%
General Bonded Debt per Capita	\$0.00

A more thorough presentation of the calculation of these figures is located in the statistical section of the enclosed report.

Debt expected to be paid from enterprise revenues is reported as a liability of the enterprise funds. The City had the following debt reported in the enterprise funds:

General Obligation Bonds which are Self-Supporting	\$3,040,000
Mortgage Revenue Bond	600,000
Ohio Water Development Authority Loan	412,217
Ohio Public Works Commission Loans	600,266

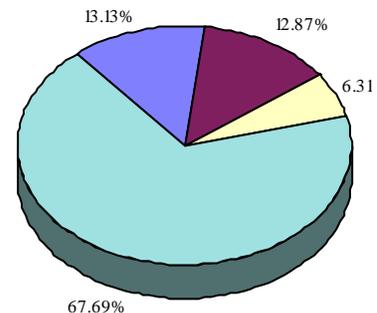
Cash Management

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

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

The City's cash was invested at December 31, 2001 as follows:

Cash Resources	2001	%
Cash and Cash Equivalents	\$1,248,699	13.13%
Certificates of Deposit	1,225,000	12.87%
State and Local Government Security	600,000	6.31%
Repurchase Agreement	6,439,150	67.69%
Total	\$9,512,849	100.00%



Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority.

Risk Management

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

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

OTHER INFORMATION

Independent Audit

The general purpose financial statements of the City of Portsmouth were audited by Balestra and Company, Certified Public Accountants. The auditor's unqualified 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 sixth 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.

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

Acknowledgments

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

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

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

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

Sincerely,



M. Trent Williams
City Auditor

**THE CITY OF PORTSMOUTH, OHIO
SCIOTO COUNTY**

**CITY OFFICIALS
DECEMBER 31, 2001**

<u>Position</u>	<u>Name</u>	<u>Term of Office</u>	<u>Years with City</u>	
<u>Executive</u> (Elected)				
Mayor	Gregory A. Bauer	01/05/98 - 01/06/02	6	
City Auditor	M. Trent Williams	01/03/00 - 01/04/04	3	
City Solicitor	David W. Kuhn	01/03/00 - 01/04/04	13	
<u>Legislative</u> (Elected)				
		<u>Ward</u>		
President of Council	James D. Kalb	4th	01/03/00 - 01/04/04	6
Vice-President of Council	Raymond E. Pyles	2nd	01/03/00 - 01/04/04	5
Member of Council	Ann S. Sydnor	1st	01/05/98 - 01/06/02	14
Member of Council	Maddeline C. Caudill	3rd	01/05/98 - 01/06/02	4
Member of Council	Howard E. Baughman	5th	08/09/99 - 01/06/02	2
Member of Council	Barbara E. Halcomb	6th	11/12/01 - 01/04/04	1
<u>Judicial</u> (Elected)				
Municipal Court Judge	William T. Marshall		01/01/00 - 12/31/05	13
Municipal Court Judge	Richard T. Schisler		01/01/98 - 12/31/03	22
<u>Administrative</u> (Appointed)				
Police Chief	P. Gregory Ratcliff		Indefinite	26
Fire Chief	Robert Storey		Indefinite	28
Public Service Director	Michael E. Blackburn		Indefinite	7
Director of Water	Samuel Sutherland		Indefinite	13
Director of Waste Water	Michael Shaw		Indefinite	25
Community Development Director	Robert J. Burns		Indefinite	5
City Clerk	Jo Ann Aeh		Indefinite	16
Municipal Court Clerk	Leroy Kegley		Indefinite	23
Health Commissioner	Donald Walden		Indefinite	22

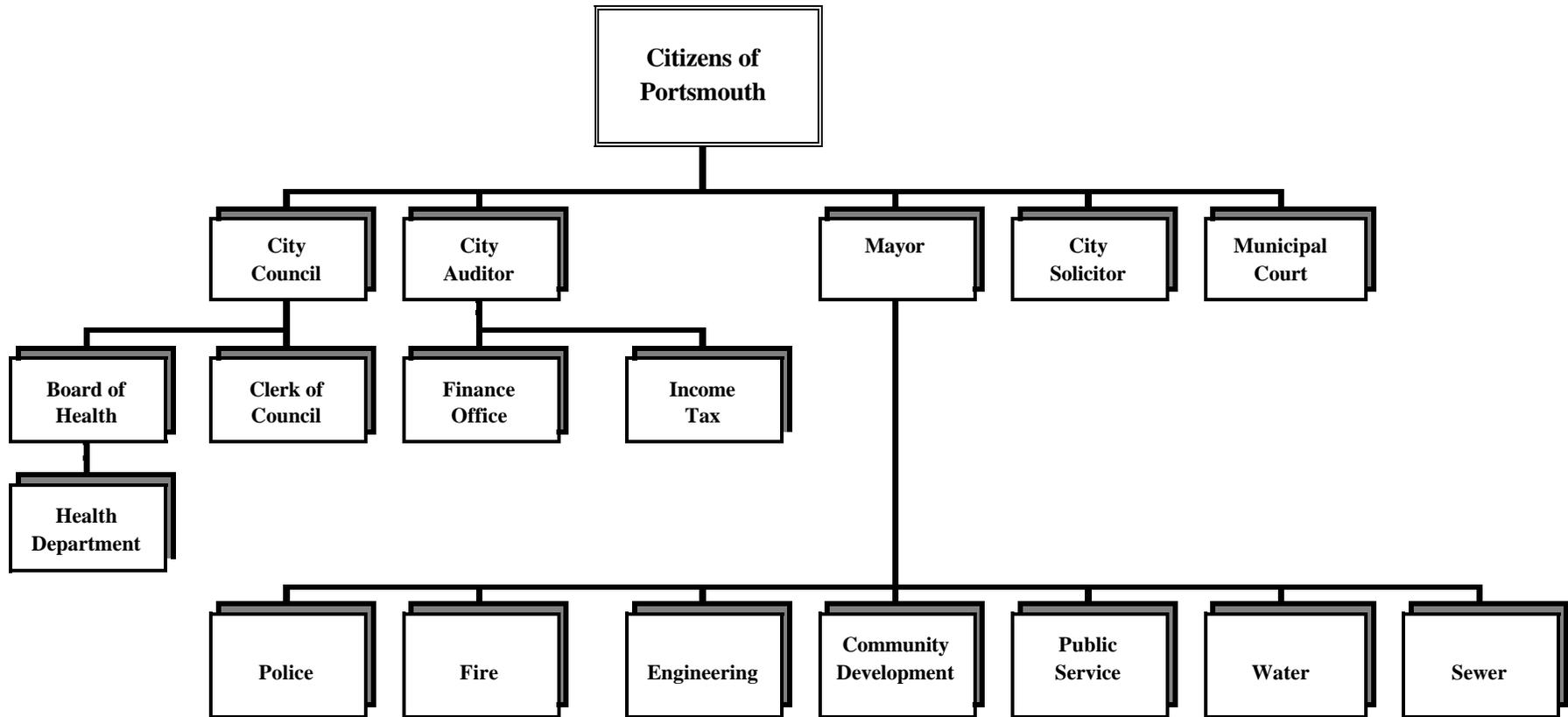
Executive Offices:

Gregory A. Bauer, Mayor
City of Portsmouth
728 Second Street, Room 1
Portsmouth, Ohio 45662
Ph: 740-354-8807 Fax: 740-354-8809
Email: mayor@iname.com

M. Trent Williams, Auditor
City of Portsmouth
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Email: cityauditor@mail.com

David W. Kuhn, Solicitor
City of Portsmouth
728 Second Street, Room 22
Portsmouth, Ohio 45662
Ph: 740-353-5229 Fax: 740-353-0136

The City of Portsmouth, Ohio Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Portsmouth,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2000

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



Thomas A. Drew
President

Jeffrey L. Esser
Executive Director

FINANCIAL SECTION

BALESTRA & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

528 S. WEST STREET P.O. BOX 687
PIKETON, OHIO 45661

TELEPHONE: (740) 289-4131 FACSIMILE: (740) 289-3639
E MAIL: mbalcpa@bright.net

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

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

Independent Auditors' Report

We have audited the accompanying general-purpose financial statements of the City of Portsmouth, as of and for the year ended December 31, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City of Portsmouth's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City, as of December 31, 2001, and the results of its operations and cash flows of its proprietary fund types and non-expendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the City of Portsmouth, taken as a whole. The combining and individual fund and account group financial statements and the schedules as listed in the table of contents are presented for purpose of additional analysis, and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

City of Portsmouth
Independent Auditor's Report

The introductory and statistical sections as listed in the table of contents is also presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the City. Such additional information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements, and accordingly, we express no opinion on them.

As described in Note 3 to the general-purpose financial statements, the City implemented Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, and Governmental Accounting Standards Board Statement No. 36, *Recipient Reporting for Certain Shared Non-exchange Revenues* (an amendment of GASB Statement No. 33).

Balestra & Company

Balestra & Company

June 7, 2002

GENERAL PURPOSE FINANCIAL STATEMENTS

THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE CITY'S FINANCIAL POSITION AT DECEMBER 31, 2001 AND THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS FOR THE YEAR THEN ENDED.

THE CITY OF PORTSMOUTH, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001

	<i>Governmental</i>			
	<i>Fund Types</i>			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund
<u>Assets and Other Debits:</u>				
Assets:				
Cash and Cash Equivalents	\$1,086,121	\$1,845,141	\$875,580	\$531,659
Investments	0	0	1,225,000	0
Receivables (net of allowance for doubtful accounts):				
Taxes	2,539,812	292,831	438,513	252,355
Accounts	3,585	0	0	0
Special Assessments	0	0	301,915	0
Loans	0	155,905	0	0
Interest	879	0	0	0
Due from Other Funds	36,293	42,309	0	0
Intergovernmental Receivables	864,146	1,877,906	30,254	0
Inventory of Supplies at Cost	17,181	72,876	0	0
Prepaid Items	43,115	2,874	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Fixed Assets (net of accumulated depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided for General Long-Term Obligations	0	0	0	0
Total Assets and Other Debits	<u>\$4,591,132</u>	<u>\$4,289,842</u>	<u>\$2,871,262</u>	<u>\$784,014</u>

THE CITY OF PORTSMOUTH, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001

<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		Totals (Memorandum Only)
Enterprise Funds	Internal Service Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
\$2,376,810	\$54,920	\$363,627	\$0	\$0	\$7,133,858
600,000	0	0	0	0	1,825,000
0	0	0	0	0	3,523,511
1,528,368	0	2,453,993	0	0	3,985,946
0	0	0	0	0	301,915
0	0	0	0	0	155,905
9,258	0	0	0	0	10,137
0	0	6,794	0	0	85,396
49,208	0	0	0	0	2,821,514
308,659	0	0	0	0	398,716
4,440	0	0	0	0	50,429
194,110	0	359,881	0	0	553,991
9,790,911	0	0	12,089,707	0	21,880,618
0	0	0	0	2,108,332	2,108,332
0	0	0	0	1,084,545	1,084,545
<u>\$14,861,764</u>	<u>\$54,920</u>	<u>\$3,184,295</u>	<u>\$12,089,707</u>	<u>\$3,192,877</u>	<u>\$45,919,813</u>

(Continued)

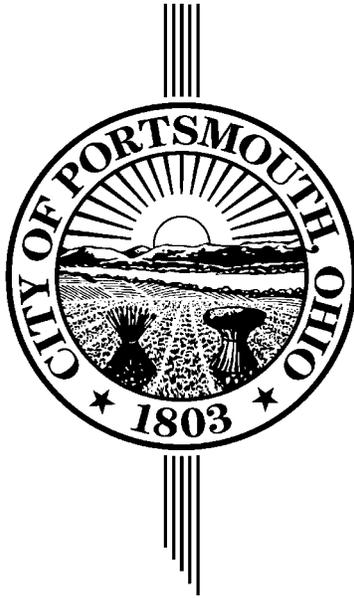
THE CITY OF PORTSMOUTH, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001

	<i>Governmental</i>			
	<i>Fund Types</i>			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund
<u>Liabilities, Equity and Other Credits:</u>				
Liabilities:				
Accounts Payable	\$66,057	\$69,411	\$0	\$3,348
Accrued Wages and Benefits	266,218	84,275	0	0
Due to Other Funds	28,382	3,767	0	0
Intergovernmental Payables	27,758	161,261	0	0
Due to Others	0	0	0	0
Accrued Interest Payable	0	0	0	0
Customer Deposits	0	0	0	0
Deferred Revenue	2,120,131	1,685,528	762,930	8,854
Claimant Liability	0	0	0	0
General Obligation Notes Payable	0	0	0	0
Compensated Absences Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
Mortgage Revenue Bond Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Special Assessment Bond Payable with Governmental Commitment	0	0	0	0
Ohio Public Works Commission Loans Payable	0	0	0	0
Ohio Water Development Authority Loan Payable	0	0	0	0
Total Liabilities	2,508,546	2,004,242	762,930	12,202
Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings - Unreserved	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	90,531	28,846	0	461,647
Reserved for Supplies Inventory	17,181	72,876	0	0
Reserved for Prepaid Items	43,115	2,874	0	0
Reserved for Debt Service	0	0	2,108,332	0
Reserved for Endowments	0	0	0	0
Unreserved:				
Designated for Employee Benefits	640,499	0	0	0
Undesignated	1,291,260	2,181,004	0	310,165
Total Equity and Other Credits	2,082,586	2,285,600	2,108,332	771,812
Total Liabilities, Equity and Other Credits	\$4,591,132	\$4,289,842	\$2,871,262	\$784,014

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF PORTSMOUTH, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001

<i>Proprietary Fund Types</i>	<i>Fiduciary Fund Types</i>	<i>Account Groups</i>			
Enterprise Funds	Internal Service Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	Totals (Memorandum Only)
\$253,435	\$0	\$0	\$0	\$0	\$392,251
108,060	0	442	0	0	458,995
0	0	53,247	0	0	85,396
0	0	35,800	0	0	224,819
0	0	2,529,584	0	0	2,529,584
76,642	0	0	0	0	76,642
194,110	0	0	0	0	194,110
0	0	0	0	0	4,577,443
0	0	44,000	0	0	44,000
600,000	0	0	0	0	600,000
127,800	0	0	0	600,605	728,405
164,107	0	0	0	222,272	386,379
600,000	0	0	0	0	600,000
3,040,000	0	0	0	2,090,000	5,130,000
0	0	0	0	280,000	280,000
600,266	0	0	0	0	600,266
412,217	0	0	0	0	412,217
6,176,637	0	2,663,073	0	3,192,877	17,320,507
0	0	0	12,089,707	0	12,089,707
8,650,816	0	0	0	0	8,650,816
34,311	54,920	0	0	0	89,231
0	0	0	0	0	581,024
0	0	0	0	0	90,057
0	0	0	0	0	45,989
0	0	0	0	0	2,108,332
0	0	26,843	0	0	26,843
0	0	0	0	0	640,499
0	0	494,379	0	0	4,276,808
8,685,127	54,920	521,222	12,089,707	0	28,599,306
<u>\$14,861,764</u>	<u>\$54,920</u>	<u>\$3,184,295</u>	<u>\$12,089,707</u>	<u>\$3,192,877</u>	<u>\$45,919,813</u>



THE CITY OF PORTSMOUTH, OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>Governmental</i>			<i>Fiduciary</i>		Totals (Memorandum Only)
	<i>Fund Types</i>			<i>Fund Type</i>		
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Expendable Trust Funds	
Revenues:						
Taxes	\$5,916,679	\$311,299	\$432,779	\$1,169,607	\$0	\$7,830,364
Intergovernmental Revenues	1,971,018	2,989,734	54,909	167,239	0	5,182,900
Charges for Services	164,609	237,577	0	0	38,112	440,298
Licenses and Permits	193,154	0	0	100	0	193,254
Investment Earnings	324,519	14,578	0	14,667	7,352	361,116
Special Assessments	0	0	156,083	0	0	156,083
Fines and Forfeitures	602,746	330,862	0	0	0	933,608
All Other Revenues	342,701	162,774	0	2,450	23	507,948
Total Revenues	9,515,426	4,046,824	643,771	1,354,063	45,487	15,605,571
Expenditures:						
Current:						
Security of Persons and Property	5,787,657	203,698	0	0	0	5,991,355
Public Health and Welfare Services	499,689	2,269,717	0	0	0	2,769,406
Leisure Time Activities	0	0	0	0	20,169	20,169
Community Environment	247,149	379,227	0	0	0	626,376
Transportation	516,923	790,115	0	0	0	1,307,038
General Government	2,924,154	647,930	0	0	204,295	3,776,379
Capital Outlay	0	0	0	2,017,237	0	2,017,237
Debt Service:						
Principal Retirement	2,117,980	0	130,000	54,411	0	2,302,391
Interest and Fiscal Charges	84,261	0	21,868	18,142	0	124,271
Total Expenditures	12,177,813	4,290,687	151,868	2,089,790	224,464	18,934,622
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,662,387)	(243,863)	491,903	(735,727)	(178,977)	(3,329,051)
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	0	13,000	0	0	0	13,000
Proceeds from General Obligation Bonds	2,090,000	0	0	0	0	2,090,000
Operating Transfers In	50,945	43,438	0	321,221	96,744	512,348
Operating Transfers Out	(434,054)	(26,349)	0	(1,000)	0	(461,403)
Total Other Financing Sources (Uses)	1,706,891	30,089	0	320,221	96,744	2,153,945
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(955,496)	(213,774)	491,903	(415,506)	(82,233)	(1,175,106)
Restated Fund Balance Beginning of Year	3,040,402	2,460,046	1,616,429	1,187,318	401,418	8,705,613
Increase (Decrease) in Inventory Reserve	(2,320)	39,328	0	0	0	37,008
Fund Balance End of Year	\$2,082,586	\$2,285,600	\$2,108,332	\$771,812	\$319,185	\$7,567,515

The notes to the general purpose financial statements are an integral part of this statement.

