

City of Portsmouth

Scioto County

Single Audit

January 1, 2009 through December 31, 2009

Fiscal Year Audited Under GAGAS: 2009



Caudill & Associates, CPA's

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Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Portsmouth, Scioto County, prepared by Caudill & Associates, CPA's, for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 29, 2010

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**CITY OF PORTSMOUTH
SCIOTO COUNTY**

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CITY OF PORTSMOUTH
SCIOTO COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED DECEMBER 31, 2009

Federal Grantor / Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Passed through Ohio Department of Development</i>			
Community Development Block Grants/State's Program	AF-07	14.228	\$ 287,575
	AF-08	14.228	\$ 27,480
Total U.S. Department of Housing and Urban Development			<u>315,055</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Passed through Office of Criminal Justice</i>			
Edward Byrne Memorial Justice Assistance Grant Program	2006DJ-BX-0676	16.738	9,135
Edward Byrne Memorial Justice Assistance Grant Program	2007DJ-BX-0630	16.738	15,128
Total U.S. Department of Justice			<u>24,263</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed through Ohio Department of Public Safety</i>			
State and Community Highway Safety Grant	N/A	20.600	54,887
Total U.S. Department of Transportation			<u>54,887</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
<i>Passed through Ohio Environmental Protection Agency</i>			
Air Pollution Control Program Support	N/A	66.001	153,311
Total U.S. Environmental Protection Agency			<u>153,311</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed through Ohio Department of Health</i>			
Public Health Emergency Preparedness (B)	73-200-12PH-0110	93.069	184,099
HIV Prevention Activities_Health Department Based	73-200-12HP-0310	93.940	680,455
Preventive Health Services_Sexually Transmitted Diseases Control Grant	73-200-12PH-0110	93.977	30,000
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	H76HA04400AO	93.918	223,336
HIV Care Grant Formula Grant	73-2-001-1-HC-01-08	93.917	50,000
Maternal and Child Health Services Block Grant to the States	73-2-001-1-A-1	93.994	18,468
Preventive Health and Health Services Block Grant	73-2-001-2-EE-06	93.991	35,000
Family Planning Services	73-2-001-1-XX-05	93.217	90,817
Total U.S. Department of Health and Human Services			<u>1,312,175</u>
Total			<u>\$ 1,859,691</u>

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

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

NOTE A - BASIS OF ACCOUNTING

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

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

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

These loans are collateralized by mortgages on the property. At December 31, 2009, the gross amount of loans outstanding under this program was \$128,158.

NOTE C -- MATCHING REQUIREMENTS

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



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

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

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, Scioto County, Ohio (the "City") as of and for the year ended December 31, 2009, which collectively comprise the City's financial statements and have issued our report thereon dated September 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings and questioned costs we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned function, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and timely corrected. We consider finding 2009-007 described in the accompanying schedule of findings and questioned costs to be a material weakness.

City of Portsmouth
Scioto County

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2009-001 through 2009-006.

We also noted certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated September 30, 2010.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the City's management, City Council, federal awarding agencies and pass-through entities, and others within the City. We intend it for no one other than these specified parties.

Caudill & Associates, CPA's

Caudill & Associates, CPA's
September 30, 2010



Caudill & Associates, CPA's

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

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

Compliance

We have audited the compliance of the City of Portsmouth, Scioto County, Ohio (“the City”) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The summary of auditor’s results section of the accompanying schedule findings and questioned costs identifies the City’s major federal programs. The City’s management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable with each major federal program. Our responsibility is to express an opinion on the City’s compliance based on our audit.

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

As described in findings 2009-008 through 2009-011 in the accompanying schedule of findings and questioned costs, the City did not follow compliance with the requirements regarding cash management, allowable costs, allowable activities, Equipment and Real Property Management and reporting, that apply to its Community Development Block Grant. Compliance with these requirements is necessary, in our opinion, for the City to comply with requirements applicable to that program.

In our opinion, because of the effect of the noncompliance described in the preceding paragraph, the City did not comply, in all material respects with the requirements referred to above applying its Community Development Block Grant major federal program. Also, in our opinion, the City complied, in all material respects, with the requirements referred to above that apply to each of its other major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, we cannot assure we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2009-010 and 2009-011 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a federal program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-009 to be a significant deficiency.

Federal Awards Expenditures Schedule

We have also audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City as of and for the year ended December 31, 2009, and have issued our report thereon dated September 30, 2010. Our audit was performed to form an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

Caudill & Associates, CPA's

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 §.505
FOR THE YEAR ENDED DECEMBER 31, 2009**

1. SUMMARY OF AUDITOR'S RESULTS
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<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the Financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	Yes
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified for HIV Prevention Activities _Health Department Based (CFDA # 93.940) Adverse for Community Development Block Grant (CFDA 14.228)
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	HIV Prevention Activities _Health Department Based (CFDA # 93.940) Community Development Block Grant (CFDA 14.228)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

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

FOR THE YEAR ENDED DECEMBER 31, 2009

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

FINDING NUMBER 2009-001

Noncompliance Citation – Ohio Revised Code 9.38

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

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

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

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

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

City’s Response:

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

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

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

FOR THE YEAR ENDED DECEMBER 31, 2009

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

FINDING NUMBER 2009-002

Noncompliance Citation – Ohio Revised Code 5705.41 (D)(1)

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

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

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

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

The City did not properly certify the availability of funds prior to obligation for 10% of disbursements tested.

We recommend the City implement policies to ensure that all purchases first have monies certified by the City Auditor before purchasing or ordering an item. We also recommend the use of a “then and now” certificate in instances of emergency or absence of proper authority. Failing to comply with this requirement contributed to the City’s current financial difficulties

City Response:

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

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

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

FOR THE YEAR ENDED DECEMBER 31, 2009

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

FINDING NUMBER 2009-003

Noncompliance Citation – Ohio Revised Code Section 5705.39

The Ohio Revised Code Section 5705.39 states total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Contrary to this requirement, the City’s appropriations exceeded the certificate of estimated resources filed with the Auditor in the following funds: General, Municipal Court Grant, Municipal Court Probation Services, Municipal Court Programs Fund, Municipal Court Computer Fund, Fire Pension Fund, Police Pension Fund, Family Planning Fund, Regional HIV Prevention Fund, Ryan White Title III Fund, Water Works Revenue B Fund, Primary Care Fund, Sewage System Revenue Fund, and Employee Insurance Fund.

The City should appropriate only those amounts certified on the certificate of estimated resources or obtain amended certificate of estimated resources when appropriating revenue collected in excess of what was estimated.