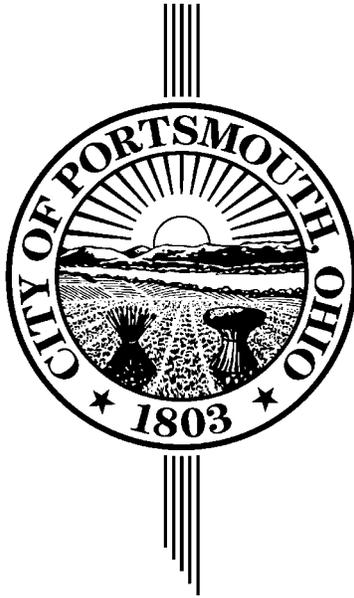
THE CITY OF PORTSMOUTH, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$5,844,700	\$5,875,602	\$30,902	\$309,981	\$330,826	\$20,845
Intergovernmental Revenues	2,221,000	1,985,968	(235,032)	2,698,858	2,707,951	9,093
Charges for Services	149,600	165,209	15,609	237,577	237,577	0
Licenses and Permits	150,810	192,954	42,144	0	0	0
Investment Earnings	320,000	363,804	43,804	11,271	15,704	4,433
Special Assessments	0	0	0	0	0	0
Fines and Forfeitures	564,500	600,719	36,219	338,401	331,551	(6,850)
All Other Revenues	204,123	339,553	135,430	156,660	162,774	6,114
Total Revenues	<u>9,454,733</u>	<u>9,523,809</u>	<u>69,076</u>	<u>3,752,748</u>	<u>3,786,383</u>	<u>33,635</u>
Expenditures:						
Current:						
Security of Persons and Property	6,153,354	5,933,646	219,708	486,286	236,799	249,487
Public Health and Welfare Services	537,775	481,007	56,768	2,466,580	2,238,685	227,895
Community Environment	259,018	264,651	(5,633)	471,850	381,287	90,563
Transportation	513,365	529,211	(15,846)	877,387	806,709	70,678
General Government	3,439,489	3,147,269	292,220	718,215	646,900	71,315
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	2,117,980	2,117,980	0	0	0	0
Interest and Fiscal Charges	26,180	26,180	0	0	0	0
Total Expenditures	<u>13,047,161</u>	<u>12,499,944</u>	<u>547,217</u>	<u>5,020,318</u>	<u>4,310,380</u>	<u>709,938</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,592,428)	(2,976,135)	616,293	(1,267,570)	(523,997)	743,573
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	0	0	0	13,000	13,000	0
Proceeds from General Obligation Notes	2,000,000	2,000,000	0	0	0	0
Proceeds from General Obligation Bonds	31,919	31,919	0	0	0	0
Operating Transfers In	29,779	26,098	(3,681)	42,089	43,438	1,349
Operating Transfers Out	(498,966)	(498,966)	0	(23,464)	(26,349)	(2,885)
Total Other Financing Sources (Uses)	<u>1,562,732</u>	<u>1,559,051</u>	<u>(3,681)</u>	<u>31,625</u>	<u>30,089</u>	<u>(1,536)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,029,696)	(1,417,084)	612,612	(1,235,945)	(493,908)	742,037
Fund Balance (Deficit) at Beginning of Year	2,314,898	2,314,898	0	2,219,393	2,219,393	0
Prior Year Encumbrances	83,479	83,479	0	86,778	86,778	0
Fund Balance at End of Year	<u>\$368,681</u>	<u>\$981,293</u>	<u>\$612,612</u>	<u>\$1,070,226</u>	<u>\$1,812,263</u>	<u>\$742,037</u>

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF PORTSMOUTH, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

<i>Debt Service Fund</i>			<i>Capital Projects Fund</i>			<i>Totals (Memorandum Only)</i>		
Revised		Variance:	Revised		Variance:	Revised		Variance:
Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
\$400,000	\$464,607	\$64,607	\$1,166,233	\$1,166,233	\$0	\$7,720,914	\$7,837,268	\$116,354
50,000	54,909	4,909	167,239	167,239	0	5,137,097	4,916,067	(221,030)
0	0	0	0	0	0	387,177	402,786	15,609
0	0	0	100	100	0	150,910	193,054	42,144
0	0	0	17,700	17,700	0	348,971	397,208	48,237
150,000	156,083	6,083	0	0	0	150,000	156,083	6,083
0	0	0	0	0	0	902,901	932,270	29,369
0	0	0	2,450	2,450	0	363,233	504,777	141,544
600,000	675,599	75,599	1,353,722	1,353,722	0	15,161,203	15,339,513	178,310
0	0	0	0	0	0	6,639,640	6,170,445	469,195
0	0	0	0	0	0	3,004,355	2,719,692	284,663
0	0	0	0	0	0	730,868	645,938	84,930
0	0	0	0	0	0	1,390,752	1,335,920	54,832
0	0	0	0	0	0	4,157,704	3,794,169	363,535
0	0	0	2,873,836	2,724,243	149,593	2,873,836	2,724,243	149,593
138,302	130,000	8,302	54,411	54,411	0	2,310,693	2,302,391	8,302
21,698	21,868	(170)	18,142	18,142	0	66,020	66,190	(170)
160,000	151,868	8,132	2,946,389	2,796,796	149,593	21,173,868	19,758,988	1,414,880
440,000	523,731	83,731	(1,592,667)	(1,443,074)	149,593	(6,012,665)	(4,419,475)	1,593,190
0	0	0	0	0	0	13,000	13,000	0
0	0	0	0	0	0	2,000,000	2,000,000	0
0	0	0	0	0	0	31,919	31,919	0
0	0	0	321,221	321,221	0	393,089	390,757	(2,332)
0	0	0	(13,483)	(1,000)	12,483	(535,913)	(526,315)	9,598
0	0	0	307,738	320,221	12,483	1,902,095	1,909,361	7,266
440,000	523,731	83,731	(1,284,929)	(1,122,853)	162,076	(4,110,570)	(2,510,114)	1,600,456
1,576,849	1,576,849	0	(99,291)	(99,291)	0	6,011,849	6,011,849	0
0	0	0	1,288,808	1,288,808	0	1,459,065	1,459,065	0
<u>\$2,016,849</u>	<u>\$2,100,580</u>	<u>\$83,731</u>	<u>(\$95,412)</u>	<u>\$66,664</u>	<u>\$162,076</u>	<u>\$3,360,344</u>	<u>\$4,960,800</u>	<u>\$1,600,456</u>



THE CITY OF PORTSMOUTH, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>Proprietary</i>		<i>Fiduciary</i>	
	<i>Fund Types</i>		<i>Fund Type</i>	
	Enterprise	Internal	Non- Expendable	Totals
	Funds	Service	Trust	(Memorandum Only)
	Funds	Funds	Funds	
<u>Operating Revenues:</u>				
Charges for Services	\$7,242,753	\$7,037	\$900	\$7,250,690
Investment Earnings	0	0	5,344	5,344
Other Operating Revenues	38,949	0	0	38,949
Total Operating Revenues	7,281,702	7,037	6,244	7,294,983
<u>Operating Expenses:</u>				
Personal Services	3,743,340	113,741	0	3,857,081
Materials and Supplies	830,454	0	0	830,454
Contractual Services	1,474,349	7,071	0	1,481,420
Depreciation	396,488	0	0	396,488
Total Operating Expenses	6,444,631	120,812	0	6,565,443
Operating Income (Loss)	837,071	(113,775)	6,244	729,540
<u>Non-Operating Revenues (Expenses):</u>				
Intergovernmental Grant	354,040	0	0	354,040
Investment Earnings	18,230	0	0	18,230
Interest and Fiscal Charges	(267,327)	0	0	(267,327)
Loss on Disposal of Fixed Asset	(54,361)	0	0	(54,361)
Total Non-Operating Revenues (Expenses)	50,582	0	0	50,582
Income (Loss) Before Operating Transfers	887,653	(113,775)	6,244	780,122
<u>Operating Transfers:</u>				
Operating Transfers Out	0	(26,098)	(24,847)	(50,945)
Total Operating Transfers	0	(26,098)	(24,847)	(50,945)
Net Income (Loss)	887,653	(139,873)	(18,603)	729,177
Restated Retained Earnings (Accumulated Deficit)/				
Fund Balance at Beginning of Year	(853,342)	194,793	220,640	(437,909)
Retained Earnings/				
Fund Balance at End of Year	\$34,311	\$54,920	\$202,037	\$291,268

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF PORTSMOUTH, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>Proprietary</i>		<i>Fiduciary</i>	Totals (Memorandum Only)
	<i>Fund Types</i>		<i>Fund Type</i>	
	Enterprise Funds	Internal Service Funds	Non- Expendable Trust Funds	
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$7,243,102	\$7,037	\$900	\$7,251,039
Cash Payments for Goods and Services	(2,217,016)	(7,071)	0	(2,224,087)
Cash Payments to Employees	(3,786,715)	(113,741)	0	(3,900,456)
Customer Deposits Received	84,450	0	0	84,450
Customer Deposits Refunded	(79,971)	0	0	(79,971)
Net Cash Provided (Used) by Operating Activities	<u>1,243,850</u>	<u>(113,775)</u>	<u>900</u>	<u>1,130,975</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Principal Paid on Ohio Public Works Commission Loan	(15,000)	0	0	(15,000)
Transfers Out to Other Funds	0	(26,098)	(24,847)	(50,945)
Net Cash Used for Noncapital Financing Activities	<u>(15,000)</u>	<u>(26,098)</u>	<u>(24,847)</u>	<u>(65,945)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Proceeds from General Obligation Note	600,000	0	0	600,000
Proceeds from Mortgage Revenue Bonds	600,000	0	0	600,000
Proceeds from Intergovernmental Grants	304,832	0	0	304,832
Acquisition and Construction of Assets	(1,032,993)	0	0	(1,032,993)
Principal Paid on General Obligation Note	(600,000)	0	0	(600,000)
Principal Paid on General Obligation Bond	(255,000)	0	0	(255,000)
Principal Paid on Ohio Public Works Commission Loan	(7,299)	0	0	(7,299)
Principal Paid on Ohio Water Development Authority Loan	(251,985)	0	0	(251,985)
Capital Lease Payment	(48,449)	0	0	(48,449)
Interest Paid on All Debt	(260,826)	0	0	(260,826)
Net Cash Used for Capital and Related Financing Activities	<u>(951,720)</u>	<u>0</u>	<u>0</u>	<u>(951,720)</u>
<u>Cash Flows from Investing Activities:</u>				
Receipt of Interest	10,909	0	6,258	17,167
Sale of Investment	0	0	3,000	3,000
Purchase of Investment	(600,000)	0	0	(600,000)
Net Cash Provided (Used) by Investing Activities	<u>(589,091)</u>	<u>0</u>	<u>9,258</u>	<u>(579,833)</u>
Net Decrease in Cash and Cash Equivalents	(311,961)	(139,873)	(14,689)	(466,523)
Cash and Cash Equivalents at Beginning of Year	2,882,881	194,793	212,797	3,290,471
Cash and Cash Equivalents at End of Year	<u><u>\$2,570,920</u></u>	<u><u>\$54,920</u></u>	<u><u>\$198,108</u></u>	<u><u>\$2,823,948</u></u>

(Continued)

THE CITY OF PORTSMOUTH, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<i>Proprietary</i>		<i>Fiduciary</i>	Totals (Memorandum Only)
	<i>Fund Types</i>		<i>Fund Type</i>	
	Enterprise Funds	Internal Service Funds	Non- Expendable Trust Funds	
Reconciliation of Cash and Cash Equivalent per the Balance Sheet:				
Cash and Cash Equivalents	\$2,376,810	\$54,920	\$363,627	\$2,795,357
Restricted Cash and Cash Equivalents	194,110	0	359,881	553,991
Less: Cash and Cash Equivalent in Expendable Trust Funds	0	0	(363,627)	(363,627)
Less: Cash and Cash Equivalent in Agency Funds	0	0	(161,773)	(161,773)
Cash and Cash Equivalents at End of Year	<u>\$2,570,920</u>	<u>\$54,920</u>	<u>\$198,108</u>	<u>\$2,823,948</u>
Reconciliation of Operating Income (Loss) to Net Cash				
<u>Provided (Used) by Operating Activities:</u>				
Operating Income (Loss)	\$837,071	(\$113,775)	\$6,244	\$729,540
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	396,488	0	0	396,488
Operating Expense Related to Noncash Loan	93,192	0	0	93,192
Investment Earnings	0	0	(5,344)	(5,344)
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(38,600)	0	0	(38,600)
Decrease in Inventory	40,874	0	0	40,874
Decrease in Prepaid Items	4,652	0	0	4,652
Decrease in Accounts Payable	(25,601)	0	0	(25,601)
Decrease in Accrued Wages and Benefits	(63,408)	0	0	(63,408)
Decrease in Intergovernmental Payable	(20,400)	0	0	(20,400)
Increase in Customer Deposits	4,479	0	0	4,479
Increase in Compensated Absences	15,103	0	0	15,103
Total Adjustments	<u>406,779</u>	<u>0</u>	<u>(5,344)</u>	<u>401,435</u>
Net Cash Provided (Used) by Operating Activities	<u>\$1,243,850</u>	<u>(\$113,775)</u>	<u>\$900</u>	<u>\$1,130,975</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2001 the Water fund had outstanding liabilities of \$125,940 for certain capital assets.

During 2001, the Water Fund entered into a \$212,556 capital lease for vehicles. During 2001, the Sewer Fund incurred a liability of \$93,192 to the Ohio Public Works Commission for payments made by the Commission directly to contractors.

The notes to the general purpose financial statements are an integral part of this statement.

THE CITY OF PORTSMOUTH, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accompanying general purpose financial statements of the City present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the proprietary funds. The financial statements are presented as of December 31, 2001 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 general purpose financial statements comply with the provisions of the GASB Statement No. 14, *"The Financial Reporting Entity,"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

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

B. Basis of Presentation - Fund Accounting

The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of its significant accounting policies:

The accounting system is organized and operated on the basis of funds and account groups in conformity with accounting principles generally accepted in the United States of America as applicable to governmental units, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

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 are typically 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 upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the City's governmental fund types:

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.

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

Debt Service Fund - This fund is used for the accumulation of resources for and payment of general and special assessment long-term debt principal and interest.

Capital Projects 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 resources financed by the proprietary funds).

Proprietary Funds - The proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets and liabilities associated with the operation of the proprietary funds are included on the balance sheet. Fund equity (i.e., net assets) is segregated into contributed capital and retained earnings components. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

Internal Service Funds - These funds are used to account for the financing of goods or services by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost reimbursement basis.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

Trust and Agency Funds - These funds are used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City maintains expendable trust funds, nonexpendable trust funds and agency funds. The expendable trust funds are accounted for and reported similarly to a governmental fund. Nonexpendable trust funds are accounted for and reported similarly to proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups - To make a clear distinction between fixed assets related to specific funds and those of general government and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for fixed assets of the City other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term debt and other long-term liabilities of the City except those accounted for in the proprietary funds.

C. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses in the accounts and reported in the financial statements and relates to the timing of the measurements made. 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 and expendable trust and agency 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 for the City is 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.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

resources are provided to the City on a reimbursement basis. Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments, other local taxes (including hotel and motel tax and estate taxes) and certain charges for services. Other revenue, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues are recorded as revenue when received in cash because generally these revenues are not measurable until received. Long-term loans receivable related to the revolving loan program at December 31, 2001 are recorded as deferred revenue because the grant resources become unrestricted after the initial loaning of these resources.

Special assessment installments and related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenues. Property taxes measurable as of December 31, 2001 but not received within the available period are recorded as deferred revenue as these resources are not intended to pay liabilities of the current period. Delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 5.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds and the nonexpendable trust funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Pursuant to GASB Statement No. 20, *"Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting,"* the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

D. Budgetary Process

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

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The legal level of budgetary control is by fund at the major object level (i.e. personal services, materials and supplies, contractual services) by department for most funds. However, the legal level of budgetary control for some of the special revenue funds is at the fund level. Budgetary control is maintained by not permitting expenditures to exceed appropriations at the object level within each fund 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

1. Tax Budget

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

2. Estimated Resources

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

On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2001.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through February 28. An annual appropriation ordinance must be passed by March 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund and department level. 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. During 2001, several supplemental appropriations were necessary to budget for intergovernmental grant proceeds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--All Governmental Fund Types" 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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

4. Encumbrances (Continued)

order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying general purpose financial statements.

5. Lapsing of Appropriations

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

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. 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 governmental funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Project Fund
GAAP Basis (as reported)	(\$955,496)	(\$213,774)	\$491,903	(\$415,506)
Increase (Decrease):				
Accrued Revenues at December 31, 2001 received during 2002	(1,320,817)	(683,423)	(7,752)	(243,501)
Accrued Revenues at December 31, 2000 received during 2001	1,329,200	422,982	39,580	243,160
Accrued Expenditures at December 31, 2001 paid during 2002	388,415	314,947	0	3,348
Accrued Expenditures at December 31, 2000 paid during 2001	(743,335)	(306,810)	0	(255,238)
2000 Prepays for 2001	36,659	4,155	0	9,879
2001 Prepays for 2002	(43,115)	(2,874)	0	0
Outstanding Encumbrances	(108,595)	(29,111)	0	(464,995)
Budget Basis	<u>(\$1,417,084)</u>	<u>(\$493,908)</u>	<u>\$523,731</u>	<u>(\$1,122,853)</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and certificates of deposit 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."

F. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City reports its investments at fair value. Nonparticipating investment contracts (certificates of deposit and repurchase agreement) are reported at cost which approximates fair value. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices.

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 and expendable trust funds when purchased and as expenses in the proprietary and non-expendable trust funds when used.

H. Fixed Assets and Depreciation

The accounting and reporting treatment applied to fixed assets is determined by their ultimate use:

1. Property, Plant and Equipment-General Governmental Purposes

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have not been capitalized. Such assets normally are immovable and of value only to the City; therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets. The City has elected not to record depreciation in the General Fixed Assets Account Group.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets and Depreciation (Continued)

1. Property, Plant and Equipment-General Governmental Purposes (Continued)

General fixed assets were initially determined at December 31, 1990 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 fixed assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Property, Plant and Equipment - Proprietary Funds

Property, plant and equipment acquired by the proprietary funds are stated at appraised historical cost. Contributed fixed assets are recorded at fair market value at the date received.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Estimated Lives (Years)
Buildings	25 - 60
Improvements other than Buildings	20 - 50
Machinery, Equipment, Furniture and Fixtures	3 - 25

I. Long-Term Obligations

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences

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

In accordance with GASB Statement No. 16, "*Accounting for Compensated Absences*," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned, but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." The long-term portion of the liability is reported in the General Long-Term Obligations Account Group.

K. Pensions

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

L. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Operating transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Operating transfers in" by the recipient fund and as "Operating transfers out" by the disbursing fund.
- Residual Equity Transfers are non-routine or non-recurring transfers between funds and are reported as additions to or deductions from the fund equity balance. The City did not perform any residual equity transfers in 2001.

Transactions that would be treated as revenues and expenditures if the transactions involved organizations external to the City are similarly treated when involving other funds of the City. The City also advances cash from one fund to another as necessary to meet current obligations.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Reservations of Fund Balance

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

N. Designations of Fund Balance

The designation of fund balance in the general fund is not legally required, but is segregated by the City for the payment of employees' compensated absences upon their retirement or termination.

O. Total Columns on Combined Financial Statements - Overview

Total columns on the Combined Financial Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flows in conformity with accounting principles generally accepted in the United States of America, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficit

The fund deficits of \$427 in the Teenage Pregnancy Prevention Fund (special revenue fund) arises from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. A deficit does not exist under the cash basis of accounting. The accumulated deficit of \$3,472,046 in the Sewer Fund (enterprise fund) is created by the recognition of contributed capital on an accrual basis which is not recognized on a cash basis. A deficit does not exist under the cash basis of accounting. Operating transfers are provided when cash is required, not when accruals occur.

B. Estimated Resources Exceeded by Appropriations

For the year ended December 31, 2001, the City Council adopted appropriations which exceeded the estimated resources as certified by the Scioto County Budget Commission for the Local Law Block Grant Fund and the State Highway Improvement Fund, (special revenue funds) and the Capital Improvement Fund (capital projects fund).

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Excess Expenditures over Appropriations

For the year ended December 31, 2001, expenditures exceeded appropriations at the object level (i.e. the legal level of budgetary control) as follows:

<u>Fund</u>	<u>Excess</u>	<u>Fund</u>	<u>Excess</u>
General Fund:		Municipal Court Special Projects Fund:	
Community Environment:		Personal Services	\$1,581
Administration:		Contractual Services	1,200
Personal Services	\$19,159	Capital Outlay	1,707
Transportation:		Municipal Court Probation Services Fund:	
Traffic Lights:		Personal Services	2,887
Personal Services	41,522	Municipal Court Computer Fund:	
General Government:		Personal Services	3,350
Executive:		Enforcement and Education Fund:	
Personal Services	17,059	Transfers Out	2,885
Contractual Services	913	State Highway Improvement Fund:	
Legal:		Personal Services	2,221
Personal Services	10,495	State Grant Health Fund:	
Finance:		Child Abuse:	
Personal Services	12,200	Personal Services	1,162
Civil Service:		AIDS Grant:	
Personal Services	707	Personal Services	2,199
Engineering:		State Grant-Lead Poisoning:	
Personal Services	3,896	Personal Services	140
Public Service:		State Grant-Temporary Assistance to	
Personal Services	5,751	Needy Families	
Garage		Materials and Supplies	433
Personal Services	22,772	State Grant-Tobacco Use Prevention:	
		Personal Services	1,285
Special Revenue Funds:		Wellness Block Grant Fund:	
Municipal Court Grants Fund:		Personal Services	4,229
Personal Services	20,845	Debt Service Fund:	
OCJS Awards Municipal Court Fund:		Interest and Fiscal Charges	170
Personal Services	42,481		

The excess expenditures were funded from available fund balances.

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCES/RETAINED EARNINGS

A. Prior Period Adjustments

The fund balances at December 31, 2000 of the Community Development Fund (special revenue fund) and the Council Trust for Recreation Fund (expendable trust fund) were restated from amounts previously reported to reclassify certain expenditures. The retained earnings balance at December 31, 2000 of the Sewer Fund (enterprise fund) was restated from amounts previously reported to recognize a loan payable.

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF FUND BALANCES/RETAINED EARNINGS (Continued)

B. Changes in Accounting Principle

For the year ended December 31, 2001, the City has implemented GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions” and GASB Statement No. 36 “Recipient Reporting for Certain Shared Nonexchange Revenues.”

C. Restatement of Fund Balances/Retained Earnings

The changes to the beginning fund balances/retained earnings are as follows:

Description	General Fund	Special Revenue Funds	Expendable Trust Funds	Enterprise Funds
Balance at December 31, 2000 (as reported)	\$2,709,102	\$2,024,763	\$523,018	(\$346,534)
Implementation of GASB 33 and 36	331,300	313,683	0	0
Reclassification of Expenditure	0	121,600	(121,600)	0
Recognize Loan Payable	0	0	0	(506,808)
Restated Balance at December 31, 2000	<u>\$3,040,402</u>	<u>\$2,460,046</u>	<u>\$401,418</u>	<u>(\$853,342)</u>

NOTE 4 - 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 "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 no later than the end of the current period of designation of depositories.

Category 3 consists of "interim" funds - those funds not needed for immediate use but 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;

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

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

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*," collateral held in single financial institution collateral pools with securities being held by the pledging financial institutions' agent in the pool's name are classified as Category 3.

The GASB has established risk categories for deposits and investments as follows:

Deposits:

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Uncollateralized. (This includes any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City's name.)

Investments:

- Category 1 Insured or registered, with securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

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

A. Deposits

At year end the carrying amount of the City's deposits was \$2,473,699 and the bank balance was \$3,341,343. Federal depository insurance covered \$400,000 of the bank balance. All remaining deposits were classified as Category 3.

Investment earnings of \$285,662 earned by other funds was credited to the General Fund as required by state statute.

B. Investments

The City's investments at December 31, 2001 were as follows:

<u>Categorized Investments</u>	<u>Category 1</u>	<u>Category 3</u>	<u>Fair Value</u>
State and Local Government Security	\$600,000	\$0	\$600,000
Repurchase Agreement	0	6,439,150	6,439,150
Total Investments	<u>\$600,000</u>	<u>\$6,439,150</u>	<u>\$7,039,150</u>

C. Reconciliation of Cash, Cash Equivalents and Investments

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

A reconciliation between classifications of cash and investments on the combined financial statements and the classifications per items A and B of this note are as follows:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Combined Balance Sheet	\$7,687,849	\$1,825,000
Certificates of Deposit (with maturities of more than 3 months)	1,225,000	(1,225,000)
Investments:		
Repurchase Agreement	<u>(6,439,150)</u>	<u>6,439,150</u>
Per GASB Statement No. 3	<u>\$2,473,699</u>	<u>\$7,039,150</u>

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2001 were levied after October 1, 2000 on assessed values as of January 1, 2000, the lien date. Assessed values are established by the County Auditor at 35

NOTE 5 - TAXES (Continued)

A. Property Taxes (Continued)

percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 1998. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year.

Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually: the first payment is due April 30; the remainder payable by September 20.

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

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

The full tax rate for all City operations for the year ended December 31, 2001 was \$12.25 per \$1,000 of assessed value. The assessed value upon which the 2001 tax collections were based was \$190,482,970. This amount constituted \$148,177,780 in real property assessed value, \$19,557,500 in public utility assessed value and \$22,747,690 in tangible personal property assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is 1.225% (12.25 mills) of assessed value.

B. Income Tax

The City levies a tax of 1.4% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed.

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

NOTE 6 - RECEIVABLES

Receivables at December 31, 2001 consisted of taxes, interest, accounts receivable, loans and special assessments.

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables balances at December 31, 2001 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$36,293	\$28,382
Special Revenue Funds:		
OCJS Awards Municipal Court Fund	0	3,767
Municipal Court Special Project Fund	7,493	0
Municipal Court Probation Services Fund	4,639	0
Municipal Court Programs Fund	1,550	0
Municipal Court Computer Fund	2,622	0
Indigent Drivers Alcohol Treatment Fund	977	0
Enforcement & Education Fund	314	0
Mandatory Fines Fund	261	0
Community Development Fund	24,453	0
Total Special Revenue Funds	<u>42,309</u>	<u>3,767</u>
Nonexpendable Trust Funds:		
Cemetery Trust Fund	2,700	0
Mausoleum Trust Fund	1,229	0
Total Nonexpendable Trust Funds	<u>3,929</u>	<u>0</u>
Agency Funds:		
Law Library Fund	2,865	0
Municipal Court Fund	0	53,247
Total Agency Funds	<u>2,865</u>	<u>53,247</u>
Totals	<u>\$85,396</u>	<u>\$85,396</u>

NOTE 8 - OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 2001:

Fund	Transfer In	Transfer Out
General Fund	\$50,945	\$434,054
Special Revenue Funds:		
OCJS Awards Municipal Court Fund	23,464	0
Municipal Court Special Projects Fund	0	23,464
Local Law Block Grant Fund	2,885	0
Enforcement and Education Fund	0	2,885
Environmental State Grants Fund	8,500	0
Community Development Fund	8,589	0
Total Special Revenue Funds	<u>43,438</u>	<u>26,349</u>
Capital Projects Fund:		
Capital Improvement Fund	321,221	1,000
Expendable Trust Fund:		
Council Trust for Recreation Fund	96,744	0
Internal Service Fund:		
Garage Revolving Fund	0	26,098
Nonexpendable Trust Fund:		
Cemetery Trust Fund	<u>0</u>	<u>24,847</u>
Totals	<u><u>\$512,348</u></u>	<u><u>\$512,348</u></u>

NOTE 9 - FIXED ASSETS

A. General Fixed Assets

Summary by category of changes in general fixed assets:

Category	December 31, 2000	Additions	Deletions	December 31, 2001
Land	\$565,399	\$0	\$0	\$565,399
Buildings and Improvements	2,276,300	1,303,264	(147,492)	3,432,072
Land Improvements	853,517	230,331	0	1,083,848
Machinery and Equipment	6,960,567	252,407	(207,526)	7,005,448
Construction in Progress	470,736	0	(467,796)	2,940
Totals	<u><u>\$11,126,519</u></u>	<u><u>\$1,786,002</u></u>	<u><u>(\$822,814)</u></u>	<u><u>\$12,089,707</u></u>

NOTE 9 - FIXED ASSETS (Continued)

A. General Fixed Assets (Continued)

Schedule of General Fixed Assets at December 31, 2001:

<u>General Fixed Assets</u>		<u>Investment in General Fixed Assets</u>	
		General Fund	\$285,813
		Special Revenue Funds	943,312
Land	\$565,399	Capital Projects Fund	10,542,692
Buildings and Improvements	3,432,072	Expendable Trust Funds	179,437
Land Improvements	1,083,848	Proprietary Funds	90,991
Machinery and Equipment	7,005,448	Internal Service Funds	10,391
Construction in Progress	2,940	Grants	29,071
Total	<u>\$12,089,707</u>	Donated	8,000
		Total	<u>\$12,089,707</u>

B. Proprietary Fixed Assets

Summary by Category at December 31, 2001:

<u>Category</u>	<u>Historical Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land	\$55,424	\$0	\$55,424
Buildings	952,043	(269,866)	682,177
Improvements Other than Buildings	20,536,064	(13,430,104)	7,105,960
Machinery and Equipment	2,675,669	(1,533,151)	1,142,518
Construction In Progress	804,832	0	804,832
Property, Plant and Equipment	<u>\$25,024,032</u>	<u>(\$15,233,121)</u>	<u>\$9,790,911</u>

NOTE 10 – DEFINED BENEFIT PENSION PLANS

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

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

The following information was provided by the PERS of Ohio to assist the City in complying with GASB Statement No. 27, “Accounting for Pensions by State and Local Government Employers.”

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in the PERS of Ohio, a cost-sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The 2001 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.25% to fund the pension and 4.3% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 2001, 2000 and 1999 were \$836,250, \$602,412 and \$753,495, respectively, which were equal to the required contributions for each year.

The PERS of Ohio provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the PERS of Ohio is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the 2001 employer contribution rate (identified above) that was used to fund health care for the year 2001 was 4.3% of covered payroll which amounted to \$265,378.

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the PERS of Ohio's latest actuarial review performed as of December 31, 2000. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2000 was 7.75%. An annual increase of 4.75% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%. Health care costs were assumed to increase 4.75% annually.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 411,076. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 2000 is \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$14,364.6 million and \$2,628.7 million, respectively.

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

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2001, 2000 and 1999 were \$313,344, \$309,353 and \$311,125 for police and \$385,986, \$377,472 and \$351,910 for firefighters, respectively, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The health care coverage provided by the OP&F Fund is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 2001 covered payroll that was used to fund postemployment health care benefits was \$120,517 representing 7.5% of covered payroll for police and \$120,620 representing 7.5% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 2000, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 12,853 for police and 10,037 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2000 were \$106,160,054, which was net of member contributions of \$5,657,431.

NOTE 11 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources. The City is retiring its notes by the issuance of one year renewal notes with a portion of the principal being retired in accordance with the above provisions.

	Maturity Date	Balance January 1, 2001	Issued (Retired)	Balance December 31, 2001
Water Fund Note Payable:				
4.60% Water System Improvement	2/27/2001	\$600,000	(\$600,000)	\$0
4.10% Water System Improvement	2/26/2002	0	600,000	600,000
Total Enterprise Fund Notes Payable		<u>\$600,000</u>	<u>\$0</u>	<u>\$600,000</u>

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

Long-term debt and other long-term obligations of the City at December 31, 2001 were as follows:

				Restated Balance December 31, 2000	Issued (Retired)	Balance December 31, 2001
Enterprise Funds Long-Term Debt:						
Ohio Water Development Authority Loan:						
1987	7.73%	Pure Water	2003	\$664,202	(\$251,985)	\$412,217
Ohio Public Works Commission Loans:						
1993	3.0%	Solid Waste Facility	2004	22,565	(7,299)	15,266
2000	0.0%	Wastewater Improvement	2021	506,808	93,192	
					(15,000)	585,000
		Total Ohio Public Works Commission Loans		529,373	70,893	600,266
General Obligation Bond:						
1996	4.5-6%	Waterworks Improvement	2010	3,295,000	(255,000)	3,040,000
Mortgage Revenue Bond:						
2001	4.50%	Waterworks Improvement	2041	0	600,000	600,000
Capital Lease - Water						
				0	212,556	
					(48,449)	164,107
		Total Enterprise Long-Term Debt		\$4,488,575	\$328,015	\$4,816,590
General Long-Term Debt:						
Special Assessment Bond						
with Governmental Commitment:						
1994	4.625-5.25%	Downtown Improvement	2003	\$410,000	(\$130,000)	\$280,000
General Obligation Bond						
2001	3.6-5.5%	Police and Fireman's Disability and Pension	2027	0	2,090,000	2,090,000
		Total General Long-Term Debt		410,000	1,960,000	2,370,000
Other General Long-Term Obligations:						
Compensated Absences				572,078	28,527	600,605
Capital Lease Payable				276,683	(54,411)	222,272
Accrued Pension Liability				2,837,716	(2,837,716)	0
Total Other General Long-Term Obligations				3,686,477	(2,863,600)	822,877
Total General Long-Term Debt and Other Long-Term Obligations				\$4,096,477	(\$903,600)	\$3,192,877

During 1994, the City issued \$1,150,000 in special assessment general obligation bonds to finance downtown improvement. These ten year bonds have interest rates that range from 4.625% to 5.25%. Debt service is financed by assessments to affected property owners. However, the City is ultimately responsible for the debt service if the assessments are not collected.

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, 2001 follows:

Years	Special Assessment Bond		General Obligation Bonds		OWDA Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$135,000	\$14,700	\$310,000	\$282,883	\$271,463	\$31,864
2003	145,000	7,613	330,000	267,943	140,754	10,910
2004	0	0	345,000	251,248	0	0
2005	0	0	360,000	232,948	0	0
2006	0	0	380,000	212,967	0	0
2007-2011	0	0	1,820,000	707,160	0	0
2012-2016	0	0	360,000	393,535	0	0
2017-2021	0	0	470,000	287,395	0	0
2022-2041	0	0	755,000	152,075	0	0
Totals	<u>\$280,000</u>	<u>\$22,313</u>	<u>\$5,130,000</u>	<u>\$2,788,154</u>	<u>\$412,217</u>	<u>\$42,774</u>

Years	OPWC Loans		Mortgage Revenue Bond		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$37,519	\$402	\$5,600	\$27,019	\$759,582	\$356,868
2003	37,747	175	5,900	26,767	659,401	313,408
2004	30,000	0	6,100	26,501	381,100	277,749
2005	30,000	0	6,400	26,226	396,400	259,174
2006	30,000	0	6,700	25,938	416,700	238,905
2007-2011	150,000	0	38,200	124,891	2,008,200	832,051
2012-2016	150,000	0	47,600	115,485	557,600	509,020
2017-2021	135,000	0	59,400	103,752	664,400	391,147
2022-2041	0	0	424,100	228,146	1,179,100	380,221
Totals	<u>\$600,266</u>	<u>\$577</u>	<u>\$600,000</u>	<u>\$704,725</u>	<u>\$7,022,483</u>	<u>\$3,558,543</u>

B. Police and Firemen's Pension Fund

The City's liability for past service costs relating to the Police and Firemen's Pension Fund at December 31, 2000 was \$5,430,526 in principal and interest payments through the year 2035; however in 2001, the City elected to pay off the entire amount of the liability at the discounted amount of \$2,117,980.

NOTE 13 - CAPITALIZED LEASES

The City leases twenty-one vehicles under capital leases. The cost of the equipment obtained under capital leases is included in the General Fixed Assets Account Group and the Water Fund and the related liability included in the General Long-Term Obligations Account Group and the Water Fund.

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2001:

<u>Year Ending December 31,</u>	<u>General Long-Term Obligation Account Group</u>	<u>Proprietary Fund</u>
2002	\$72,553	\$48,449
2003	72,554	48,449
2004	72,554	48,449
2005	<u>36,277</u>	<u>48,449</u>
Minimum Lease Payments	253,938	193,796
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(31,666)</u>	<u>(29,689)</u>
Present value of minimum lease payments	<u><u>\$222,272</u></u>	<u><u>\$164,107</u></u>

NOTE 14 - CONSTRUCTION COMMITMENTS

As of December 31, 2001, the City had the following contracts with respect to construction projects:

<u>Capital Projects</u>	<u>Remaining Construction Contract</u>	<u>Expected Date of Completion</u>
US 52 Waterline Phase II	\$65,766	2002
Franklin Furnace Water Tower	184,513	2002

NOTE 15 - CONTINGENCIES

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City. The City was mandated to pay \$160,196 to the Ohio Department of Development as a result of audit developments. The City repaid the \$160,196 on May 25, 2002. A liability in this amount has been recorded in the Community Development Fund (special revenue fund) in the accompanying financial statements.