City Response:

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

FINDING NUMBER 2009-004

Noncompliance Citation – Ohio Revised Code Section 5705.36

The Ohio Revised Code Section 5705.36 (A)(2) allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. Ohio Revised Code 5705.36 requires the City to obtain an increased amended certificate of estimated resources from the budget commission if the legislative authority intends to appropriate and expend excess revenue. The Ohio Revised Code Section 5705.36 (A)(4) requires the City to obtain a reduced amended certificate if the amount of the deficiency will reduce available resources below the current level of appropriation.

Contrary to this requirement, the City did not properly file amended certificate of estimated resources when deficient revenues would have caused available resources to fall below the current level of appropriation in these funds; General Fund, Municipal Court Programs Fund, Enforcement and Education Fund, Family Planning Fund, Water Works Revenue B Fund, Sewage System Revenue Fund, and Employee Insurance Fund.

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

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

FOR THE YEAR ENDED DECEMBER 31, 2009

<p>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</p>
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FINDING NUMBER 2009-004 (Cont'd)

The City should obtain a reduced certificate of estimated resources when it is determined that actual receipts will be less than estimated that causes actual resources to fall below the current level of appropriations.

City Response:

The City Auditor will monitor estimated resources and request a reduced certificate of estimated resources from the Budget Commission when it is determined that actual receipts will be less than estimated resources.

FINDING NUMBER 2009-005

Noncompliance Citation – Ohio Revised Code Section 5705.10

The Ohio Revised Code Section 5705.10 (H) states that money that is paid into a fund must be used only for the purpose for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover expenses of another fund.

During audit procedures, it was noted that the General Fund, Family Planning Fund, Water Works Revenue B Fund, Sewage System Revenue Fund and Insurance Account B Fund had end of year negative fund cash balances.

We recommend that the City analyze its annual budget and monitor these funds to ensure that the funds are properly funded and/or expenditures from these funds properly reduced; thereby eliminating any occurrence of negative fund balances.

City Response:

The City Auditor will recommend that appropriations be approved at or below the level of estimated resources to help eliminate any occurrence of negative fund balances.

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

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

FOR THE YEAR ENDED DECEMBER 31, 2009

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

FINDING NUMBER 2009-006

Noncompliance Citation – Ohio Revised Code Section 735.05

The Ohio Revised Code Section 735.05 states that the Director of public Service may make any contract, purchase supplies or material, or provide labor for any work under the supervision of the department of public service involving no more than \$25,000. When expenditures within the department, other than the compensation of persons employed in the department, exceed \$25,000, the expenditure shall first be authorized and directed by ordinance of the City legislative authority. When so authorized and directed, except where the contract is for equipment, services, materials, or supplies to be purchased under division (D) of section 713.23, 125.04 or 5513.01 of the Revised Code or available from a qualified nonprofit agency pursuant to sections 4115.31 to 4115.35 of the Revised Code, the director shall make a written contract with the lowest and best bidder after advertisement for not less than two or more than four consecutive weeks in a newspaper of general circulation within the City.

During audit procedures, it was noted that the City did not properly advertise or bid one contract.

We recommend that the City ensure that competitive bidding procedures are performed and contracts entered into writing for related expenses over \$25,000 that require bidding. Contract files should be properly maintained to include advertising and bidding procedures.

City Response:

The City through its department directors will review and monitor its purchasing practices to ensure that competitive bidding procedures are performed properly for contracts for goods or services exceeding \$25,000.

FINDING NUMBER 2009-007

Material Weakness – Capital Assets

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

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

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

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

FOR THE YEAR ENDED DECEMBER 31, 2009

<p>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</p>
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FINDING NUMBER 2009-007 (Cont'd)

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

City Response:

In addition to the current record of capital assets, an inventory of capital assets shall be maintained and conducted annually recommencing in 2010.

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

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

FOR THE YEAR ENDED DECEMBER 31, 2009

3. FINDINGS RELATED TO FEDERAL AWARDS
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FINDING NUMBER 2009-008

CFDA Title Number	Community Development Block Grant CFDA # 14.228
Federal Award Number/Year	AF-07-167-1 and AF-08-167-1
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

Noncompliance - Reporting

Attachment C, Required Reports of the Grant Agreement states “All report forms and requirements listed herein shall be provided by the Grantor, but shall not be construed to limit the Grantor in making additional and /or further requests, nor in the change or addition of detail of the items listed below:

1. Grantee shall submit to Grantor a Status Report beginning six months after the effective date of this agreement.
2. Grantee shall submit a Final Performance Report at the conclusion of the program which is the subject of this agreement.
3. Grantee shall comply with the reporting requirements as outlined in OMB Circular A-133 and the guidelines provided in the Office of Housing and Community Partnerships (OHCP) Financial Management Rules and Regulations Handbook.
4. Grantee shall retain all records, receipts, etc. for a period of four (4) years after the “Final Closeout” of this agreement. Grantor shall notify the Grantee in writing once this Agreement has met the necessary requirements of “Final Closeout”.
5. If applicable, the Grantee shall submit a Certificate of Completion upon the expenditure of all funds provided under this agreement.

The OHCP Financial Management Rules and Regulations Handbook, Section 3(c), also states “Accounting records must be supported by source documentation. Invoices, purchase orders, vouchers, payroll/timesheets – with the basis of why time is being charged to the OHCP-awarded grant – cancelled checks, etc. must be kept on file for review. This documentation must be on hand at the time disbursements are made and must be kept in one central location (Attachment 6 – Common Rule 24 CFR Part 85 and Attachment 7 – 24 CFR Part 84).

No documentation was provided to indicate that Performance and Status Reports were submitted or submitted timely. Records and supporting documentation of submitted requests for payments were not maintained and could not be supported. Program income reports were not provided, and could not be adequately tested. No documentation was provided to indicate the closeout procedures were properly performed.

We recommend that the City maintain all required documentation in an organized manner, and submit reports timely with adequate supporting documentation.

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

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

FOR THE YEAR ENDED DECEMBER 31, 2009

3. FINDINGS RELATED TO FEDERAL AWARDS
--

FINDING NUMBER 2009-009

CFDA Title Number	Community Development Block Grant CFDA # 14.228
Federal Award Number/Year	AF-07-167-1
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

Noncompliance/Significant Deficiency

According to the State of *Ohio Department of Development, Office of Housing and Community Partnership Financial Management Rules and Regulations Handbook*, Section (A)(3)(f), the grantee must develop a cash management system to ensure compliance with the Fifteen Day Rule relating to prompt disbursement of funds. This rule states that fund draws should be limited to amounts that will enable the grantee to disburse the funds on hand to a balance of less than \$5,000 within fifteen days of receipt of any of the funds. Lump sum draw downs are not permitted. Escrow accounts are permitted only in the case of rehabilitation of private property. For the purpose of the Fifteen day Rule only, funds may only be in an escrow account 20 days.