NOTE 16 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Included in the services provided by the City financed primarily by user charges are water treatment and distribution and wastewater collection and treatment. The key financial information for the year ended December 31, 2001 for these enterprise activities is as follows:

	Water Fund	Sewer Fund	Sanitation Fund	Total
Operating Revenues	\$4,095,407	\$2,061,863	\$1,124,432	\$7,281,702
Depreciation	274,185	85,199	37,104	396,488
Operating Income	611,292	78,184	147,595	837,071
Net Income	755,516	26,841	105,296	887,653
Property, Plant and Equipment:				
Additions	1,215,606	9,983	145,900	1,371,489
Deletions	(131,220)	(2,865)	(126,761)	(260,846)
Assets	12,467,322	1,137,741	1,256,701	14,861,764
Net Working Capital	2,877,645	411,263	549,698	3,838,606
Notes, Bonds and Loans Payable	4,240,000	997,217	15,266	5,252,483
Capital Contributions	354,040	0	0	354,040
Total Equity	7,492,789	7,719	1,184,619	8,685,127

NOTE 17 - 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 has provided bodily injury, personal injury, general liability, boiler and machinery coverage and fleet (automotive) insurance through the Portsmouth Insurance Agency. Police and fire professional liability and elected officials liability are also covered by the Portsmouth Insurance Agency. The City also carries commercial insurance for employee health coverage and life insurance. There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

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

NOTE 18 - CONTRIBUTED CAPITAL

There were no changes in contributed capital as presented below:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Balance at December 31, 2001	<u>\$5,171,051</u>	<u>\$3,479,765</u>	<u>\$8,650,816</u>

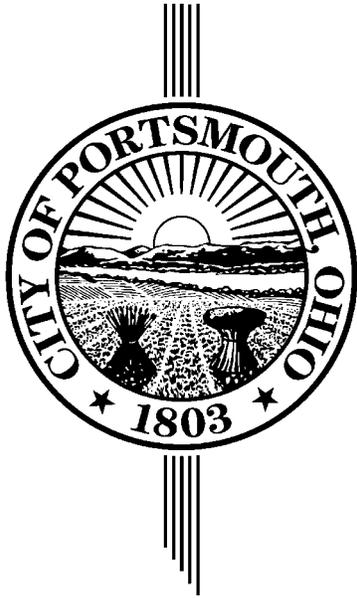
NOTE 19 – CONDUIT DEBT

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

As of December 31, 2001, there was one series of Industrial Revenue Bonds outstanding, with a principal amount payable of \$1,600,000.

NOTE 20 – SUBSEQUENT EVENT

On May 29, 2002, the City Council passed ordinance number 65 providing for the issuance of City Hall Building Acquisition Bond Anticipation Notes in the amount of \$2,000,000 for the purchase of the Marting's Building located at Chillicothe Street in Portsmouth, Ohio and declaring an emergency. The maturity of the said issue is not to exceed thirty years.



***COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP
FINANCIAL STATEMENTS AND SCHEDULES***

***THE FOLLOWING COMBINING FINANCIAL STATEMENTS AND SCHEDULES
INCLUDE THE GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE
FUNDS, INTERNAL SERVICE FUNDS, FIDUCIARY FUNDS AND THE
GENERAL FIXED ASSETS ACCOUNT GROUP.***

GENERAL FUND

The General Fund is used to account for government resources which are not accounted for in any other fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the Charter and/or the general laws of Ohio.

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$5,844,700	\$5,875,602	\$30,902
Intergovernmental Revenues	2,221,000	1,985,968	(235,032)
Charges for Services	149,600	165,209	15,609
Licenses and Permits	150,810	192,954	42,144
Investment Earnings	320,000	363,804	43,804
Fines and Forfeitures	564,500	600,719	36,219
All Other Revenues	204,123	339,553	135,430
Total Revenues	9,454,733	9,523,809	69,076
<u>Expenditures:</u>			
Security of Persons and Property:			
Police:			
Personal Services	2,700,410	2,603,320	97,090
Contractual Services	93,922	80,542	13,380
Materials and Supplies	22,601	16,816	5,785
Capital Outlay	50	0	50
Total Police	2,816,983	2,700,678	116,305
Fire:			
Personal Services	3,049,982	2,964,814	85,168
Contractual Services	82,776	71,462	11,314
Materials and Supplies	27,614	21,734	5,880
Capital Outlay	999	167	832
Total Fire	3,161,371	3,058,177	103,194
Street Lighting:			
Contractual Services	169,500	169,500	0
Materials and Supplies	5,500	5,291	209
Total Street Lighting	175,000	174,791	209
Total Security of Persons and Property	6,153,354	5,933,646	219,708
Public Health and Welfare Services:			
Health:			
Personal Services	472,303	419,667	52,636
Contractual Services	56,672	53,291	3,381
Materials and Supplies	8,000	7,750	250
Capital Outlay	800	299	501
Total Health	537,775	481,007	56,768
Total Public Health and Welfare Services	537,775	481,007	56,768
Community Environment:			
Building Inspection:			
Personal Services	121,220	112,560	8,660
Contractual Services	91,636	88,105	3,531
Materials and Supplies	4,100	3,981	119
Total Building Inspection	216,956	204,646	12,310

(Continued)

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable <u>(Unfavorable)</u>
Community Environment: (Continued)			
Administration:			
Personal Services	33,368	52,527	(19,159)
Contractual Services	6,699	5,652	1,047
Materials and Supplies	1,995	1,826	169
Total Administration	<u>42,062</u>	<u>60,005</u>	<u>(17,943)</u>
Total Community Environment	<u>259,018</u>	<u>264,651</u>	<u>(5,633)</u>
Transportation:			
Traffic Lights:			
Personal Services	39,447	80,969	(41,522)
Contractual Services	36,900	34,344	2,556
Materials and Supplies	18,928	15,932	2,996
Total Traffic Lights	<u>95,275</u>	<u>131,245</u>	<u>(35,970)</u>
Cemetery Grounds:			
Personal Services	366,202	353,457	12,745
Contractual Services	39,365	35,768	3,597
Materials and Supplies	11,823	8,408	3,415
Capital Outlay	700	333	367
Total Cemetery Grounds	<u>418,090</u>	<u>397,966</u>	<u>20,124</u>
Total Transportation	<u>513,365</u>	<u>529,211</u>	<u>(15,846)</u>
General Government:			
City Council:			
Personal Services	44,205	43,371	834
Contractual Services	6,341	4,821	1,520
Materials and Supplies	1,000	773	227
Total City Council	<u>51,546</u>	<u>48,965</u>	<u>2,581</u>
Executive:			
Personal Services	64,733	81,792	(17,059)
Contractual Services	15,773	16,686	(913)
Materials and Supplies	2,595	2,244	351
Total Executive	<u>83,101</u>	<u>100,722</u>	<u>(17,621)</u>
Legal:			
Personal Services	160,256	170,751	(10,495)
Contractual Services	19,986	11,664	8,322
Materials and Supplies	2,525	1,574	951
Total Legal	<u>182,767</u>	<u>183,989</u>	<u>(1,222)</u>

(Continued)

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
General Government (Continued):			
Finance:			
Personal Services	143,311	155,511	(12,200)
Contractual Services	50,237	50,097	140
Materials and Supplies	3,187	3,187	0
Capital Outlay	1,498	1,498	0
Total Finance	<u>198,233</u>	<u>210,293</u>	<u>(12,060)</u>
Civil Service:			
Personal Services	9,247	9,954	(707)
Contractual Services	4,122	3,092	1,030
Total Civil Service	<u>13,369</u>	<u>13,046</u>	<u>323</u>
Municipal Court:			
Personal Services	616,740	615,012	1,728
Contractual Services	110,937	95,749	15,188
Materials and Supplies	21,501	16,040	5,461
Capital Outlay	3,000	2,525	475
Total Municipal Court	<u>752,178</u>	<u>729,326</u>	<u>22,852</u>
Income Tax:			
Personal Services	129,093	129,092	1
Contractual Services	103,987	103,394	593
Materials and Supplies	1,786	1,782	4
Total Income Tax	<u>234,866</u>	<u>234,268</u>	<u>598</u>
Engineering:			
Personal Services	97,001	100,897	(3,896)
Contractual Services	51,110	48,068	3,042
Materials and Supplies	2,357	2,315	42
Capital Outlay	500	134	366
Total Engineering	<u>150,968</u>	<u>151,414</u>	<u>(446)</u>
Public Service:			
Personal Services	80,486	86,237	(5,751)
Contractual Services	15,938	13,451	2,487
Materials and Supplies	2,763	2,371	392
Capital Outlay	600	444	156
Total Public Service	<u>99,787</u>	<u>102,503</u>	<u>(2,716)</u>
City Building:			
Personal Services	117,992	103,620	14,372
Contractual Services	80,020	78,640	1,380
Materials and Supplies	6,303	4,801	1,502
Total City Building	<u>204,315</u>	<u>187,061</u>	<u>17,254</u>

(Continued)

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2001

GENERAL FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
General Government (Continued):			
Garage:			
Personal Services	118,925	141,697	(22,772)
Contractual Services	37,724	28,675	9,049
Materials and Supplies	154,456	141,549	12,907
Capital Outlay	<u>1,200</u>	<u>332</u>	<u>868</u>
Total Garage	312,305	312,253	52
Non-Departmental:			
Personal Services	238,605	38,906	199,699
Contractual Services	912,244	829,592	82,652
Materials and Supplies	<u>5,205</u>	<u>4,931</u>	<u>274</u>
Total Non-Departmental	<u>1,156,054</u>	<u>873,429</u>	<u>282,625</u>
Total General Government	<u>3,439,489</u>	<u>3,147,269</u>	<u>292,220</u>
Debt Service:			
Principal Retirement	2,117,980	2,117,980	0
Interest and Fiscal Charges	<u>26,180</u>	<u>26,180</u>	<u>0</u>
Total Debt Service	<u>2,144,160</u>	<u>2,144,160</u>	<u>0</u>
Total Expenditures	<u>13,047,161</u>	<u>12,499,944</u>	<u>547,217</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,592,428)	(2,976,135)	616,293
<u>Other Financing Sources (Uses):</u>			
Proceeds from General Obligation Notes	2,000,000	2,000,000	0
Proceeds from General Obligation Bonds	31,919	31,919	0
Operating Transfers In	29,779	26,098	(3,681)
Operating Transfers Out	<u>(498,966)</u>	<u>(498,966)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,562,732</u>	<u>1,559,051</u>	<u>(3,681)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,029,696)	(1,417,084)	612,612
Fund Balance at Beginning of Year	2,314,898	2,314,898	0
Prior Year Encumbrances	<u>83,479</u>	<u>83,479</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$368,681</u></u>	<u><u>\$981,293</u></u>	<u><u>\$612,612</u></u>

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.

Ohio Criminal Justice System (OCJS) Awards - Municipal Court Fund

To account for revenues derived from the Ohio Criminal Justice System grant used to support the advancement of court programs.

Municipal Court Special Projects Fund

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

Municipal Court Probation Services Fund

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

Municipal Court Programs Fund

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

Municipal Court Computer Fund

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

Fire Pension Fund

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

Police Pension Fund

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

(Continued)

SPECIAL REVENUE FUNDS

D.A.R.E. State Grant Fund

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

Local Law Block Grant Fund

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

Community Oriented Policing Services (COPS) Fast Grant Fund

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

Indigent Drivers Alcohol Treatment Fund

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

Enforcement and Education Fund

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

Mandatory Fines Fund

To account for mandatory fines for drug offenses.

Law Enforcement Fund

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

Street Construction, Maintenance and Repair Fund

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

State Highway Improvement Fund

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

Environmental State Grants Fund

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

(Continued)

SPECIAL REVENUE FUNDS

Community Development Fund

To account for Federal and State grants which are designated 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.

Teenage Pregnancy Prevention Fund

To account for receipt of donated funds to be used to cover the costs of education and supplies related to the Teenage Pregnancy Prevention Program.

State Grant Health Fund

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

Rural AIDS State Grant Fund

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

Litter Control Grant Fund

To account for monies received from the Ohio Department of Natural Resources for the purpose of litter control.

Wellness Block Grant Fund

To account for receipt of funds from the Scioto County Family and Children First Council to be used to cover the costs of education and supplies related to the Wellness Education Program.

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

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

Regional HIV Prevention Fund

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

Flood Defense Fund

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

THE CITY OF PORTSMOUTH, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001

	Municipal Court Grants	OCJS Awards Municipal Court	Municipal Court Special Projects	Municipal Court Probation Services	Municipal Court Programs	Municipal Court Computer
Assets:						
Cash and Cash Equivalents	\$0	\$0	\$8,340	\$107,041	\$7,572	\$13,135
Receivables (net of allowances for doubtful accounts)						
Taxes	0	0	0	0	0	0
Loans	0	0	0	0	0	0
Due from Other Funds	0	0	7,493	4,639	1,550	2,622
Intergovernmental Receivables	25,887	21,564	0	0	0	0
Inventory of Supplies at Cost	0	0	0	0	0	0
Prepaid Items	0	0	0	0	0	0
Total Assets	\$25,887	\$21,564	\$15,833	\$111,680	\$9,122	\$15,757
Liabilities and Fund Equity:						
Liabilities:						
Accounts Payable	\$0	\$1,076	\$493	\$0	\$6,441	\$800
Accrued Wages and Benefits	1,520	2,373	497	0	1,863	871
Due to Other Funds	0	3,767	0	0	0	0
Intergovernmental Payables	0	0	0	0	0	0
Deferred Revenue	12,943	0	0	0	0	0
Total Liabilities	14,463	7,216	990	0	8,304	1,671
Fund Equity:						
Reserved for Encumbrances	0	0	0	0	0	0
Reserved for Supplies Inventory	0	0	0	0	0	0
Reserved for Prepaid Items	0	0	0	0	0	0
Unreserved - Undesignated	11,424	14,348	14,843	111,680	818	14,086
Total Fund Equity	11,424	14,348	14,843	111,680	818	14,086
Total Liabilities and Fund Equity	\$25,887	\$21,564	\$15,833	\$111,680	\$9,122	\$15,757

THE CITY OF PORTSMOUTH, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001

Fire Pension	Police Pension	D.A.R.E. State Grant	Local Law Block Grant	COPS Fast Grant	Indigent Drivers Alcohol Treatment	Enforcement and Education	Mandatory Fines	Law Enforcement
\$20,186	\$19,992	\$3,216	\$35,910	\$37,825	\$48,165	\$20,864	\$40,970	\$7,853
53,521	53,521	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	977	314	261	0
3,630	3,630	0	2,719	36,094	0	0	334	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
<u>\$77,337</u>	<u>\$77,143</u>	<u>\$3,216</u>	<u>\$38,629</u>	<u>\$73,919</u>	<u>\$49,142</u>	<u>\$21,178</u>	<u>\$41,565</u>	<u>\$7,853</u>
\$0	\$0	\$0	\$0	\$0	\$11,968	\$0	\$0	\$0
15,000	15,000	0	0	66	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
56,221	56,221	0	2,719	36,094	0	0	0	0
<u>71,221</u>	<u>71,221</u>	<u>0</u>	<u>2,719</u>	<u>36,160</u>	<u>11,968</u>	<u>0</u>	<u>0</u>	<u>0</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
6,116	5,922	3,216	35,910	37,759	37,174	21,178	41,565	7,853
<u>6,116</u>	<u>5,922</u>	<u>3,216</u>	<u>35,910</u>	<u>37,759</u>	<u>37,174</u>	<u>21,178</u>	<u>41,565</u>	<u>7,853</u>
<u>\$77,337</u>	<u>\$77,143</u>	<u>\$3,216</u>	<u>\$38,629</u>	<u>\$73,919</u>	<u>\$49,142</u>	<u>\$21,178</u>	<u>\$41,565</u>	<u>\$7,853</u>

(Continued)

THE CITY OF PORTSMOUTH, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001

	Street Construction, Maintenance and Repair	State Highway Improvement	Environmental State Grants	Community Development	Tourism and Cultural Development	Teenage Pregnancy Prevention
Assets:						
Cash and Cash Equivalents	\$171,904	\$2,241	\$224,733	\$384,233	\$12,267	\$0
Receivables (net of allowances for doubtful accounts)						
Taxes	0	0	0	0	10,384	0
Loans	0	0	0	155,905	0	0
Due from Other Funds	0	0	0	24,453	0	0
Intergovernmental Receivables	304,390	20,395	329,251	329,800	0	0
Inventory of Supplies at Cost	14,610	0	1,590	0	0	0
Prepaid Items	894	0	290	0	0	0
Total Assets	\$491,798	\$22,636	\$555,864	\$894,391	\$22,651	\$0
Liabilities and Fund Equity:						
Liabilities:						
Accounts Payable	\$1,036	\$0	\$549	\$0	\$0	\$0
Accrued Wages and Benefits	12,592	296	11,713	1,531	0	427
Due to Other Funds	0	0	0	0	0	0
Intergovernmental Payables	0	0	1,065	160,196	0	0
Deferred Revenue	203,000	13,500	204,436	485,705	0	0
Total Liabilities	216,628	13,796	217,763	647,432	0	427
Fund Equity:						
Reserved for Encumbrances	4,146	0	0	0	0	0
Reserved for Supplies Inventory	14,610	0	1,590	0	0	0
Reserved for Prepaid Items	894	0	290	0	0	0
Unreserved - Undesignated	255,520	8,840	336,221	246,959	22,651	(427)
Total Fund Equity	275,170	8,840	338,101	246,959	22,651	(427)
Total Liabilities and Fund Equity	\$491,798	\$22,636	\$555,864	\$894,391	\$22,651	\$0

THE CITY OF PORTSMOUTH, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2001

State Grant Health	Rural AIDS State Grant	Litter Control Grant	Wellness Block Grant	F.E.M.A. Grant	Regional HIV Prevention	Flood Defense	Totals
\$211,567	\$11,511	\$9,041	\$4,977	\$2,222	\$1,543	\$437,833	\$1,845,141
0	0	0	0	0	0	175,405	292,831
0	0	0	0	0	0	0	155,905
0	0	0	0	0	0	0	42,309
398,783	144,131	0	0	0	247,801	9,497	1,877,906
54,453	2,104	0	119	0	0	0	72,876
1,608	0	0	82	0	0	0	2,874
<u>\$666,411</u>	<u>\$157,746</u>	<u>\$9,041</u>	<u>\$5,178</u>	<u>\$2,222</u>	<u>\$249,344</u>	<u>\$622,735</u>	<u>\$4,289,842</u>
\$45,903	\$1,066	\$0	\$0	\$0	\$0	\$79	\$69,411
16,063	3,294	0	1,169	0	0	0	84,275
0	0	0	0	0	0	0	3,767
0	0	0	0	0	0	0	161,261
272,371	50,072	0	0	0	110,445	181,801	1,685,528
<u>334,337</u>	<u>54,432</u>	<u>0</u>	<u>1,169</u>	<u>0</u>	<u>110,445</u>	<u>181,880</u>	<u>2,004,242</u>
0	0	0	0	0	0	24,700	28,846
54,453	2,104	0	119	0	0	0	72,876
1,608	0	0	82	0	0	0	2,874
276,013	101,210	9,041	3,808	2,222	138,899	416,155	2,181,004
<u>332,074</u>	<u>103,314</u>	<u>9,041</u>	<u>4,009</u>	<u>2,222</u>	<u>138,899</u>	<u>440,855</u>	<u>2,285,600</u>
<u>\$666,411</u>	<u>\$157,746</u>	<u>\$9,041</u>	<u>\$5,178</u>	<u>\$2,222</u>	<u>\$249,344</u>	<u>\$622,735</u>	<u>\$4,289,842</u>