A comparison of the draws to the expenditures revealed the following:

Project #AF-07-167-1

The City received a cash draw of \$27,000 on March 16, 2009, bringing the balance to \$7,465, but did not reduce its balance below \$5,000 until December 18, 2009. Therefore, funds were held on deposit exceeding \$5,000 for over 15 days.

We recommend the City develop a cash management system to ensure compliance with the Fifteen Day Rule which relates to prompt disbursement of Funds.

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

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

FOR THE YEAR ENDED DECEMBER 31, 2009

3. FINDINGS RELATED TO FEDERAL AWARDS
--

FINDING NUMBER 2009-010

CFDA Title Number	Community Development Block Grant CFDA # 14.228
Federal Award Number/Year	AF-07-167-1 and AF-08-167-1
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

Noncompliance/Material Weakness – Allowable Activities, Cash Management, Reporting, Equipment and Real Property Management

2 C.F.R. Part 225 (formally known as OMB Circular A-87), Appendix A, Section A(2)(a)(2) states that governmental units assume responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award. **Appendix A, Section C(1)(j)** also provides that for a cost to be allowable, the expenditure must be adequately documented.

OMB Circular A-133, Section .105 defines questioned costs, in part, as a cost that is questioned by the auditor because of an audit finding where the costs, at the time of the audit, are not supported by adequate documentation.

OMB Circular A-133, Section .300 states that the auditee shall:

- Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.
- Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

The City did not maintain effective internal control over compliance with the requirements for allowable cost, and cash management. Controls could not be documented or tested.

- No documentation was maintained that indicated the amount and purpose of payroll charged to the grant.
- No documentation was maintained that indicated travel and lodging expenses were allowed, approved or required.
- No documentation was maintained that supported the amounts requested for drawdowns.
- No documentation was maintained to indicate that reporting requirements were met.
- No documentation was maintained to indicate that the grant was properly closed.
- No documentation was maintained to indicate equipment and real property was properly managed.

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

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

FOR THE YEAR ENDED DECEMBER 31, 2009

3. FINDINGS RELATED TO FEDERAL AWARDS
--

FINDING NUMBER 2009-010 (Cont'd)

CFDA Title Number	Community Development Block Grant CFDA # 14.228
Federal Award Number/Year	AF-07-167-1 and AF-08-167-1
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

We recommend the City maintain and provide adequate documentation in support of all federal expenditures and comply with all requirements of the grant agreements and establish and maintain effective controls over the federal programs.

Failure to provide adequate documentation, establish controls and comply with grant requirements, resulted in questioned costs and potential loss of federal assistance.

FINDING NUMBER 2009-011

CFDA Title Number	Community Development Block Grant CFDA # 14.228
Federal Award Number/Year	AF-07-167-1 and AF-08-167-1
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

Noncompliance/Material Weakness – Allowable Costs

2 C.F.R. Part 225 (formally known as OMB Circular A-87), Appendix C, Section A(1) also provides, in part, that all costs and other data used to distribute the costs included in the plan should be supported by formal accounting and other records that will support the propriety of the costs assigned to Federal awards.

There were 15 instances in which the Community Development Block Grants were used for unallowable expenditures for which appropriate documentation to support the cost against the grant was not received, resulting in questioned costs totaling \$22,975 as follows:

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

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

FOR THE YEAR ENDED DECEMBER 31, 2009

3. FINDINGS RELATED TO FEDERAL AWARDS

FINDING NUMBER 2009-011 (Cont'd)

CFDA Title Number	Community Development Block Grant CFDA # 14.228
Federal Award Number/Year	AF-07-167-1 and AF-08-167-1
Federal Agency	U.S. Department of Housing and Urban Development
Pass-Through Agency	Ohio Department of Development

Check #	Date:	Amount Questioned	Vendor:	Description
1120	3/27/09	85.99	Holiday Inn Express	Travel Lodging
1130	4/21/09	115.58	Holiday Inn	Housing
1158	7/7/09	3,000	CDC of Ohio	Contractual
99130	9/4/09	2,841.04	Payroll	Payroll
99132	9/18/09	2,841.04	Payroll	Payroll
77272	9/21/09	397.75	OPERS	PERS
77271	9/22/09	284.11	OPERS	PERS
99136	10/2/09	2,841.04	Payroll	Payroll
77285	11/18/09	397.74	OPERS	PERS
77284	11/18/09	284.11	OPERS	PERS
99144	11/19/09	2,841.04	Payroll	Payroll
99148	12/17/09	2,841.04	Payroll	Payroll
99152	12/18/09	2,841.04	Payroll	Payroll
1187	12/22/09	795.49	OPERS	PERS
1186	12/22/09	568.22	OPERS	PERS

We recommend the City use the Community Development Block Grant funds for expenditures allowable under Circular A-87. The City should maintain supporting documentation for all expenditures.

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 § .315 (b)
FOR THE YEAR ENDED DECEMBER 31, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2008-001	Non-compliance with Ohio Revised Code Section 9.38 – Timely Deposit of public funds	No	Reissued as Finding # 2009-001
2008-002	Non-compliance with Ohio Revised Code 117-2-02(C)(1) – Legal Level of Control	Yes	Finding no longer Valid
2008-003	Non-compliance with Ohio Revised Code 5705.41(D) – Blanket Purchase Orders	Yes	Finding no longer Valid
2008-004	Non-compliance with Ohio Revised Code Section 5705.41(D) (1) – Proper certification of expenditures	No	Reissued as Finding # 2009-002
2008-005	Lack of inventory on abandoned, idle, missing or disposal of capital assets	No	Reissued as Finding # 2009-007
2008-006	Non-Compliance with Ohio Revised Code Section 5705.39 – Appropriations Limited by Estimated Resources	No	Reissued as Finding # 2009-003