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Municipal Court Grants	OCJS Awards Municipal Court	Municipal Court Special Projects	Municipal Court Probation Services	Municipal Court Programs	Municipal Court Computer
Revenues:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenues	52,038	70,393	0	0	0	0
Charges for Services	0	0	0	0	0	0
Investment Earnings	0	0	0	0	0	0
Fines and Forfeitures	0	0	74,508	43,916	117,862	47,752
All Other Revenues	503	654	47	0	145	116
Total Revenues	<u>52,541</u>	<u>71,047</u>	<u>74,555</u>	<u>43,916</u>	<u>118,007</u>	<u>47,868</u>
Expenditures:						
Current:						
Security of Persons and Property	0	0	0	0	0	0
Public Health and Welfare Services	0	0	0	0	0	0
Community Environment	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
General Government	57,093	98,679	64,476	2,887	134,574	109,106
Total Expenditures	<u>57,093</u>	<u>98,679</u>	<u>64,476</u>	<u>2,887</u>	<u>134,574</u>	<u>109,106</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,552)	(27,632)	10,079	41,029	(16,567)	(61,238)
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	0	0	0	0	0	0
Operating Transfers In	0	23,464	0	0	0	0
Operating Transfers Out	0	0	(23,464)	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>23,464</u>	<u>(23,464)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,552)	(4,168)	(13,385)	41,029	(16,567)	(61,238)
Restated Fund Balance at Beginning of Year	15,976	18,516	28,228	70,651	17,385	75,324
Increase (Decrease) in Inventory Reserve	0	0	0	0	0	0
Fund Balance (Deficit) at End of Year	<u>\$11,424</u>	<u>\$14,348</u>	<u>\$14,843</u>	<u>\$111,680</u>	<u>\$818</u>	<u>\$14,086</u>

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

Fire Pension	Police Pension	D.A.R.E. State Grant	Local Law Block Grant	COPS Fast Grant	Indigent Drivers Alcohol Treatment	Enforcement and Education	Mandatory Fines	Law Enforcement
\$51,933	\$51,932	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6,590	6,590	0	17,436	35,075	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	879	0	0	0	0	0
0	0	0	0	0	30,570	3,570	12,534	150
0	0	60	88	765	0	0	0	0
<u>58,523</u>	<u>58,522</u>	<u>60</u>	<u>18,403</u>	<u>35,840</u>	<u>30,570</u>	<u>3,570</u>	<u>12,534</u>	<u>150</u>
60,000	60,000	0	23,798	23,536	0	0	0	17,553
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	180,852	263	0	0
<u>60,000</u>	<u>60,000</u>	<u>0</u>	<u>23,798</u>	<u>23,536</u>	<u>180,852</u>	<u>263</u>	<u>0</u>	<u>17,553</u>
(1,477)	(1,478)	60	(5,395)	12,304	(150,282)	3,307	12,534	(17,403)
0	0	0	0	0	0	0	0	0
0	0	0	2,885	0	0	0	0	0
0	0	0	0	0	0	(2,885)	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>2,885</u>	<u>0</u>	<u>0</u>	<u>(2,885)</u>	<u>0</u>	<u>0</u>
(1,477)	(1,478)	60	(2,510)	12,304	(150,282)	422	12,534	(17,403)
7,593	7,400	3,156	38,420	25,455	187,456	20,756	29,031	25,256
0	0	0	0	0	0	0	0	0
<u>\$6,116</u>	<u>\$5,922</u>	<u>\$3,216</u>	<u>\$35,910</u>	<u>\$37,759</u>	<u>\$37,174</u>	<u>\$21,178</u>	<u>\$41,565</u>	<u>\$7,853</u>

(Continued)

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Street Construction, Maintenance and Repair	State Highway Improvement	Environmental State Grants	Community Development	Tourism and Cultural Development	Teenage Pregnancy Prevention
Revenues:						
Taxes	\$0	\$0	\$0	\$0	\$47,184	\$0
Intergovernmental Revenues	661,008	45,762	628,509	18,200	0	0
Charges for Services	0	0	0	0	0	0
Investment Earnings	6,358	3,179	0	4,162	0	0
Fines and Forfeitures	0	0	0	0	0	0
All Other Revenues	7,312	462	10,811	34,809	0	0
Total Revenues	<u>674,678</u>	<u>49,403</u>	<u>639,320</u>	<u>57,171</u>	<u>47,184</u>	<u>0</u>
Expenditures:						
Current:						
Security of Persons and Property	0	0	0	0	0	0
Public Health and Welfare Services	0	0	510,029	0	0	10,390
Community Environment	0	0	0	329,762	49,465	0
Transportation	733,819	56,296	0	0	0	0
General Government	0	0	0	0	0	0
Total Expenditures	<u>733,819</u>	<u>56,296</u>	<u>510,029</u>	<u>329,762</u>	<u>49,465</u>	<u>10,390</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(59,141)	(6,893)	129,291	(272,591)	(2,281)	(10,390)
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	0	0	0	13,000	0	0
Operating Transfers In	0	0	8,500	8,589	0	0
Operating Transfers Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>8,500</u>	<u>21,589</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(59,141)	(6,893)	137,791	(251,002)	(2,281)	(10,390)
Restated Fund Balance at Beginning of Year	332,294	15,733	202,010	497,961	24,932	9,963
Increase (Decrease) in Inventory Reserve	2,017	0	(1,700)	0	0	0
Fund Balance (Deficit) at End of Year	<u>\$275,170</u>	<u>\$8,840</u>	<u>\$338,101</u>	<u>\$246,959</u>	<u>\$22,651</u>	<u>(\$427)</u>

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

State Grant Health	Rural AIDS State Grant	Litter Control Grant	Wellness Block Grant	F.E.M.A. Grant	Regional HIV Prevention	Flood Defense	Totals
\$0	\$0	\$0	\$0	\$0	\$0	\$160,250	\$311,299
651,705	244,965	0	41,666	0	490,209	19,588	2,989,734
237,577	0	0	0	0	0	0	237,577
0	0	0	0	0	0	0	14,578
0	0	0	0	0	0	0	330,862
104,139	758	2	78	0	0	2,025	162,774
993,421	245,723	2	41,744	0	490,209	181,863	4,046,824
0	0	0	0	0	0	18,811	203,698
1,014,560	191,375	408	69,942	0	473,013	0	2,269,717
0	0	0	0	0	0	0	379,227
0	0	0	0	0	0	0	790,115
0	0	0	0	0	0	0	647,930
1,014,560	191,375	408	69,942	0	473,013	18,811	4,290,687
(21,139)	54,348	(406)	(28,198)	0	17,196	163,052	(243,863)
0	0	0	0	0	0	0	13,000
0	0	0	0	0	0	0	43,438
0	0	0	0	0	0	0	(26,349)
0	0	0	0	0	0	0	30,089
(21,139)	54,348	(406)	(28,198)	0	17,196	163,052	(213,774)
314,990	47,999	9,447	32,386	2,222	121,703	277,803	2,460,046
38,223	967	0	(179)	0	0	0	39,328
<u>\$332,074</u>	<u>\$103,314</u>	<u>\$9,041</u>	<u>\$4,009</u>	<u>\$2,222</u>	<u>\$138,899</u>	<u>\$440,855</u>	<u>\$2,285,600</u>

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

MUNICIPAL COURT GRANTS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$56,000	\$52,302	(\$3,698)
All Other Revenues	0	503	503
Total Revenues	56,000	52,805	(3,195)
<u>Expenditures:</u>			
General Government:			
Personal Services	35,463	56,308	(20,845)
Materials and Supplies	19,786	0	19,786
Capital Outlay	2,459	1,400	1,059
Total Expenditures	57,708	57,708	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,708)	(4,903)	(3,195)
Fund Balance at Beginning of Year	4,903	4,903	0
Fund Balance at End of Year	\$3,195	\$0	(\$3,195)

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

OCJS AWARDS MUNICIPAL COURT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$70,000	\$48,829	(\$21,171)
All Other Revenues	0	654	654
Total Revenues	70,000	49,483	(20,517)
<u>Expenditures:</u>			
General Government:			
Personal Services	40,944	83,425	(42,481)
Contractual Services	1,380	769	611
Materials and Supplies	47,945	10,941	37,004
Capital Outlay	5,700	4,662	1,038
Total Expenditures	95,969	99,797	(3,828)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,969)	(50,314)	(24,345)
<u>Other Financing Sources:</u>			
Operating Transfers In	25,000	23,464	(1,536)
Total Other Financing Sources	25,000	23,464	(1,536)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(969)	(26,850)	(25,881)
Fund Balance at Beginning of Year	22,177	22,177	0
Prior Year Encumbrances	906	906	0
Fund Deficit at End of Year	\$22,114	(\$3,767)	(\$25,881)

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

MUNICIPAL COURT SPECIAL PROJECTS FUND

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Fines and Forfeitures	\$70,604	\$70,603	(\$1)
All Other Revenues	47	47	0
Total Revenues	<u>70,651</u>	<u>70,650</u>	<u>(1)</u>
<u>Expenditures:</u>			
General Government:			
Personal Services	23,327	24,908	(1,581)
Contractual Services	0	1,200	(1,200)
Materials and Supplies	9,927	9,284	643
Capital Outlay	<u>28,000</u>	<u>29,707</u>	<u>(1,707)</u>
Total Expenditures	<u>61,254</u>	<u>65,099</u>	<u>(3,845)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,397	5,551	(3,846)
<u>Other Financing Sources:</u>			
Operating Transfers Out	<u>(23,464)</u>	<u>(23,464)</u>	<u>0</u>
Total Other Financing Sources	<u>(23,464)</u>	<u>(23,464)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(14,067)	(17,913)	(3,846)
Fund Balance at Beginning of Year	<u>26,253</u>	<u>26,253</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$12,186</u></u>	<u><u>\$8,340</u></u>	<u><u>(\$3,846)</u></u>

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

MUNICIPAL COURT PROBATION SERVICES FUND

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Fines and Forfeitures	\$41,797	\$41,797	\$0
Total Revenues	41,797	41,797	0
<u>Expenditures:</u>			
General Government:			
Personal Services	0	2,887	(2,887)
Total Expenditures	0	2,887	(2,887)
Excess (Deficiency) of Revenues Over (Under) Expenditures	41,797	38,910	(2,887)
Fund Balance at Beginning of Year	68,131	68,131	0
Fund Balance at End of Year	\$109,928	\$107,041	(\$2,887)

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

MUNICIPAL COURT PROGRAMS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$140,000	\$124,232	(\$15,768)
All Other Revenues	0	145	145
Total Revenues	140,000	124,377	(15,623)
<u>Expenditures:</u>			
General Government:			
Personal Services	63,186	59,513	3,673
Contractual Services	69,023	69,023	0
Materials and Supplies	3,898	0	3,898
Total Expenditures	136,107	128,536	7,571
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,893	(4,159)	(8,052)
Fund Balance at Beginning of Year	11,731	11,731	0
Fund Balance at End of Year	\$15,624	\$7,572	(\$8,052)

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

MUNICIPAL COURT COMPUTER FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$49,500	\$47,568	(\$1,932)
All Other Revenues	0	116	116
Total Revenues	49,500	47,684	(1,816)
<u>Expenditures:</u>			
General Government:			
Personal Services	26,173	29,523	(3,350)
Contractual Services	37,369	37,161	208
Materials and Supplies	58,584	42,307	16,277
Total Expenditures	122,126	108,991	13,135
Excess (Deficiency) of Revenues Over (Under) Expenditures	(72,626)	(61,307)	11,319
Fund Balance at Beginning of Year	74,442	74,442	0
Fund Balance at End of Year	\$1,816	\$13,135	\$11,319

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

FIRE PENSION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$46,000	\$55,753	\$9,753
Intergovernmental Revenues	7,000	6,590	(410)
Total Revenues	53,000	62,343	9,343
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	60,843	50,000	10,843
Total Expenditures	60,843	50,000	10,843
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,843)	12,343	20,186
Fund Balance at Beginning of Year	7,843	7,843	0
Fund Balance at End of Year	\$0	\$20,186	\$20,186

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

POLICE PENSION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$46,000	\$55,752	\$9,752
Intergovernmental Revenues	7,000	6,590	(410)
Total Revenues	53,000	62,342	9,342
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	60,650	50,000	10,650
Total Expenditures	60,650	50,000	10,650
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,650)	12,342	19,992
Fund Balance at Beginning of Year	7,650	7,650	0
Fund Balance at End of Year	\$0	\$19,992	\$19,992

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

D.A.R.E. STATE GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$0	\$60	\$60
Total Revenues	0	60	60
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	60	60
Fund Balance at Beginning of Year	3,156	3,156	0
Fund Balance at End of Year	\$3,156	\$3,216	\$60

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

LOCAL LAW BLOCK GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$0	\$17,436	\$17,436
Investment Earnings	0	879	879
All Other Revenues	0	88	88
Total Revenues	0	18,403	18,403
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	10,572	4,508	6,064
Contractual Services	1,500	719	781
Capital Outlay	29,764	19,102	10,662
Total Expenditures	41,836	24,329	17,507
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,836)	(5,926)	35,910
<u>Other Financing Sources:</u>			
Operating Transfers In	0	2,885	2,885
Total Other Financing Sources	0	2,885	2,885
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(41,836)	(3,041)	38,795
Fund Balance at Beginning of Year	38,951	38,951	0
Fund Balance at End of Year	(\$2,885)	\$35,910	\$38,795

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

COPS FAST GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$35,075	\$35,075	\$0
All Other Revenues	765	765	0
Total Revenues	35,840	35,840	0
<u>Expenditures:</u>			
Security of Persons and Property:			
Personal Services	30,231	18,829	11,402
Capital Outlay	4,900	4,900	0
Total Expenditures	35,131	23,729	11,402
Excess (Deficiency) of Revenues Over (Under) Expenditures	709	12,111	11,402
Fund Balance at Beginning of Year	25,714	25,714	0
Fund Balance at End of Year	\$26,423	\$37,825	\$11,402

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

INDIGENT DRIVERS ALCOHOL TREATMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$20,000	\$30,745	\$10,745
Total Revenues	20,000	30,745	10,745
<u>Expenditures:</u>			
General Government:			
Contractual Services	221,039	183,619	37,420
Total Expenditures	221,039	183,619	37,420
Excess (Deficiency) of Revenues Over (Under) Expenditures	(201,039)	(152,874)	48,165
Fund Balance at Beginning of Year	201,039	201,039	0
Fund Balance at End of Year	\$0	\$48,165	\$48,165

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

ENFORCEMENT AND EDUCATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$6,500	\$3,734	(\$2,766)
Total Revenues	6,500	3,734	(2,766)
<u>Expenditures:</u>			
General Government:			
Contractual Services	24,012	263	23,749
Total Expenditures	24,012	263	23,749
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,512)	3,471	20,983
<u>Other Financing Sources (Uses):</u>			
Operating Transfers Out	0	(2,885)	(2,885)
Total Other Financing Sources (Uses)	0	(2,885)	(2,885)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(17,512)	586	18,098
Fund Balance at Beginning of Year	20,278	20,278	0
Fund Balance at End of Year	\$2,766	\$20,864	\$18,098

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

MANDATORY FINES FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$5,000	\$12,722	\$7,722
Total Revenues	5,000	12,722	7,722
<u>Expenditures:</u>			
Security of Persons and Property:			
Contractual Services	28,248	0	28,248
Total Expenditures	28,248	0	28,248
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,248)	12,722	35,970
Fund Balance at Beginning of Year	28,248	28,248	0
Fund Balance at End of Year	\$5,000	\$40,970	\$35,970

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

LAW ENFORCEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Fines and Forfeitures	\$5,000	\$150	(\$4,850)
Total Revenues	5,000	150	(4,850)
<u>Expenditures:</u>			
Security of Persons and Property:			
Materials and Supplies	25,406	17,553	7,853
Total Expenditures	25,406	17,553	7,853
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,406)	(17,403)	3,003
Fund Balance at Beginning of Year	25,256	25,256	0
Fund Balance at End of Year	\$4,850	\$7,853	\$3,003

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$665,563	\$665,563	\$0
Investment Earnings	7,109	7,109	0
All Other Revenues	7,141	7,312	171
Total Revenues	679,813	679,984	171
<u>Expenditures:</u>			
Transportation:			
Personal Services	600,781	546,103	54,678
Contractual Services	75,841	69,969	5,872
Materials and Supplies	75,264	65,756	9,508
Capital Outlay	69,501	66,660	2,841
Total Expenditures	821,387	748,488	72,899
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(141,574)	(68,504)	73,070
Expenditures and Other Financing Uses	(141,574)	(68,504)	73,070
Fund Balance at Beginning of Year	231,822	231,822	0
Prior Year Encumbrances	4,175	4,175	0
Fund Balance at End of Year	\$94,423	\$167,493	\$73,070

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

STATE HIGHWAY IMPROVEMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$45,000	\$46,121	\$1,121
Investment Earnings	0	3,554	3,554
All Other Revenues	0	462	462
Total Revenues	45,000	50,137	5,137
<u>Expenditures:</u>			
Transportation:			
Personal Services	56,000	58,221	(2,221)
Total Expenditures	56,000	58,221	(2,221)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,000)	(8,084)	2,916
Fund Balance at Beginning of Year	10,325	10,325	0
Fund Balance at End of Year	(\$675)	\$2,241	\$2,916

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

ENVIRONMENTAL STATE GRANTS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$487,469	\$503,694	\$16,225
All Other Revenues	6,900	10,811	3,911
Total Revenues	494,369	514,505	20,136
 <u>Expenditures:</u>			
Public Health and Welfare Services:			
Personal Services	448,975	418,190	30,785
Contractual Services	79,639	46,611	33,028
Materials and Supplies	35,700	7,012	28,688
Capital Outlay	88,340	41,838	46,502
Total Expenditures	652,654	513,651	139,003
Excess (Deficiency) of Revenues Over (Under) Expenditures	(158,285)	854	159,139
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	8,500	8,500	0
Total Other Financing Sources (Uses)	8,500	8,500	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(149,785)	9,354	159,139
Fund Balance at Beginning of Year	214,679	214,679	0
Prior Year Encumbrances	700	700	0
Fund Balance at End of Year	\$65,594	\$224,733	\$159,139

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

COMMUNITY DEVELOPMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$32,100	\$32,100	\$0
Investment Earnings	4,162	4,162	0
All Other Revenues	34,809	34,809	0
Total Revenues	71,071	71,071	0
<u>Expenditures:</u>			
Community Environment:			
Personal Services	24,868	11,920	12,948
Contractual Services	390,763	315,772	74,991
Materials and Supplies	697	0	697
Capital Outlay	4,130	4,130	0
Total Expenditures	420,458	331,822	88,636
Excess (Deficiency) of Revenues Over (Under) Expenditures	(349,387)	(260,751)	88,636
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	8,589	8,589	0
Operating Transfers In	13,000	13,000	0
Total Other Financing Sources (Uses)	21,589	21,589	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(327,798)	(239,162)	88,636
Fund Balance at Beginning of Year	623,395	623,395	0
Prior Year Encumbrances	0	0	0
Fund Balance at End of Year	\$295,597	\$384,233	\$88,636