**CITY OF PORTSMOUTH
SCIOTO COUNTY
For the Year Ended December 31, 2009**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2009-008	<p>(1) The position of Community Development Block Grant Coordinator will be filled with a qualified individual who maintains appropriate knowledge of internal control and compliance for the Grant.</p> <p>(2) The City will implement a filing system for documentation support to assure that all required reports are maintained and available for inspection.</p>	<p>(1) February 2011 (2) October 2010</p>	Mayor Jane Murray
2009-009	<p>(1) Cash management system will be reevaluated.</p> <p>(2) Requested drawdowns will be limited to only the amounts that will be disbursed within a reasonable amount of time.</p> <p>(3) Checks will be made during bank reconciliations of the balance to ensure that the City complies with the 15 day rule.</p> <p>(4) The position of Community Development Block Grant Coordinator will be filled with a qualified individual who maintains appropriate knowledge of internal control and compliance for the Grant.</p>	<p>(1) January 2011 (2) October 2010 (3) October 2010 (4) February 2011</p>	Mayor Jane Murray
2009-010	<p>(1) The position of Community Development Block Grant Coordinator will be filled with a qualified individual who maintains appropriate knowledge of internal control and compliance.</p> <p>(2) Procedures for internal controls will be followed. All expenditures Federal and non-federal are to be treated in a consistent manner. However, compliance requirements will be reviewed on a monthly basis by the Community Development Block Grant Director.</p> <p>(3) A copy of the Drawdowns with supporting documentation will be provided to the auditor's office for additional support of activity.</p> <p>(4) The City will implement annual fixed asset inventory counts and report findings to the Auditor's office.</p> <p>(5) Payroll charged to the Grant will be properly documented and kept in a safe and secure location.</p> <p>(6) Procedures for grant closeout will be developed to meet compliance requirements.</p> <p>(7) Training will be provided to the Community Development Block Grant staff on the requirements of A-87, allowable costs and activity.</p>	<p>(1) February 2011 (2) October 2010 (3) November 2010 (4) March 2011 (5) October 2010 (6) January 2011 (7) January 2011</p>	Mayor Jane Murray

**CITY OF PORTSMOUTH
 SCIOTO COUNTY
 For the Year Ended December 31, 2009**

**CORRECTIVE ACTION PLAN
 OMB CIRCULAR A -133 § .315 (c)**

2009-011	<p>(1) The position of Community Development Block Grant Coordinator will be filled with a qualified individual who maintains appropriate knowledge of internal control and compliance for the Grant.</p> <p>(2) The purchase order for expenditures will be reviewed and signed off for allowable costs.</p> <p>(3) A copy of the approved purchase order with supporting documentation and relation to the grant will be provided to the auditor's office before payment is subsequently made.</p> <p>(4) Training will be provided to the Community Development Block Grant staff on the allowable costs. The Grant agreement will be reviewed on a regular basis.</p>	<p>(1) February 2011 (2) October 2010 (3) November 2010 (4) October 2010</p>	<p>Mayor Jane Murray</p>
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Comprehensive Annual Financial Report

City of Portsmouth, Ohio



**For Year Ended
December 31, 2009**

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



THE CITY OF PORTSMOUTH, OHIO

SCIOTO COUNTY

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2009**

Prepared by:

M. TRENT WILLIAMS, CPFA
City Auditor

Finance Department:

Constance J. Snipes
Deputy Auditor

Jennifer E. Spriggs
Finance Clerk II

Brenda D. Buffington
Finance Clerk I

Sherry A. Boling
Finance Clerk I

Income Tax Division:

Barbara A. Doyle
Tax Commissioner

Vicki L. Musser
Deputy Tax Commissioner

Melanie S. Turull
Finance Clerk I

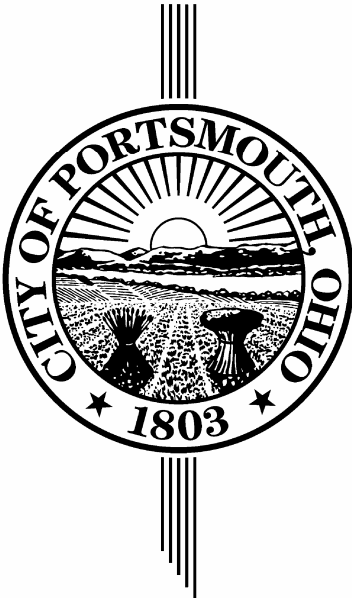


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SCIOTO COUNTY, OHIO

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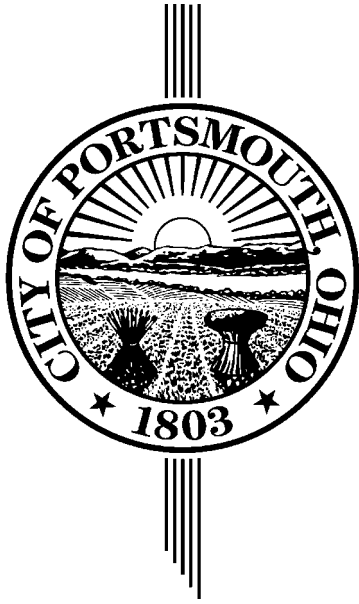
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INTRODUCTORY SECTION





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 (740) 354-7751 – Fax (740) 354-7751

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



State of Ohio

M. Trent Williams, City Auditor

September 30, 2010

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

As City Auditor, it is my pleasure to present the fourteenth Comprehensive Annual Financial Report (CAFR) of the City of Portsmouth, Ohio for the year ended December 31, 2009. This report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

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

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

This CAFR was prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB) and other authoritative pronouncements. The independent accounting firm of Caudill & Associates, CPAs, has issued an unqualified ("clean") opinion on the City of Portsmouth's financial statements for the year ended December 31, 2009. The independent auditor's report is located at the front of the Financial Section of this report.

***Letter of Transmittal
For the Year Ended December 31, 2009***

The Reporting Entity

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

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

Historical Information

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

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

Location

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

***Letter of Transmittal
For the Year Ended December 31, 2009***

Form of Government

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

Municipal Services

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2009***

ECONOMIC CONDITION AND OUTLOOK

Business and Industry

Among the principal products and services provided by Portsmouth area businesses are shoelaces, castings, concrete products, and health services. Portsmouth is served by one daily and two weekly newspapers and by three local radio stations. Cable television is available, offering education and community access channels in addition to entertainment channels. Financial services are provided to the city by six banks and two credit unions. A complete range of medical services is provided to the Portsmouth area by the Southern Ohio Medical Center (SOMC). The Medical Center recently completed and opened a new wing at Scioto Memorial Hospital. The new addition houses an expanded, well equipped, emergency room and trauma center as well as a new intensive care unit and maternity facility. Several new physician office buildings and service facilities have been erected on the Scioto Memorial Campus and East Campus. SOMC has expanded its Mercy Hospital Campus with the addition of a new Dialysis Center and a new Cancer Center and offers alternatives to its Mercy LIFE Center fitness and rehabilitation location with similar facilities recently constructed outside the city. SOMC recently unveiled its 10 year plan that promises to be a tremendous benefit in meeting the health care needs of the Southern Ohio region. Construction began in late 2007 on this \$100+ million project that will give a new face to the hospital along with further expansion of its emergency department, more private rooms for inpatients and implementation of cardiac services center that will enable the hospital to provide open heart procedures locally for the first time in Portsmouth. These expansions were completed in 2009.

Kings Daughters Medical Center (KDMC), another regional hospital based in nearby Ashland, Kentucky, has recently began to make a presence in the southern Ohio area acquiring property from the City of Portsmouth for its Medical Specialties and Urgent Care offices as well as similar facilities springing up in communities outside 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 12.3% for the 2009 calendar year, which is substantially above the state average of 10.2% and the national average of 9.3%. While the local unemployment number is high in comparison to the state and national average, it remains lower than the majority of surrounding counties. While the state of the local economy has been somewhat declined, local initiatives are serving to promote a renewed spirit of pride in the community.

***Letter of Transmittal
For the Year Ended December 31, 2009***

Utilities

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

- Electric American Electric Power
- Telephone Verizon
- Natural Gas Columbia Gas of Ohio

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

Water is provided by the City of Portsmouth to approximately 13,900 customers both within the City and in some areas of Scioto County. The City filtration plant has the capacity to produce 12 million gallons of treated water daily and is currently producing six to seven million gallons of water per day. There are approximately 25 million gallons of water stored in reservoirs and tanks located in and around the City.

Serving 8,360 connections are two separate facilities for wastewater treatment. The main plant located in Portsmouth has the capacity to treat ten million gallons daily and is currently treating approximately five million gallons daily. A small plant is located in Sciotoville. The City is currently collecting and treating sewage for Portsmouth, New Boston Village, the Rosemount area located in Clay Township and most recently in the Rigrish Addition area of Minford.

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

Recreation and Cultural Facilities and Events

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

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

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

CITY OF PORTSMOUTH, OHIO

Letter of Transmittal For the Year Ended December 31, 2009

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. Firstar Gallery offers month-long exhibits by area artists and hosts an annual area high school cash scholarship art contest. The Ackerman Collection is an exhibit of a collection of area photos dating from 1745. This is a private collection and is shown by appointment only.

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

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

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

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

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

Education

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

***Letter of Transmittal
For the Year Ended December 31, 2009***

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

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

Shawnee State University is a four year university, the newest in the state. Portsmouth now has a Fine and Performing Arts Center on the campus and an indoor Physical Education Center. Seventy-seven Bachelor and Associate degree programs are currently available. Immediate plans are to make Shawnee State campus a pedestrian only campus. Second Street and several side streets have been closed and Third Street was recently widened in furtherance of this plan. Twelve new apartment style dormitories have been constructed at the SSU campus enabling the university to offer much needed additional student housing. Shawnee State enrollment is steadily growing, already at over 4,600 students and the university plans to continue its student housing expansion to accommodate the increasing demand.

Employee Relations

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

Relevant Financial Policies

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

MAJOR INITIATIVES

Present

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

***Letter of Transmittal
For the Year Ended December 31, 2009***

The next largest project, completed in 2009, was the construction of a new 850,000-gallon water tank in the Wheelersburg area along with new water lines to and from the tank that bring the completed project cost to just around \$900,000. Several physical upgrades were completed at the water filtration plant to include repairs of concrete throughout the facility, specifically the replacement of concrete troughs that feed the settling basins outside the plant. The Water Works division of the Public Utilities system continued with water line replacement and maintenance throughout the city and service areas within the county to expand and enhance water service and increase fire protection capacity.

The Utilities system continued to make improvements to its wastewater and flood defense systems including pump station electrical system upgrades and several other pump station enhancements as well as many repairs to flood gate, floodwall, and pump station lighting and heating facilities at its various locations throughout the city. Scioto County has recently constructed a new sewer system in the Rigrish Addition, near the east of the City that will be accepted by the Sciotoville sewage treatment plant.

Through its ability to bond for debt service, the City was able to issue short-term financing to provide its citizens with several new pieces of vital life-saving first line vehicles and equipment within the Fire Department over the past year with the acquisition of a new rescue vehicle, pumper truck and 105' aerial platform truck. The platform truck replaced the former 23 year old 95' platform truck. Additionally, the Fire department was able to upgrade its communications with the installation of a new communications tower and radio equipment along with repairing a falling wall at the central fire station.

Three new tennis courts were installed in Sciotoville in 2009, in coordination with a cost-sharing venture with the Sciotoville Community Schools, providing new recreational facilities to the Sciotoville community, its residents and student athletes.

Renovations have been completed to a large downtown building that have become home to a number of senior apartments. A former furniture store was purchased and renovated for use now as upscale, modern loft apartments and providing urban convenient living in the downtown. The new dormitory facilities at Shawnee State University continue to multiply and several new businesses have begun to spring up in the downtown and Boneyfiddle districts of Portsmouth. Kings Daughters Medical Center, a Kentucky based health care services provider, recently expanded into Portsmouth with a full-service primary care physician's medical specialties office just to the north of the downtown area.

Future

The Charles Street wastewater treatment plant will see continued pump, plant and storm gate upgrades, sewer linings and the creation and implementation of a Storm Water Utility Program, working with the City's Graphical Information System to utilize three-dimensional modeling capabilities. Plans are being made for a total upgrade of the wastewater treatment plant itself, which along with the Sciotoville plant services 160 miles of primary sewers within the City limits and surrounding areas. In the spring of 2003, the City embarked upon a feasibility study to replace and/or upgrade the plant. That effort is now deferred pending the completion of a Combined Sewer Overflow/Long Term Control Plan, itself very near completion by the City's consulting engineers.

***Letter of Transmittal
For the Year Ended December 31, 2009***

Meanwhile, in 2009, the City entered into four contracts totaling \$6 million for the following projects:

- Primary Sewer Treatment Improvements – upgrade primary clarifiers, access improvements and odor control.
- Secondary Treatment Plant Improvements – Trickling Filter Repair, Media Replacement and Belt Filter Press Replacement.
- SCADA Telemetry System – Remote monitoring of pump stations and Scioto wastewater plant.
- Sewer Maintenance Garage – To house administrative offices, vehicles and equipment.

The Public Service department will continue upgrades within its Recreation division in 2010 with planned improvements to Mound Park and Spartan Municipal Stadium in Portsmouth and Cyndee Secrest Park and Rose Street parks in Sciotoville with various surface and structure improvements at the city's many baseball and softball fields.

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System

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

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

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

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

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

***Letter of Transmittal
For the Year Ended December 31, 2009***

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.

OTHER INFORMATION

Independent Audit

The basic financial statements of the City of Portsmouth were audited by Caudill & Associates, CPAs. The auditor's unqualified ("clean") opinion has been included in this report.

Awards

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

Public Disclosure

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

<http://portsmouthoh.org/index.aspx?nid=67>

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.