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

TOURISM AND CULTURAL DEVELOPMENT FUND

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Taxes	\$45,000	\$46,340	\$1,340
Total Revenues	45,000	46,340	1,340
<u>Expenditures:</u>			
Community Environment:			
Contractual Services	51,392	49,465	1,927
Total Expenditures	51,392	49,465	1,927
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,392)	(3,125)	3,267
Fund Balance at Beginning of Year	15,392	15,392	0
Fund Balance at End of Year	\$9,000	\$12,267	\$3,267

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

TEENAGE PREGNANCY PREVENTION FUND

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Public Health and Welfare Services:			
Personal Services	<u>9,963</u>	<u>9,963</u>	<u>0</u>
Total Expenditures	<u>9,963</u>	<u>9,963</u>	<u>0</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(9,963)	(9,963)	0
Fund Balance at Beginning of Year	<u>9,963</u>	<u>9,963</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

STATE GRANT HEALTH FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$574,861	\$574,861	\$0
Charges for Services	237,577	237,577	0
All Other Revenues	104,138	104,139	1
Total Revenues	916,576	916,577	1
<u>Expenditures:</u>			
Public Health and Welfare Services:			
Child Abuse:			
Personal Services	17,977	19,139	(1,162)
Contractual Services	405	399	6
Materials and Supplies	450	397	53
Total Child Abuse	18,832	19,935	(1,103)
Child and Family Health			
Services Donations:			
Personal Services	53,327	40,486	12,841
Contractual Services	56,507	46,085	10,422
Materials and Supplies	68,179	60,974	7,205
Capital Outlay	9,350	8,623	727
Total Child and Family Health Services Donations	187,363	156,168	31,195
State Grant - Health:			
Personal Services	286,263	275,755	10,508
Contractual Services	131,202	129,339	1,863
Materials and Supplies	38,939	33,528	5,411
Total State Grant - Health	456,404	438,622	17,782
Prevention:			
Personal Services	17,935	17,780	155
Contractual Services	11,828	9,548	2,280
Materials and Supplies	1,051	893	158
Total Prevention	30,814	28,221	2,593

(Continued)

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

STATE GRANT HEALTH FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
AIDS Grant:			
Personal Services	73,025	75,224	(2,199)
Contractual Services	13,711	13,388	323
Materials and Supplies	9,338	9,056	282
Total AIDS Grant	<u>96,074</u>	<u>97,668</u>	<u>(1,594)</u>
State Grant - Lead Poisoning			
Personal Services	15,028	15,168	(140)
Contractual Services	885	751	134
Materials and Supplies	3,072	3,072	0
Total State Grant - Lead Poisoning	<u>18,985</u>	<u>18,991</u>	<u>(6)</u>
State Grant - Family Living			
Contractual Services	100	100	0
Materials and Supplies	5,055	1,717	3,338
Total State Grant-Family Living	<u>5,155</u>	<u>1,817</u>	<u>3,338</u>
State Grant - Women's Health Month			
Contractual Services	900	849	51
Materials and Supplies	600	297	303
Total State Grant-Women's Health Month	<u>1,500</u>	<u>1,146</u>	<u>354</u>
State Grant - Immunization			
Personal Services	13,937	13,922	15
Contractual Services	1,000	650	350
Materials and Supplies	5,063	2,960	2,103
Total State Grant - Immunization	<u>20,000</u>	<u>17,532</u>	<u>2,468</u>
State Grant - Temporary Assistance to Needy Families			
Contractual Services	22,168	19,578	2,590
Materials and Supplies	12,841	13,274	(433)
Total State Grant - Temporary Assistance to Needy Families	<u>35,009</u>	<u>32,852</u>	<u>2,157</u>
State Grant -Tobacco Use Prevention			
Personal Services	45,228	46,513	(1,285)
Contractual Services	850	595	255
Materials and Supplies	16,642	16,342	300
Total State Grant - Tobacco Use Prevention	<u>62,720</u>	<u>63,450</u>	<u>(730)</u>

(Continued)

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

STATE GRANT HEALTH FUND

Gene Screening:			
Contractual Services	3,050	2,080	970
Total Gene Screening	<u>3,050</u>	<u>2,080</u>	<u>970</u>
State Grant - Cardiovascular			
Personal Services	40,087	39,437	650
Contractual Services	10,219	9,720	499
Materials and Supplies	10,514	9,902	612
Capital Outlay	1,800	1,799	1
Total State Grant - Cardiovascular	<u>62,620</u>	<u>60,858</u>	<u>1,762</u>
State Grant - Safety Grant			
Personal Services	27,999	27,802	197
Contractual Services	6,650	6,393	257
Materials and Supplies	1,940	1,799	141
Capital Outlay	5,000	2,959	2,041
Total State Grant - Safety Grant	<u>41,589</u>	<u>38,953</u>	<u>2,636</u>
Total Expenditures	<u>1,040,115</u>	<u>978,293</u>	<u>61,822</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(123,539)	(61,716)	61,823
Fund Balance at Beginning of Year	261,889	261,889	0
Prior Year Encumbrances	11,394	11,394	0
Fund Balance at End of Year	<u><u>\$149,744</u></u>	<u><u>\$211,567</u></u>	<u><u>\$61,823</u></u>

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

RURAL AIDS STATE GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$184,139	\$184,139	\$0
All Other Revenues	758	758	0
Total Revenues	184,897	184,897	0
<u>Expenditures:</u>			
Public Health and Welfare Services:			
Personal Services	121,555	116,464	5,091
Contractual Services	49,696	45,704	3,992
Materials and Supplies	28,061	25,633	2,428
Capital Outlay	4,426	4,426	0
Total Expenditures	203,738	192,227	11,511
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(18,841)	(7,330)	11,511
Fund Balance at Beginning of Year	18,716	18,716	0
Prior Year Encumbrances	125	125	0
Fund Balance at End of Year	\$0	\$11,511	\$11,511

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

LITTER CONTROL GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$0	\$2	\$2
Total Revenues	0	2	2
<u>Expenditures:</u>			
Public Health and Welfare Services:			
Contractual Services	3,000	408	2,592
Materials and Supplies	6,447	0	6,447
Total Public Health and Welfare Services	9,447	408	9,039
Total Expenditures	9,447	408	9,039
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,447)	(406)	9,041
Fund Balance at Beginning of Year	9,447	9,447	0
Fund Balance at End of Year	\$0	\$9,041	\$9,041

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

WELLNESS BLOCK GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$41,666	\$41,666	\$0
All Other Revenues	78	78	0
Total Revenues	41,744	41,744	0
<u>Expenditures:</u>			
Public Health and Welfare Services:			
Personal Services	41,103	45,332	(4,229)
Contractual Services	3,353	2,576	777
Materials and Supplies	31,651	23,222	8,429
Total Expenditures	76,107	71,130	4,977
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(34,363)	(29,386)	4,977
Fund Balance at Beginning of Year	26,835	26,835	0
Prior Year Encumbrances	7,528	7,528	0
Fund Balance at End of Year	\$0	\$4,977	\$4,977

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

F.E.M.A. GRANT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Security of Persons and Property:			
Contractual Services	2,222	0	2,222
Total Expenditures	2,222	0	2,222
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(2,222)	0	2,222
Fund Balance at Beginning of Year	2,222	2,222	0
Fund Balance at End of Year	\$0	\$2,222	\$2,222

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

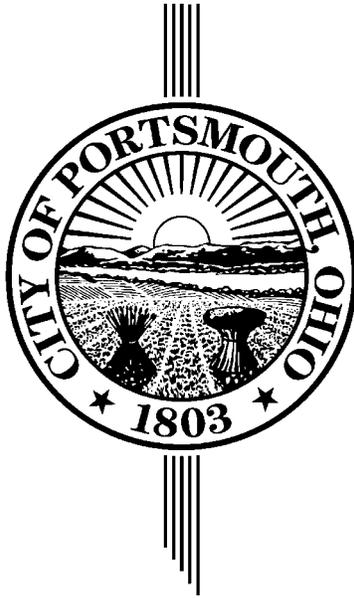
REGIONAL HIV PREVENTION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental Revenues	\$473,397	\$473,397	\$0
Total Revenues	473,397	473,397	0
<u>Expenditures:</u>			
Public Health and Welfare Services:			
Contractual Services	457,472	455,936	1,536
Capital Outlay	17,084	17,077	7
Total Expenditures	474,556	473,013	1,543
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,159)	384	1,543
Fund Balance at Beginning of Year	1,159	1,159	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$1,543</u>	<u>\$1,543</u>

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

FLOOD DEFENSE FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$172,981	\$172,981	\$0
Intergovernmental Revenues	19,588	19,588	0
All Other Revenues	2,024	2,025	1
Total Revenues	194,593	194,594	1
<u>Expenditures:</u>			
Security of Persons and Property:			
Contractual Services	25,552	2,809	22,743
Materials and Supplies	16,823	9,374	7,449
Capital Outlay	189,575	59,005	130,570
Total Expenditures	231,950	71,188	160,762
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(37,357)	123,406	160,763
Fund Balance at Beginning of Year	227,777	227,777	0
Prior Year Encumbrances	61,950	61,950	0
Fund Balance at End of Year	\$252,370	\$413,133	\$160,763



ENTERPRISE FUNDS

The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprise, whereby the intent of the City is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City has decided that periodic determination of net income is appropriate for accountability purposes.

Water Fund

To account for the operation of the City's water service.

Sewer Fund

To account for the operation of the City's sanitary sewer service

Sanitation Fund

To account for the operation of the City's refuse collection and disposal service.

THE CITY OF PORTSMOUTH, OHIO
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
DECEMBER 31, 2001

	Water	Sewer	Sanitation	Totals
<u>Assets:</u>				
Cash and Cash Equivalents	\$1,992,707	\$22,999	\$361,104	\$2,376,810
Investments	600,000	0	0	600,000
Receivables (net of allowances for doubtful accounts):				
Accounts	875,578	434,463	218,327	1,528,368
Interest	9,258	0	0	9,258
Intergovernmental Receivables	49,208	0	0	49,208
Inventory of Supplies at Cost	286,905	20,293	1,461	308,659
Prepaid Items	1,451	60	2,929	4,440
Restricted Assets:				
Cash and Cash Equivalents	194,110	0	0	194,110
Property, Plant and Equipment	14,975,404	9,095,314	953,314	25,024,032
Less: Accumulated Depreciation	(6,517,299)	(8,435,388)	(280,434)	(15,233,121)
Net Fixed Assets	8,458,105	659,926	672,880	9,790,911
Total Assets	<u>\$12,467,322</u>	<u>\$1,137,741</u>	<u>\$1,256,701</u>	<u>\$14,861,764</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$203,534	\$30,632	\$19,269	\$253,435
Accrued Wages and Benefits	57,286	35,920	14,854	108,060
Accrued Interest Payable	76,642	0	0	76,642
Customer Deposits	194,110	0	0	194,110
General Obligation Notes Payable	600,000	0	0	600,000
Capital Leases Payable	164,107	0	0	164,107
Compensated Absences Payable	38,854	66,253	22,693	127,800
Mortgage Revenue Bonds Payable	600,000	0	0	600,000
General Obligation Bonds Payable	3,040,000	0	0	3,040,000
Ohio Public Works Commission Loan Payable	0	585,000	15,266	600,266
Ohio Water Development Authority Loan Payable	0	412,217	0	412,217
Total Liabilities	<u>4,974,533</u>	<u>1,130,022</u>	<u>72,082</u>	<u>6,176,637</u>
Fund Equity:				
Contributed Capital	5,171,051	3,479,765	0	8,650,816
Retained Earnings/(Accumulated Deficit):				
Unreserved	2,321,738	(3,472,046)	1,184,619	34,311
Total Fund Equity	<u>7,492,789</u>	<u>7,719</u>	<u>1,184,619</u>	<u>8,685,127</u>
Total Liabilities and Fund Equity	<u>\$12,467,322</u>	<u>\$1,137,741</u>	<u>\$1,256,701</u>	<u>\$14,861,764</u>

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Water	Sewer	Sanitation	Totals
<u>Operating Revenues:</u>				
Charges for Services	\$4,065,440	\$2,052,881	\$1,124,432	\$7,242,753
Other Operating Revenues	29,967	8,982	0	38,949
Total Operating Revenues	4,095,407	2,061,863	1,124,432	7,281,702
<u>Operating Expenses:</u>				
Personal Services	1,952,141	1,207,272	583,927	3,743,340
Materials and Supplies	656,816	146,702	26,936	830,454
Contractual Services	600,973	544,506	328,870	1,474,349
Depreciation	274,185	85,199	37,104	396,488
Total Operating Expenses	3,484,115	1,983,679	976,837	6,444,631
Operating Income	611,292	78,184	147,595	837,071
<u>Non-Operating Revenues (Expenses):</u>				
Intergovernmental Grant	354,040	0	0	354,040
Investment Earnings	16,395	0	1,835	18,230
Interest and Fiscal Charges	(215,362)	(51,343)	(622)	(267,327)
Loss on Disposal of Fixed Assets	(10,849)	0	(43,512)	(54,361)
Total Non-Operating Revenues (Expenses)	144,224	(51,343)	(42,299)	50,582
Net Income	755,516	26,841	105,296	887,653
Restated Retained Earnings/				
(Accumulated Deficit) at Beginning of Year	1,566,222	(3,498,887)	1,079,323	(853,342)
Retained Earnings/(Accumulated Deficit) at End of Year	<u>\$2,321,738</u>	<u>(\$3,472,046)</u>	<u>\$1,184,619</u>	<u>\$34,311</u>

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Water	Sewer	Sanitation	Total
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$4,043,854	\$2,074,247	\$1,125,001	\$7,243,102
Cash Payments for Goods and Services	(1,222,710)	(655,619)	(338,687)	(2,217,016)
Cash Payments to Employees	(1,983,627)	(1,214,626)	(588,462)	(3,786,715)
Customer Deposits Received	84,450	0	0	84,450
Customer Deposits Refunded	(79,971)	0	0	(79,971)
Net Cash Provided by Operating Activities	<u>841,996</u>	<u>204,002</u>	<u>197,852</u>	<u>1,243,850</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Principal Paid on Ohio Public Works Commission Loan	0	(15,000)	0	(15,000)
Net Cash Used by Noncapital Financing Activities	<u>0</u>	<u>(15,000)</u>	<u>0</u>	<u>(15,000)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Proceeds from General Obligation Note	600,000	0	0	600,000
Proceeds from Mortgage Revenue Bonds	600,000	0	0	600,000
Proceeds from Intergovernmental Grants	304,832	0	0	304,832
Acquisition and Construction of Assets	(877,110)	(9,983)	(145,900)	(1,032,993)
Principal Paid on General Obligation Note	(600,000)	0	0	(600,000)
Principal Paid on General Obligation Bond	(255,000)	0	0	(255,000)
Principal Paid on Ohio Public Works Commission Loan	0	0	(7,299)	(7,299)
Principal Paid on Ohio Water Development Authority Loan	0	(251,985)	0	(251,985)
Capital Lease Payment	(48,449)	0	0	(48,449)
Interest Paid on All Debt	(208,861)	(51,343)	(622)	(260,826)
Net Cash Used by Capital and Related Financing Activities	<u>(484,588)</u>	<u>(313,311)</u>	<u>(153,821)</u>	<u>(951,720)</u>
<u>Cash Flows from Investing Activities:</u>				
Receipt of Interest	8,986	0	1,923	10,909
Purchase of Investments	(600,000)	0	0	(600,000)
Net Cash Provided (Used) by Investing Activities	<u>(591,014)</u>	<u>0</u>	<u>1,923</u>	<u>(589,091)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(233,606)	(124,309)	45,954	(311,961)
Cash and Cash Equivalents at Beginning of Year	<u>2,420,423</u>	<u>147,308</u>	<u>315,150</u>	<u>2,882,881</u>
Cash and Cash Equivalents at End of Year	<u><u>\$2,186,817</u></u>	<u><u>\$22,999</u></u>	<u><u>\$361,104</u></u>	<u><u>\$2,570,920</u></u>
<u>Reconciliation of Cash and Cash Equivalent per the Balance Sheet:</u>				
Cash and Cash Equivalents	\$1,992,707	\$22,999	\$361,104	\$2,376,810
Restricted Cash and Cash Equivalents	194,110	0	0	194,110
Cash and Cash Equivalents at End of Year	<u><u>\$2,186,817</u></u>	<u><u>\$22,999</u></u>	<u><u>\$361,104</u></u>	<u><u>\$2,570,920</u></u>

(Continued)

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Water</u>	<u>Sewer</u>	<u>Sanitation</u>	<u>Total</u>
<u>Reconciliation of Operating Income to Net Cash</u>				
<u>Provided by Operating Activities:</u>				
Operating Income	\$611,292	\$78,184	\$147,595	\$837,071
Adjustments to Reconcile Operating Income to				
Net Cash Provided by Operating Activities:				
Depreciation Expense	274,185	85,199	37,104	396,488
Operating Expense Related to Noncash Loan	0	93,192	0	93,192
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(51,553)	12,384	569	(38,600)
(Increase) Decrease in Inventory	33,013	7,970	(109)	40,874
(Increase) Decrease in Prepaid Items	2,894	2,004	(246)	4,652
Increase (Decrease) in Accounts Payable	15,285	(59,628)	18,742	(25,601)
Decrease in Accrued Wages and Benefits	(37,607)	(17,966)	(7,835)	(63,408)
Decrease in Intergovernmental Payable	(14,150)	(6,250)	0	(20,400)
Increase in Customer Deposits	4,479	0	0	4,479
Increase in Compensated Absences	4,158	8,913	2,032	15,103
Total Adjustments	<u>230,704</u>	<u>125,818</u>	<u>50,257</u>	<u>406,779</u>
Net Cash Provided by Operating Activities	<u>\$841,996</u>	<u>\$204,002</u>	<u>\$197,852</u>	<u>\$1,243,850</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2001 the Water fund had outstanding liabilities of \$125,940 for certain capital assets. During 2001, the Water Fund entered into a \$212,556 capital lease for vehicles. During 2001, the Sewer Fund incurred a liability of \$93,192 to the Ohio Public Works Commission for payments made by the Commission directly to contractors.

INTERNAL SERVICE FUNDS

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

Garage Revolving Fund

To account for the resources from billings for work done by the City garage for various departments of the City. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Store Room Revolving Fund

To account for the resources and expenditures to provide stationery and copies and supplies to various departments within the City.