***Letter of Transmittal
For the Year Ended December 31, 2009***

Acknowledgments

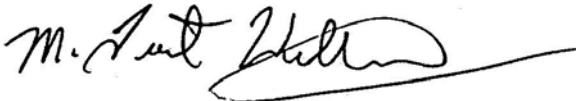
This report is the result of hard work and dedication on the part of many employees and individuals. Special thanks to David Green, Scioto County Auditor, and staff; City of Portsmouth Deputy Auditor Connie Snipes and the employees of the Portsmouth City Auditor's office and all other City of Portsmouth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

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "M. Trent Williams", with a long horizontal flourish extending to the right.

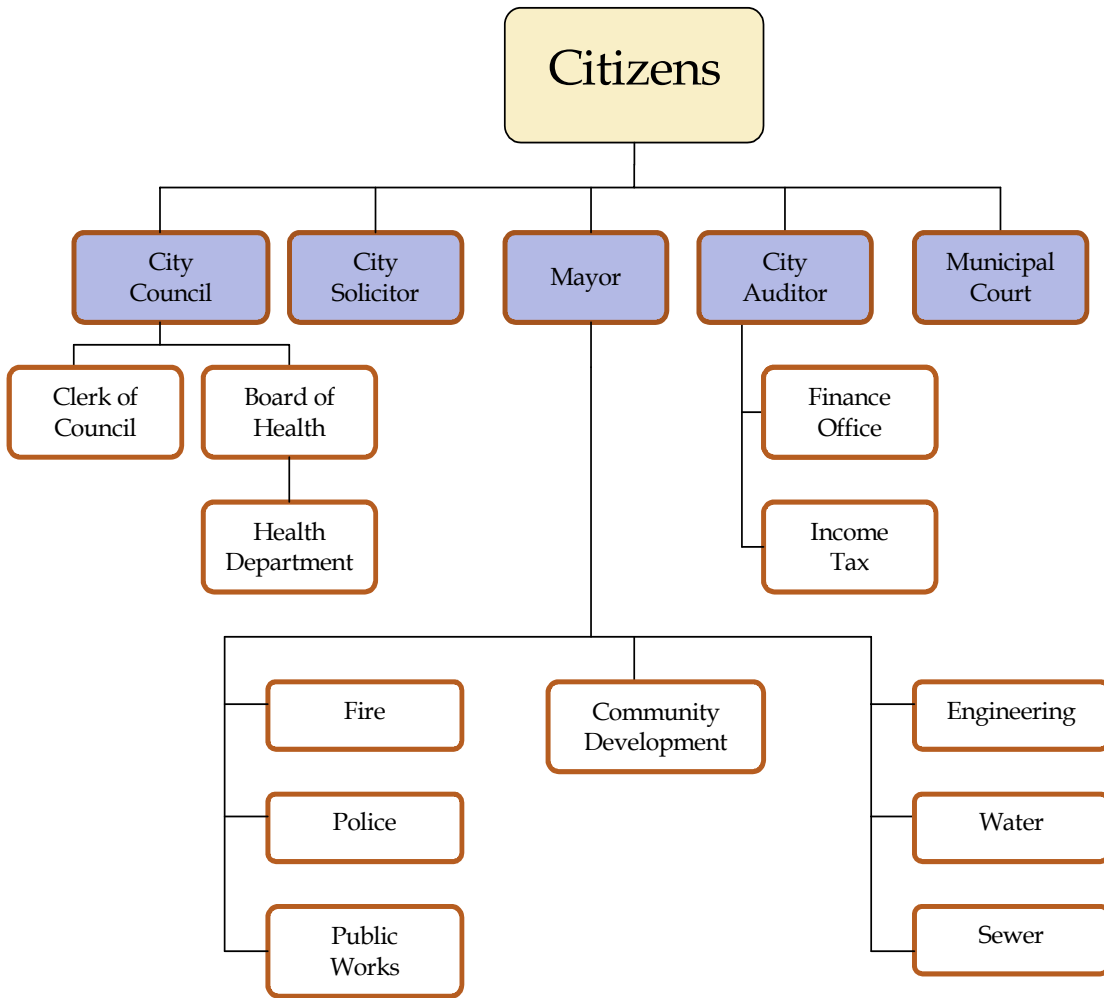
M. Trent Williams, CPFA
City Auditor

CITY OF PORTSMOUTH, OHIO

**List of Principal Officials
For the Year Ended December 31, 2009**

<u>Position</u>	<u>Name</u>	<u>Term of Office</u>	<u>Years with City</u>
<u>Executive</u> (Elected)			
Mayor	James D. Kalb	01/02/06 - 01/03/10	14
City Auditor	M. Trent Williams	01/07/08 - 01/01/12	11
City Solicitor	Michael L. Jones	01/07/08 - 01/01/12	2
<u>Legislative</u> (Elected)			
President of Council	David A. Malone	Ward 2nd 01/07/08 - 01/01/12	6
Member of Council	Michael H. Mearan	1st 01/02/06 - 01/03/10	4
Member of Council	Robert W. Mollette	3rd 01/02/06 - 01/03/10	5
Member of Council	Jerrold L. Albrecht	4th 01/07/08 - 01/01/12	5
Member of Council	John R. Haas	5th 12/08/08 - 01/03/10	1
Member of Council	Richard E. Noel	6th 01/07/08 - 01/01/12	2
<u>Judicial</u> (Elected)			
Municipal Court Judge	Russell D. Kegley	01/01/06 - 12/31/11	7
Municipal Court Judge	Richard T. Schisler	01/01/04 - 12/31/09	30
<u>Administrative</u> (Appointed)			
Police Chief	Charles H. Homer, Jr.	In definite	29
Fire Chief	William V. Raison	In definite	19
Public Service Director	Christopher L. Murphy	In definite	9
Director of Water	Samuel J. Sutherland	In definite	21
Director of Waste Water	Richard K. Duncan	In definite	16
Community Development Director	Daniel D. Saez	In definite	8
City Clerk	Jo Ann Aeh	In definite	24
Municipal Court Clerk	R. Leroy Kegley	In definite	31
Health Commissioner	Peggy J. Burton	In definite	30
Income Tax Commissioner	Barbara A. Doyle	In definite	24
Civil Service Secretary	David M. Huddleston	In definite	29
<u>Executive Offices:</u>			
James D. Kalb, Mayor City of Portsmouth 728 Second Street, Room 1 Portsmouth, Ohio 45662 Ph: 740-354-8807 Fax: 740-354-8809 Email: portsmouthmayor@yahoo.com	M. Trent Williams, Auditor City of Portsmouth 728 Second Street, Room 3 Portsmouth, Ohio 45662 Ph: 740-354-7751 Fax: 740-353-4583 Email: ci ty auditor@mail.com	Michael L. Jones, Solicitor City of Portsmouth 728 Second Street, Room 22 Portsmouth, Ohio 45662 Ph: 740-353-5229 Fax: 740-353-0136 Email: mljones@pm court.org	

**City Organizational Chart
For the Year Ended December 31, 2009**



 Elected

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, 2008

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



A stylized handwritten signature in black ink, appearing to read "JEFFREY R. EMERY".

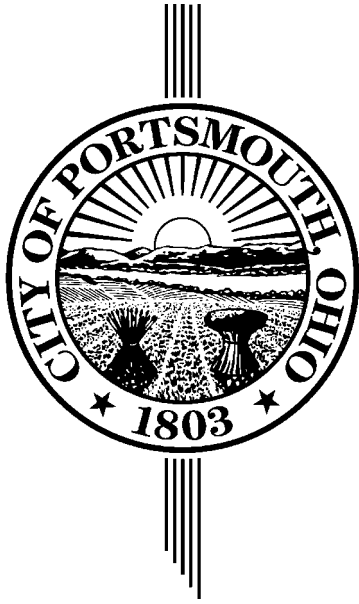
President

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

Executive Director

FINANCIAL SECTION







Caudill & Associates, CPA's

725 5th Street Portsmouth, OH 45662

P: 740.353.5171 | F: 740.353.3749

www.caudillcpa.com

Member American Institute of Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Portsmouth, Ohio, (the "City"), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, Ohio as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2010, on our consideration of the Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we do not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should read in conjunction with this report in assessing the results of our audit.

City of Portsmouth
Scioto County
Independent Auditor's Report

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Portsmouth's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Caudill & Associates, CPA's

Caudill & Associates, CPA's
September 30, 2010

The discussion and analysis of the City of Portsmouth's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2009 are as follows:

- ❑ In total, net assets decreased \$167,672. Net assets of governmental activities increased \$659,208, which represents a 2.8 % increase from 2008. Net assets of business-type activities decreased \$826,880, or 6.2% from 2008.
- ❑ General revenues accounted for \$12,235,879 in revenue or 42.3% of all revenues. Program specific revenues in the form of charges for services, and grants and contributions accounted for \$16,698,273 or 57.7% of total revenues of \$28,934,152.
- ❑ The City had \$18,616,223 in expenses related to governmental activities; only \$7,102,052 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$12,235,879 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$10,786,620 in revenues and other financing sources and \$11,051,195 in expenditures and other financing uses. The general fund's fund balance decreased from \$263,653 to \$337.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

CITY OF PORTSMOUTH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net assets for 2009 compared to 2008:

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$12,250,336	\$11,698,953	\$4,585,242	\$8,558,579	\$16,835,578	\$20,257,532
Capital assets, Net	18,821,410	19,225,474	23,723,450	21,949,934	42,544,860	41,175,408
Total assets	<u>31,071,746</u>	<u>30,924,427</u>	<u>28,308,692</u>	<u>30,508,513</u>	<u>59,380,438</u>	<u>61,432,940</u>
Long-term debt outstanding	3,190,117	3,446,788	15,010,289	16,137,912	18,200,406	19,584,700
Other liabilities	4,024,561	4,279,779	797,875	1,043,193	4,822,436	5,322,972
Total liabilities	<u>7,214,678</u>	<u>7,726,567</u>	<u>15,808,164</u>	<u>17,181,105</u>	<u>23,022,842</u>	<u>24,907,672</u>
Net assets						
Invested in capital assets, net of related debt	17,772,546	18,230,304	11,824,349	9,820,832	29,596,895	28,051,136
Restricted	6,422,601	5,412,572	873,786	755,780	7,296,387	6,168,352
Unrestricted	(338,079)	(445,016)	(197,607)	2,750,796	(535,686)	2,305,780
Total net assets	<u>\$23,857,068</u>	<u>\$23,197,860</u>	<u>\$12,500,528</u>	<u>\$13,327,408</u>	<u>\$36,357,596</u>	<u>\$36,525,268</u>

CITY OF PORTSMOUTH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

Changes in Net Assets – The following table shows the changes in net assets for 2009 compared to 2008:

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues:						
Charges for Services and Sales	\$2,035,652	\$2,055,855	\$9,596,221	\$9,794,682	\$11,631,873	\$11,850,537
Operating Grants and Contributions	5,066,400	3,350,201	0	0	5,066,400	3,350,201
Capital Grants and Contributions	0	0	0	231,602	0	231,602
Total Program Revenues	<u>7,102,052</u>	<u>5,406,056</u>	<u>9,596,221</u>	<u>10,026,284</u>	<u>16,698,273</u>	<u>15,432,340</u>
General revenues:						
Property Taxes	2,866,279	2,235,060	0	0	2,866,279	2,235,060
Income Taxes	6,573,256	6,686,131	0	0	6,573,256	6,686,131
Other Local Taxes	343,294	288,923	0	0	343,294	288,923
Intergovernmental Revenue, Unrestricted	1,815,651	2,183,479	0	0	1,815,651	2,183,479
Investment Earnings	2,347	119,544	0	0	2,347	119,544
Miscellaneous	635,052	176,967	0	0	635,052	176,967
Total General Revenues	<u>12,235,879</u>	<u>11,690,104</u>	<u>0</u>	<u>0</u>	<u>12,235,879</u>	<u>11,690,104</u>
Total Revenues	<u>19,337,931</u>	<u>17,096,160</u>	<u>9,596,221</u>	<u>10,026,284</u>	<u>28,934,152</u>	<u>27,122,444</u>
Program Expenses						
Security of Persons and Property	8,036,231	7,842,183	0	0	8,036,231	7,842,183
Public Health and Welfare Services	3,040,836	2,986,843	0	0	3,040,836	2,986,843
Leisure Time Activities	67,947	38,446	0	0	67,947	38,446
Community Environment	750,295	585,826	0	0	750,295	585,826
Transportation	2,468,391	2,532,238	0	0	2,468,391	2,532,238
General Government	4,093,595	4,271,908	0	0	4,093,595	4,271,908
Interest and Fiscal Charges	158,928	158,664	0	0	158,928	158,664
Water	0	0	6,377,550	5,491,584	6,377,550	5,491,584
Sewer	0	0	2,631,047	2,920,998	2,631,047	2,920,998
Sanitation	0	0	1,394,427	1,463,080	1,394,427	1,463,080
Primary Care	0	0	82,577	190,251	82,577	190,251
Total Expenses	<u>18,616,223</u>	<u>18,416,108</u>	<u>10,485,601</u>	<u>10,065,913</u>	<u>29,101,824</u>	<u>28,482,021</u>
Change in Net Assets before transfers	721,708	(1,319,948)	(889,380)	(39,629)	(167,672)	(1,359,577)
Transfers	(62,500)	(136,100)	62,500	136,100	0	0
Total Change in Net Assets	659,208	(1,456,048)	(826,880)	96,471	(167,672)	(1,359,577)
Beginning Net Assets	<u>23,197,860</u>	<u>24,653,908</u>	<u>13,327,408</u>	<u>13,230,937</u>	<u>36,525,268</u>	<u>37,884,845</u>
Ending Net Assets	<u>\$23,857,068</u>	<u>\$23,197,860</u>	<u>\$12,500,528</u>	<u>\$13,327,408</u>	<u>\$36,357,596</u>	<u>\$36,525,268</u>

Governmental Activities

Net assets of the City's governmental activities decreased by \$167,672. The decrease in Net Assets is a result of increasing expense due to depreciation.