Employees Insurance Account “B” Fund

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

THE CITY OF PORTSMOUTH, OHIO
COMBINING BALANCE SHEET
INTERNAL SERVICES FUNDS
DECEMBER 31, 2001

	Store Room Revolving	Employee Insurance Account "B"	Total
<u>Assets:</u>			
Cash and Cash Equivalents	\$10,154	\$44,766	\$54,920
Total Assets	\$10,154	\$44,766	\$54,920
 <u>Liabilities and Fund Equity:</u>			
Liabilities:			
Total Liabilities	\$0	\$0	\$0
 Fund Equity:			
Retained Earnings:			
Unreserved	10,154	44,766	54,920
Total Fund Equity	10,154	44,766	54,920
Total Liabilities and Fund Equity	\$10,154	\$44,766	\$54,920

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICES FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Garage Revolving	Store Room Revolving	Employee Insurance Account "B"	Total
<u>Operating Revenues:</u>				
Charges for Services	\$0	\$7,037	\$0	\$7,037
Total Operating Revenues	0	7,037	0	7,037
<u>Operating Expenses:</u>				
Personal Services	0	0	113,741	113,741
Contractual Services	0	6,707	364	7,071
Total Operating Expenses	0	6,707	114,105	120,812
Income (Loss) Before Operating Transfer	0	330	(114,105)	(113,775)
<u>Operating Transfers:</u>				
Operating Transfers Out	(26,098)	0	0	(26,098)
Total Operating Transfers	(26,098)	0	0	(26,098)
Net Income (Loss)	(26,098)	330	(114,105)	(139,873)
Retained Earnings at Beginning of Year	26,098	9,824	158,871	194,793
Retained Earnings at End of Year	\$0	\$10,154	\$44,766	\$54,920

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Garage Revolving	Store Room Revolving	Employee Insurance Account "B"	Total
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$0	\$7,037	\$0	\$7,037
Cash Payments for Goods and Services	0	(6,707)	(364)	(7,071)
Cash Payments to Employees	0	0	(113,741)	(113,741)
Net Cash Provided (Used) by Operating Activities	<u>0</u>	<u>330</u>	<u>(114,105)</u>	<u>(113,775)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Transfers Out to Other Funds	(26,098)	0	0	(26,098)
Net Cash Used by Noncapital Financing Activities	<u>(26,098)</u>	<u>0</u>	<u>0</u>	<u>(26,098)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(26,098)	330	(114,105)	(139,873)
Cash and Cash Equivalents at Beginning of Year	26,098	9,824	158,871	194,793
Cash and Cash Equivalents at End of Year	<u>\$0</u>	<u>\$10,154</u>	<u>\$44,766</u>	<u>\$54,920</u>

FIDUCIARY FUND TYPES

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.

EXPENDABLE TRUST FUNDS

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.

Unclaimed Monies Fund

To account for revenue from voided and unpaid City checks and to pay claims upon request for unpaid checks.

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.

NONEXPENDABLE TRUST FUNDS

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.

(Continued)

FIDUCIARY FUND TYPES

AGENCY FUNDS

Performance Bonds Fund

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

Law Library Fund

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

Ohio Board of Building Standards Fund

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

Municipal Court Fund

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

Insurance Fund

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

THE CITY OF PORTSMOUTH, OHIO
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
DECEMBER 31, 2001

	<i>Expendable Trust Funds</i>			<i>Nonexpendable Trust Funds</i>	
	Council Trust for Recreation	Unclaimed Monies	Playground Trust	Cemetery Trust	Mausoleum Trust
<u>Assets:</u>					
Cash and Cash Equivalents	\$305,526	\$52,566	\$5,535	\$0	\$0
Receivables (net of allowance for doubtful accounts):					
Accounts	0	0	0	0	0
Due from Other Funds	0	0	0	2,700	1,229
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	194,735	3,373
Total Assets	<u>\$305,526</u>	<u>\$52,566</u>	<u>\$5,535</u>	<u>\$197,435</u>	<u>\$4,602</u>
<u>Liabilities and Fund Equity:</u>					
Liabilities:					
Accrued Wages and Benefits	\$442	\$0	\$0	\$0	\$0
Due to Other Funds	0	0	0	0	0
Intergovernmental Payables	0	0	0	0	0
Due to Others	0	0	0	0	0
Claimant Liability	0	44,000	0	0	0
Total Liabilities	<u>442</u>	<u>44,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Equity:					
Reserved for Endowments	0	0	0	22,339	4,504
Unreserved - Undesignated	305,084	8,566	5,535	175,096	98
Total Fund Equity	<u>305,084</u>	<u>8,566</u>	<u>5,535</u>	<u>197,435</u>	<u>4,602</u>
Total Liabilities and Fund Equity	<u>\$305,526</u>	<u>\$52,566</u>	<u>\$5,535</u>	<u>\$197,435</u>	<u>\$4,602</u>

THE CITY OF PORTSMOUTH, OHIO
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
DECEMBER 31, 2001

<i>Agency Funds</i>				
Performance Bonds	Law Library	Ohio Board of Building Standards	Municipal Court	Totals
\$0	\$0	\$0	\$0	\$363,627
0	0	0	2,453,993	2,453,993
0	2,865	0	0	6,794
17,536	0	32	144,205	359,881
\$17,536	\$2,865	\$32	\$2,598,198	\$3,184,295
\$0	\$0	\$0	\$0	\$442
0	0	0	53,247	53,247
0	0	0	35,800	35,800
17,536	2,865	32	2,509,151	2,529,584
0	0	0	0	44,000
17,536	2,865	32	2,598,198	2,663,073
0	0	0	0	26,843
0	0	0	0	494,379
0	0	0	0	521,222
\$17,536	\$2,865	\$32	\$2,598,198	\$3,184,295

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Council Trust for Recreation	Unclaimed Monies	Playground Trust	Totals
<u>Revenues:</u>				
Charges for Services	\$38,112	\$0	\$0	\$38,112
Investment Earnings	7,113	0	239	7,352
All Other Revenues	23	0	0	23
Total Revenues	<u>45,248</u>	<u>0</u>	<u>239</u>	<u>45,487</u>
<u>Expenditures:</u>				
Leisure Time Activities	20,169	0	0	20,169
General Government	204,295	0	0	204,295
Total Expenditures	<u>224,464</u>	<u>0</u>	<u>0</u>	<u>224,464</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(179,216)	0	239	(178,977)
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	96,744	0	0	96,744
Total Other Financing Sources (Uses)	<u>96,744</u>	<u>0</u>	<u>0</u>	<u>96,744</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(82,472)	0	239	(82,233)
Restated Fund Balance at Beginning of Year	<u>387,556</u>	<u>8,566</u>	<u>5,296</u>	<u>401,418</u>
Fund Balance at End of Year	<u><u>\$305,084</u></u>	<u><u>\$8,566</u></u>	<u><u>\$5,535</u></u>	<u><u>\$319,185</u></u>

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Cemetery Trust	Mausoleum Trust	Totals
	<hr/>	<hr/>	<hr/>
<u>Revenues:</u>			
Charges for Services	\$900	\$0	\$900
Investment Earnings	5,307	37	5,344
	<hr/>	<hr/>	<hr/>
Total Revenues	6,207	37	6,244
<u>Expenses:</u>			
Total Expenses	0	0	0
Operating Income	6,207	37	6,244
<u>Operating Transfers:</u>			
Operating Transfers Out	(24,847)	0	(24,847)
	<hr/>	<hr/>	<hr/>
Total Operating Transfers	(24,847)	0	(24,847)
Net Income (Loss)	(18,640)	37	(18,603)
Fund Balance at Beginning of Year	216,075	4,565	220,640
	<hr/>	<hr/>	<hr/>
Fund Balance at End of Year	\$197,435	\$4,602	\$202,037
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF CASH FLOWS
NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Cemetery Trust	Mausoleum Trust	Total
	<u> </u>	<u> </u>	<u> </u>
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$900	\$0	\$900
Net Cash Provided by Operating Activities	<u>900</u>	<u>0</u>	<u>900</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers Out to Other Funds	(24,847)	0	(24,847)
Net Cash Used by Noncapital Financing Activities	<u>(24,847)</u>	<u>0</u>	<u>(24,847)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	6,160	98	6,258
Sale of Investment	0	3,000	3,000
Net Cash Provided by Investing Activities	<u>6,160</u>	<u>3,098</u>	<u>9,258</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(17,787)	3,098	(14,689)
Cash and Cash Equivalents at Beginning of Year	<u>212,522</u>	<u>275</u>	<u>212,797</u>
Cash and Cash Equivalents at End of Year	<u><u>\$194,735</u></u>	<u><u>\$3,373</u></u>	<u><u>\$198,108</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income	\$6,207	\$37	\$6,244
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Investment Earnings	(5,307)	(37)	(5,344)
Total Adjustments	<u>(5,307)</u>	<u>(37)</u>	<u>(5,344)</u>
Net Cash Provided by Operating Activities	<u><u>\$900</u></u>	<u><u>\$0</u></u>	<u><u>\$900</u></u>

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Balance December 31, 2000	Additions	Deductions	Balance December 31, 2001
<u>Performance Bonds Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$19,996	\$28,465	(\$30,925)	\$17,536
Total Assets	<u>\$19,996</u>	<u>\$28,465</u>	<u>(\$30,925)</u>	<u>\$17,536</u>
Liabilities:				
Due to Others	\$19,996	\$28,465	(\$30,925)	\$17,536
Total Liabilities	<u>\$19,996</u>	<u>\$28,465</u>	<u>(\$30,925)</u>	<u>\$17,536</u>
<u>Law Library Fund</u>				
Assets:				
Due from Other Funds	\$3,481	\$2,865	(\$3,481)	\$2,865
Restricted Assets:				
Cash and Cash Equivalents	0	57,172	(57,172)	0
Total Assets	<u>\$3,481</u>	<u>\$60,037</u>	<u>(\$60,653)</u>	<u>\$2,865</u>
Liabilities:				
Due to Others	\$3,481	\$60,037	(\$60,653)	\$2,865
Total Liabilities	<u>\$3,481</u>	<u>\$60,037</u>	<u>(\$60,653)</u>	<u>\$2,865</u>
<u>Ohio Board of Building Standards Fund</u>				
Restricted Assets:				
Cash and Cash Equivalents	\$184	\$1,057	(\$1,209)	\$32
Total Assets	<u>\$184</u>	<u>\$1,057</u>	<u>(\$1,209)</u>	<u>\$32</u>
Liabilities:				
Due to Others	\$184	\$1,057	(\$1,209)	\$32
Total Liabilities	<u>\$184</u>	<u>\$1,057</u>	<u>(\$1,209)</u>	<u>\$32</u>
<u>Municipal Court Fund</u>				
Assets:				
Accounts Receivable	\$2,550,774	\$2,453,993	(\$2,550,774)	\$2,453,993
Restricted Assets:				
Cash and Cash Equivalents	110,415	2,235,979	(2,202,189)	144,205
Total Assets	<u>\$2,661,189</u>	<u>\$4,689,972</u>	<u>(\$4,752,963)</u>	<u>\$2,598,198</u>
Liabilities:				
Due to Other Funds	\$46,153	\$983,932	(\$976,838)	\$53,247
Intergovernmental Payables	36,009	427,847	(428,056)	35,800
Due to Others	2,579,027	3,278,193	(3,348,069)	2,509,151
Total Liabilities	<u>\$2,661,189</u>	<u>\$4,689,972</u>	<u>(\$4,752,963)</u>	<u>\$2,598,198</u>

(Continued)

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001

	Balance December 31, 2000	Additions	Deductions	Balance December 31, 2001
<u>Insurance Fund</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$1,946,627	(\$1,946,627)	\$0
Total Assets	<u>\$0</u>	<u>\$1,946,627</u>	<u>(\$1,946,627)</u>	<u>\$0</u>
Liabilities:				
Due to Others	\$0	\$1,946,627	(\$1,946,627)	\$0
Total Liabilities	<u>\$0</u>	<u>\$1,946,627</u>	<u>(\$1,946,627)</u>	<u>\$0</u>
 <u>Totals - All Agency Funds</u>				
Assets:				
Accounts Receivable	\$2,550,774	\$2,453,993	(\$2,550,774)	\$2,453,993
Due from Other Funds	3,481	2,865	(3,481)	2,865
Restricted Assets:				
Cash and Cash Equivalents	130,595	4,269,300	(4,238,122)	161,773
Total Assets	<u>\$2,684,850</u>	<u>\$6,726,158</u>	<u>(\$6,792,377)</u>	<u>\$2,618,631</u>
Liabilities:				
Due to Other Funds	\$46,153	\$983,932	(\$976,838)	\$53,247
Intergovernmental Payables	36,009	427,847	(428,056)	35,800
Due to Others	2,602,688	5,314,379	(5,387,483)	2,529,584
Total Liabilities	<u>\$2,684,850</u>	<u>\$6,726,158</u>	<u>(\$6,792,377)</u>	<u>\$2,618,631</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group is used to account for fixed assets other than those accounted for in the Proprietary Funds.

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2001

General Fixed Assets

Land	\$565,399
Buildings and Improvements	3,432,072
Land Improvements	1,083,848
Machinery and Equipment	7,005,448
Construction in Progress	2,940
	<hr/>
Total General Fixed Assets	<u>\$12,089,707</u>

Investment in General Fixed Assets

General Fund	\$285,813
Special Revenue Funds	943,312
Capital Projects Fund	10,542,692
Expendable Trust Funds	179,437
Proprietary Funds	90,991
Internal Service Funds	10,391
Grants	29,071
Donated	8,000
	<hr/>
Total Investment in General Fixed Assets	<u>\$12,089,707</u>

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY
DECEMBER 31, 2001

Function and Activity	Land	Buildings and Improvements	Land Improvements	Machinery and Equipment	Construction in Progress	Totals
<u>General Government:</u>						
City Council	\$50,078	\$67,344	\$0	\$31,256	\$2,940	\$151,618
Executive	0	1,624,313	230,331	318,860	0	2,173,504
Legal	0	0	0	12,212	0	12,212
Finance	0	0	0	61,126	0	61,126
Municipal Court	0	0	0	302,554	0	302,554
Income Tax	0	0	0	42,858	0	42,858
Engineering	0	8,058	0	427,640	0	435,698
Public Service	0	36,426	302,560	217,109	0	556,095
City Garage	0	0	0	114,726	0	114,726
Total	<u>50,078</u>	<u>1,736,141</u>	<u>532,891</u>	<u>1,528,341</u>	<u>2,940</u>	<u>3,850,391</u>
<u>Security of Persons and Property:</u>						
Police	3,372	1,649	0	1,387,260	0	1,392,281
Fire	196,346	526,787	2,000	1,700,814	0	2,425,947
Flood Defense	0	5,425	367,578	96,762	0	469,765
Total	<u>199,718</u>	<u>533,861</u>	<u>369,578</u>	<u>3,184,836</u>	<u>0</u>	<u>4,287,993</u>
<u>Transportation:</u>						
General Street Construction	0	0	0	1,004,241	0	1,004,241
<u>Public Health and Welfare:</u>						
Cemetery	17,632	122,998	0	146,041	0	286,671
Air Pollution	0	12,174	0	481,098	0	493,272
Health	0	0	0	263,043	0	263,043
Total	<u>17,632</u>	<u>135,172</u>	<u>0</u>	<u>890,182</u>	<u>0</u>	<u>1,042,986</u>
<u>Leisure Time Activities:</u>						
Recreation	297,971	676,730	140,400	1,579	0	1,116,680
<u>Community Environment:</u>						
Community Development	0	0	0	24,902	0	24,902
Grounds Maintenance	0	350,168	40,979	371,367	0	762,514
Total	<u>0</u>	<u>350,168</u>	<u>40,979</u>	<u>396,269</u>	<u>0</u>	<u>787,416</u>
Total General Fixed Assets	<u>\$565,399</u>	<u>\$3,432,072</u>	<u>\$1,083,848</u>	<u>\$7,005,448</u>	<u>\$2,940</u>	<u>\$12,089,707</u>

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2001

Function and Activity	December 31, 2000	Transfers	Additions	Deletions	December 31, 2001
<u>General Government:</u>					
City Council	\$307,528	\$0	\$1,699	(\$157,609)	\$151,618
Executive	1,139,394	0	1,503,169	(469,059)	2,173,504
Legal	13,765	0	0	(1,553)	12,212
Finance	67,787	0	3,986	(10,647)	61,126
Municipal Court	282,633	2,372	17,549	0	302,554
Income Tax	45,230	(2,372)	0	0	42,858
Engineering	479,601	(45,331)	5,501	(4,073)	435,698
Public Service	591,114	(107,840)	72,821	0	556,095
City Garage	129,336	3,594	0	(18,204)	114,726
Total	<u>3,056,388</u>	<u>(149,577)</u>	<u>1,604,725</u>	<u>(661,145)</u>	<u>3,850,391</u>
<u>Security of Persons and Property:</u>					
Police	1,410,481	0	1,800	(20,000)	1,392,281
Fire	2,481,728	(13,568)	14,460	(56,673)	2,425,947
Flood Defense	469,765	0	0	0	469,765
Total	<u>4,361,974</u>	<u>(13,568)</u>	<u>16,260</u>	<u>(76,673)</u>	<u>4,287,993</u>
<u>Transportation:</u>					
General Street Construction	779,192	165,243	92,095	(32,289)	1,004,241
<u>Public Health and Welfare:</u>					
Cemetery	270,215	(8,646)	25,102	0	286,671
Air Pollution	469,200	0	28,446	(4,374)	493,272
Health	261,521	13,568	0	(12,046)	263,043
Total	<u>1,000,936</u>	<u>4,922</u>	<u>53,548</u>	<u>(16,420)</u>	<u>1,042,986</u>
<u>Leisure Time Activities:</u>					
Recreation	1,139,040	(22,360)	0	0	1,116,680
<u>Community Environment:</u>					
Community Development	53,243	(1,160)	2,430	(29,611)	24,902
Grounds Maintenance	735,746	16,500	16,944	(6,676)	762,514
Total	<u>788,989</u>	<u>15,340</u>	<u>19,374</u>	<u>(36,287)</u>	<u>787,416</u>
Total General Fixed Assets	<u>\$11,126,519</u>	<u>\$0</u>	<u>\$1,786,002</u>	<u>(\$822,814)</u>	<u>\$12,089,707</u>

STATISTICAL TABLES

THE FOLLOWING UNAUDITED STATISTICAL TABLES REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND FISCAL CAPACITY OF THE CITY.

THE CITY OF PORTSMOUTH, OHIO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN YEARS

Year	Security of Persons and Property	Public Health and Welfare Service	Leisure Time Activities	Community Environment	Trans- portation	General Government	Capital Outlay	Debt Service	Other Expenditures	Total
1992	\$4,605,145	\$1,438,392	\$33,241	\$1,273,292	\$982,343	\$1,313,776	\$27,837	\$202,415	\$10,410	\$9,886,851
1993	4,953,160	1,506,893	32,896	1,343,850	750,653	1,612,184	160,789	181,169	44,380	10,585,974
1994	5,129,491	1,550,378	35,155	906,211	766,076	1,705,419	248,111	142,324	35,789	10,518,954
1995	5,551,715	1,723,341	31,301	947,433	821,275	1,777,814	0	147,919	23,143	11,023,941
1996	5,500,828	2,002,293	26,000	407,838	956,992	1,712,984	18,727	354,522	376,515	11,356,699
1997	6,153,104	2,230,704	31,530	875,748	869,675	2,093,090	0	273,230	0	12,527,081
1998	5,582,700	2,131,045	31,894	620,186	1,272,074	2,381,353	0	149,219	0	12,168,471
1999	6,164,798	2,223,463	0	629,626	1,232,025	2,796,094	0	149,017	0	13,195,023
2000	5,757,590	2,373,333	0	1,367,040	1,300,667	3,216,901	0	310,877	0	14,326,408
2001	5,991,355	2,769,406	0	626,376	1,307,038	3,572,084	0	2,354,109	0	16,620,368

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(1) Includes General Fund, Special Revenue Funds and Debt Service Fund
Beginning in 1997 Capital Outlay and Other Expenditures are included as part of the function.

THE CITY OF PORTSMOUTH, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN YEARS

Year	Taxes	Inter-Governmental Revenues	Charges for Services	Licenses and Permits	Investment Earnings	Special Assessments	Fines and Forfeitures	All Other	Total
1992	\$5,502,971	\$2,735,244	\$138,584	\$462,628	\$196,822	\$0	\$502,682	\$134,902	\$9,673,833
1993	5,789,641	3,735,129	70,706	469,353	121,467	0	579,287	214,955	10,980,538
1994	5,336,650	3,576,812	204,923	158,172	258,449	142,673	708,961	230,979	10,617,619
1995	5,455,624	3,925,048	242,290	150,948	444,030	176,846	803,757	166,279	11,364,822
1996	6,523,779	3,020,356	646,521	369,651	243,060	153,023	526,276	74,512	11,557,178
1997	5,937,500	5,437,149	159,324	181,608	225,588	155,328	639,164	418,313	13,153,974
1998	6,278,109	5,193,377	311,426	135,488	348,187	153,762	759,546	980,986	14,160,881
1999	6,362,924	5,523,929	482,319	143,608	297,843	150,666	886,273	302,438	14,150,000
2000	6,527,317	6,276,285	447,215	115,686	616,196	154,473	919,845	378,961	15,435,978
2001	6,660,757	5,015,661	402,186	193,154	339,097	156,083	933,608	505,475	14,206,021

(1) Includes General Fund, Special Revenue Funds and Debt Service Fund

THE CITY OF PORTSMOUTH, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes to Total Tax Levy
1992	\$1,422,071	\$1,126,552	\$52,380	\$1,178,932	82.90%	\$130,285	9.16%
1993	1,550,660	1,231,188	56,604	1,287,792	83.05%	138,984	8.96%
1994	1,591,789	1,267,021	64,375	1,331,396	83.64%	143,747	9.03%
1995	1,646,035	1,301,373	56,857	1,358,230	82.52%	154,741	9.40%
1996	1,672,774	1,242,636	88,206	1,330,842	79.56%	184,250	11.01%
1997	1,722,059	1,275,753	53,156	1,328,909	77.17%	206,764	12.01%
1998	1,752,294	1,267,799	65,714	1,333,513	76.10%	209,353	11.95%
1999	2,003,568	1,703,494	84,586	1,788,080	89.24%	215,489	10.76%
2000	1,495,334	1,229,187	66,651	1,295,838	86.66%	113,661	7.60%
2001	1,496,141	1,225,283	63,807	1,289,090	86.16%	185,024	12.37%

Source: Scioto County Auditor

THE CITY OF PORTSMOUTH, OHIO
TANGIBLE TAX COLLECTED
LAST TEN YEARS

<u>Year Paid</u>	<u>Amount</u>
1992	\$161,417
1993	162,445
1994	166,956
1995	258,316
1996	268,551
1997	252,094
1998	286,439
1999	284,762
2000	253,013
2001	255,756

Source: Scioto County Auditor

THE CITY OF PORTSMOUTH, OHIO
ASSESSED VALUATIONS AND ESTIMATED TRUE VALUES
OF TAXABLE PROPERTY
LAST TEN YEARS

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1992	\$130,634,100	\$373,240,286	\$21,782,390	\$21,782,390	\$19,325,812	\$74,330,046	\$171,742,302	\$469,352,722	36.59%
1993	130,246,900	372,134,000	21,834,250	21,834,250	19,746,437	78,985,748	171,827,587	472,953,998	36.33%
1994	130,247,500	372,135,714	22,617,210	22,617,210	19,508,895	78,035,580	172,373,605	472,788,504	36.46%
1995	133,642,900	381,836,857	21,001,600	21,001,600	20,777,570	83,110,280	175,422,070	485,948,737	36.10%
1996	133,504,450	381,441,286	20,350,420	20,350,420	21,938,600	87,754,400	175,793,470	489,546,106	35.91%
1997	133,223,830	380,639,517	19,590,920	19,590,920	21,359,650	85,438,600	174,174,400	485,669,037	35.86%
1998	149,596,150	427,417,570	20,887,470	20,887,470	22,480,710	89,922,840	192,964,330	538,227,880	35.85%
1999	148,070,350	423,058,143	19,303,220	19,303,220	23,251,320	93,005,280	190,624,890	535,366,643	35.61%
2000	148,177,780	423,365,086	19,557,500	19,557,500	22,747,690	90,990,760	190,482,970	533,913,346	35.68%
2001	169,636,340	484,675,258	14,586,270	14,586,270	23,466,960	93,867,840	207,689,570	593,129,368	35.02%

Source: Scioto County Auditor

THE CITY OF PORTSMOUTH, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATIONS)
LAST TEN YEARS

Collection Year	City of Portsmouth						Portsmouth School District	Scioto County		Total
	General Fund	Bond Payment Fund	Fire Pension Fund	Police Pension Fund	Flood Defense Fund	Total City		Joint Vocational School District	Scioto County	
1992	7.95	2.60	0.30	0.30	1.00	12.15	34.32	4.63	8.09	59.19
1993	8.15	2.60	0.30	0.30	1.00	12.35	34.32	4.63	7.68	58.98
1994	8.15	2.60	0.30	0.30	1.00	12.35	34.53	4.37	7.68	58.93
1995	8.15	2.60	0.30	0.30	1.00	12.35	34.53	5.37	7.98	60.23
1996	8.15	2.60	0.30	0.30	1.00	12.35	34.53	5.37	7.98	60.23
1997	8.15	2.60	0.30	0.30	1.00	12.35	34.53	5.37	7.98	60.23
1998	8.15	2.60	0.30	0.30	1.00	12.35	34.53	5.37	7.98	60.23
1999	8.15	2.50	0.30	0.30	1.00	12.25	34.53	5.37	7.98	60.13
2000	8.15	2.50	0.30	0.30	1.00	12.25	34.53	5.37	7.98	60.13
2001	8.15	2.50	0.30	0.30	1.00	12.25	34.53	5.37	7.98	60.13

Source: Scioto County Auditor
Scioto County Treasurer

CITY OF PORTSMOUTH, OHIO
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN YEARS

<u>Collection Year</u>	<u>Amount Billed</u>	<u>Amount Collected</u>	<u>Percent Collected</u>
1992	N/A	N/A	0.00%
1993	N/A	N/A	0.00%
1994	\$148,270	\$142,673	96.23%
1995	392,794	160,493	40.86%
1996	423,642	160,622	37.91%
1997	475,990	181,440	38.12%
1998	154,496	150,974	97.72%
1999	168,238	180,069	107.03%
2000	166,174	176,376	106.14%
2001	171,829	148,062	86.17%

These figures represent amounts certified to and collected by the Scioto County Auditor.
Source: Scioto County, Ohio: County Auditor

THE CITY OF PORTSMOUTH, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2001

	Total Debt	Unvoted Debt
Net Assessed Valuation	\$207,689,570	\$207,689,570
Legal Debt Limitation (%) (1)	10.50%	5.50%
Legal Debt Limitation (\$) (1)	21,807,405	11,422,926
Applicable City Debt Outstanding (2)	2,090,000	2,090,000
Less: Applicable Debt Service Fund Amounts	(2,108,332)	(2,108,332)
Net Indebtedness Subject to Limitation	0	0
Legal Debt Margin	\$21,807,405	\$11,422,926

(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 Notes and Bonds Only
Enterprise Debt is Not Considered in the Computation of the Legal Debt Margin

THE CITY OF PORTSMOUTH, OHIO
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED
VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN YEARS

Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Debt Service Funds Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Capita
1992	22,676	\$171,742,302	\$170,000	\$234,425	\$0	0.00%	\$0.00
1993	22,676	171,827,587	0	328,161	0	0.00%	0.00
1994	22,676	172,373,605	0	433,095	0	0.00%	0.00
1995	22,676	175,422,070	0	698,595	0	0.00%	0.00
1996	22,676	175,793,470	0	645,596	0	0.00%	0.00
1997	22,676	174,174,400	0	778,312	0	0.00%	0.00
1998	22,676	192,964,330	0	669,529	0	0.00%	0.00
1999	22,676	190,624,890	0	1,158,517	0	0.00%	0.00
2000	20,909	190,482,970	0	1,616,429	0	0.00%	0.00
2001	20,909	207,689,570	2,090,000	2,108,332	0	0.00%	0.00

(1) Source: U.S. Bureau of Census, Federal 1990 Census (1992-1999) and Federal 2000 Census (2000-2001)

(2) Source: Scioto County Auditor

(3) Includes all general obligation bonded debt supported by property taxes

THE CITY OF PORTSMOUTH, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN YEARS

Year	Debt Principal	Debt Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Tax Debt Service to General Fund Expenditures
1992	\$155,000	\$47,415	\$202,415	\$9,886,851	2.05%
1993	0	0	0	10,585,974	0.00%
1994	0	0	0	10,518,954	0.00%
1995	0	0	0	11,023,941	0.00%
1996	0	0	0	11,356,699	0.00%
1997	0	0	0	12,527,081	0.00%
1998	0	0	0	12,168,471	0.00%
1999	0	0	0	13,195,023	0.00%
2000	0	0	0	14,326,408	0.00%
2001	0	0	0	16,620,368	0.00%

THE CITY OF PORTSMOUTH, OHIO
COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
DECEMBER 31, 2001

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Portsmouth</u>	<u>Amount Applicable to City of Portsmouth</u>
Direct			
City of Portsmouth	\$0	100.00%	\$0
Overlapping Subdivisions			
Scioto County	18,303,100	26.99%	4,940,007
		Subtotal	4,940,007
		Total	\$4,940,007

Source: Scioto County Auditor

THE CITY OF PORTSMOUTH, OHIO
REVENUE BOND COVERAGE - WATER MORTGAGE BONDS
LAST TEN YEARS

Year	Gross Revenues	Direct Operating Expenses (1)	Net Revenue Available For Debt Service	Debt Service Requirement	Coverage
1992	\$2,626,695	\$2,413,195	\$213,500	\$233,640	0.91
1993	2,662,472	2,760,427	(97,955)	237,080	(0.41)
1994	3,150,566	2,671,403	479,163	0	N/A
1995	3,089,897	3,227,120	(137,223)	0	N/A
1996	4,087,239	4,069,622	17,617	0	N/A
1997	3,366,141	2,917,188	448,953	0	N/A
1998	3,877,192	3,031,008	846,184	0	N/A
1999	4,418,882	3,131,048	1,287,834	0	N/A
2000	4,149,244	3,030,217	1,119,027	0	N/A
2001	4,095,407	3,209,930	885,477	0	N/A

(1) Total expenses include operating expenses less depreciation

THE CITY OF PORTSMOUTH, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

Year	City of Portsmouth Population (1)	Scioto County Population (1)	Unemployment Rate County Area (2)	School Enrollment (3)
1992	22,676	80,327	11.00%	3,882
1993	22,676	80,327	10.20%	3,982
1994	22,676	80,327	9.40%	3,996
1995	22,676	80,327	8.70%	3,413
1996	22,676	80,327	9.70%	3,285
1997	22,676	80,327	9.90%	3,207
1998	22,676	80,327	9.50%	3,081
1999	22,676	80,327	8.50%	3,059
2000	20,909	79,195	8.80%	2,918
2001	20,909	79,195	7.00%	2,628

Source: (1) U.S. Bureau of Census of Population - Federal 1990 Census (1991-1999) and Federal 2000 Census (2000-2001)
(2) Ohio Department of Job and Family Services
(3) Portsmouth City School District, Board of Education

THE CITY OF PORTSMOUTH, OHIO
PROPERTY VALUE AND CONSTRUCTION PERMITS
LAST TEN YEARS

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>	
	<u>Number of Permits</u>	<u>Property Value *</u>	<u>Number of Permits</u>	<u>Property Value *</u>
1992	333	\$1,968,713	88	\$3,490,150
1993	247	1,999,477	77	6,202,966
1994	273	1,278,968	101	10,700,905
1995	775	1,411,631	46	3,610,304
1996	572	5,113,193	97	12,174,791
1997	550	6,772,679	148	11,468,737
1998	555	8,770,768	95	10,531,766
1999	597	1,689,196	72	15,358,210
2000	449	1,021,482	53	6,207,912
2001	408	4,029,613	133	4,812,500

Source: City of Portsmouth Engineering Department - Building Division

* Values are estimated cost of improvement or construction.

THE CITY OF PORTSMOUTH, OHIO
PRINCIPAL TAXPAYERS (PERSONAL PROPERTY TAX)
DECEMBER 31, 2001

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>2001 Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1	Osco Industries Inc.	Manufacturing	\$2,985,450	12.72%
2	Mitchellace Inc.	Manufacturing	1,283,450	5.47%
3	Oberling Ford Inc.	Automobile Sales	1,231,740	5.25%
4	KSA Limited Partnership	Construction	1,005,740	4.29%
5	Kroger Company	Grocery	709,240	3.02%
6	Siemens Credit Corporation	Finance	656,860	2.80%
7	Century Ohio Cable Television Corp.	Television Cable	515,530	2.20%
8	B.P. AMOCO Corporation	Gasoline Distributor	498,110	2.12%
9	Martings Brothers Company	Retail	410,750	1.75%
10	Lute Plumbing Supply Inc.	Plumbing Supplies	377,410	1.61%
		Subtotal	9,674,280	41.23%
		All Others	13,792,680	58.77%
		Total	\$23,466,960	100.00%

Source: Scioto County Auditor - Land and Buildings

THE CITY OF PORTSMOUTH, OHIO
PRINCIPAL TAXPAYERS (REAL PROPERTY AND PUBLIC UTILITY PERSONAL PROPERTY TAX)
DECEMBER 31, 2001

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>2001 Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1	Ohio Power	Utility - Electric	\$7,667,100	4.16%
2	SOMC Title Holding Company	Medical Offices	3,242,600	1.76%
3	Verizon North	Telecommunications	3,083,320	1.68%
4	Neal and Vicky Hatcher	Real Estate	2,282,510	1.24%
5	N&W Railway Company	Railway	2,235,590	1.21%
6	Hillview Retirement	Retirement Community	1,813,110	0.98%
7	Columbia Gas	Utility - Gas	1,369,210	0.74%
8	Fifth Third Bank	Bank	1,029,840	0.56%
9	Scioto Memorial Hospital	Hospital	957,240	0.52%
10	General Telephone	Utility - Telephone	876,670	0.48%
		Subtotal	24,557,190	13.33%
		All Others	159,665,420	86.67%
		Total	<u>\$184,222,610</u>	<u>100.00%</u>

Source: Scioto County Auditor - Land and Buildings

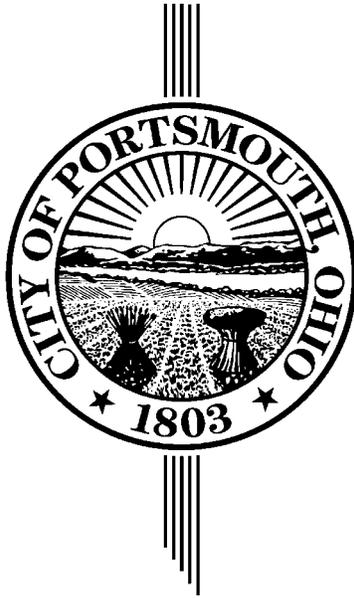
THE CITY OF PORTSMOUTH, OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 2001

	<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
1	Southern Ohio Medical Center	Health Care Services	2,100
2	Scioto County	Government	725
3	Shawnee State University	Education	522
4	State of Ohio	Government	372
5	Portsmouth City Schools	Education	330
6	City of Portsmouth	Government	300
7	Osco Industries	Manufacturing	250
8	Community Action Organization	Government/Social Services	191
9	United States Enrichment Corp.	Uranium Enrichment Plant	165
10	Mitchellace Inc.	Manufacturing	140

Source: City of Portsmouth Income Tax Division

THE CITY OF PORTSMOUTH, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2001

Date of Incorporation	1815	Police Services:		Water System:	
Form of Government	Council/Mayor	Number of Stations	1	Number of Purification Plants	1
		Number of Police Personnel and Officers	41	Number of Fire Hydrants	865
Area (square miles)	12	Number of Patrol Units	33	Number of Service Connections	14,489
Facilities and Services:		Number of Law Violations:		Average Daily Consumption (gallon	7 Million
Miles of Streets	220	Criminal /Juvenile Citations and Charges	2,620	Maximum Daily Capacity of Plant (gallons)	12 Million
Number of Street Lights	1,485	Traffic Citations Issued	2,356		
		Parking Tickets Written	734	Sewerage System:	
Recreation and Culture:		Fire/Emergency Medical Services:		Number of Treatment Plants	2
Number of Parks	17	Number of Stations	3	Miles of Storm Sewers	30
Park Area (acres)	223	Number of Fire Officers and Firefighters/Paramedics:		Number of Service Connections	9,117
Number of Ball Fields:		Fire Personnel	40	Average Daily Treatment (gallons)	5 Million
Lighted	4	Fire Dispatchers - 911	8	Maximum Daily Capacity of Treatment (gallons)	12 Million
Unlighted	7	Number of Calls Answered	809		
Number of Tennis Courts:		Number of Inspections	228	Education:	
Lighted	4			Elementary Schools	5
Unlighted	7	Number of Cemeteries	1	Elementary Students	1,004
Number of Libraries	1	Cemetery Area (acres)	40	Secondary Schools	5
				Secondary School Students	1,624
Number of Hospitals	2			Elementary/Secondary School Instructors	207
Number of Patient Beds	421			Colleges	1
Number of Bassinets	23			College Students	3,364





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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800-282-0370
Facsimile 614-466-4490

CITY OF PORTSMOUTH

SCIOTO COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 10, 2002**