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

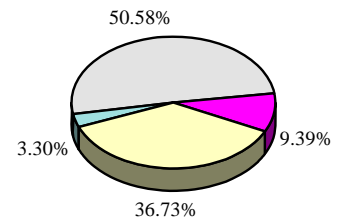
CITY OF PORTSMOUTH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

Income taxes and property taxes made up 34.0% and 14.8% respectively of revenues for governmental activities for the City in fiscal year 2009. The City's reliance upon tax revenues is demonstrated by the following graph indicating 50.58% of total revenues from general tax revenues:

Revenue Sources	2009	Percent of Total
General Tax Revenues	\$9,782,829	50.58%
Intergovernmental Revenue, Unrestricted	1,815,651	9.39%
Program Revenues	7,102,052	36.73%
General Other	637,399	3.30%
Total Revenue	\$19,337,931	100.00%



Business-Type Activities

Net assets of the business-type activities decreased by \$826,880. The decrease in net assets is a result of an increase in depreciation expense and an increase in supplies for the Water Department.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$4,653,844, which is an increase from last year's balance of \$4,613,679. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2009 and 2008:

	Fund Balance December 31, 2009	Fund Balance December 31, 2008	Increase (Decrease)
General	\$337	\$263,653	(\$263,316)
General Obligation Bond Retirement	11,191	32,394	(21,203)
Capital Improvement	1,161,246	1,233,940	(72,694)
Other Governmental	3,481,070	3,083,692	397,378
Total	\$4,653,844	\$4,613,679	\$40,165

CITY OF PORTSMOUTH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2009**

Unaudited

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

	2009	2008	Increase
	Revenues	Revenues	(Decrease)
Property and Other Taxes	\$7,189,959	\$7,154,795	\$35,164
Intergovernmental Revenue	1,780,521	2,102,392	(321,871)
Charges for Services	365,745	356,676	9,069
Licenses and Permits	199,095	232,738	(33,643)
Investment Earnings	1,731	113,028	(111,297)
Fines and Forfeitures	646,006	656,689	(10,683)
All Other Revenue	128,770	137,847	(9,077)
Total	<u>\$10,311,827</u>	<u>\$10,754,165</u>	<u>(\$442,338)</u>

General Fund revenues in 2009 decreased approximately 4.1% compared to revenues in fiscal year 2008. The decrease in revenue was the result of a decrease in the Local Government Funding from the State and County and a decrease in investment earnings due to declining interest rates.

	2009	2008	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$7,031,499	\$6,976,700	\$54,799
Public Health and Welfare Services	671,041	631,171	39,870
Community Environment	197,523	253,708	(56,185)
Transportation	365,975	439,165	(73,190)
General Government	2,767,157	2,959,407	(192,250)
Total	<u>\$11,033,195</u>	<u>\$11,260,151</u>	<u>(\$226,956)</u>

General Fund expenditures decreased by \$226,956 or 2.0% compared to the prior year. The decrease is the result of not filling vacant positions and other efforts to reduce spending.

General Obligation Bond Retirement Fund – The General Obligation Bond Retirement Fund balance decreased from \$32,394 to \$11,191. The fund remained stable compared to 2008.

Capital Improvement Fund - The Capital Improvement Fund balance decreased from \$1,233,940 to \$1,161,246. The fund remained stable compared to 2008.

CITY OF PORTSMOUTH, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2009***

Unaudited

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

During the course of 2009 the City amended its General Fund budget several times, decreasing the budget from the original \$12,394,308 to \$11,405,836 in order to maintain expenditures below actual receipts.

For the General Fund, final budget basis revenue of \$10,820,000 decreased from original budget estimates of \$11,904,300 as a result of declining interest rates and decreased Local Government funding. The actual revenues of \$10,798,034 were not significantly different than the final budget basis revenue.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2009 the City had \$42,544,860 net of accumulated depreciation invested in buildings, improvements, equipment, vehicles and infrastructure. Of this total, \$18,821,410 was related to governmental activities and \$23,723,450 to the business-type activities. The following table shows 2009 and 2008 balances:

	Governmental Activities		Increase (Decrease)
	2009	2008	
Land	\$1,826,884	\$1,826,884	\$0
Construction In Progress	0	477,645	(477,645)
Buildings	6,280,239	6,257,625	22,614
Improvements	2,135,500	2,097,541	37,959
Machinery and Equipment	9,407,854	7,884,654	1,523,200
Infrastructure	28,305,761	28,117,673	188,088
Less: Accumulated Depreciation	(29,134,828)	(27,436,548)	(1,698,280)
Totals	<u>\$18,821,410</u>	<u>\$19,225,474</u>	<u>(\$404,064)</u>

The primary reason for the decrease was depreciation expense. The decrease was partially offset by the acquisition of a rescue vehicle, pumper fire truck and the purchase of an aerial platform truck in the Fire Department.

CITY OF PORTSMOUTH, OHIO**Management's Discussion and Analysis
For the Year Ended December 31, 2009****Unaudited**

	Business-Type Activities		Increase (Decrease)
	2009	2008	
Land	\$63,504	\$75,737	(\$12,233)
Construction in Progress	3,017,259	7,013,872	(3,996,613)
Buildings	1,924,516	1,028,213	896,303
Improvements other than Buildings	23,921,037	23,921,037	0
Machinery and Equipment	14,320,503	8,378,724	5,941,779
Less: Accumulated Depreciation	(19,523,369)	(18,467,649)	(1,055,720)
Totals	\$23,723,450	\$21,949,934	\$1,773,516

Business type capital assets increased by \$1,773,516. The major addition was to machinery and equipment, which includes the replacement of all water meters in the city at a cost of approximately \$5.7 million. The increase in buildings is the completion of the Wheelersburg Tank project. Additional information on the City's capital assets can be found in Note 9.

Debt

At December 31, 2009, the City had \$1,705,000 in General Obligation Bonds outstanding, \$60,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2009 and 2008:

	2009	2008
Governmental Activities:		
General Obligation Bond	\$1,705,000	\$1,760,000
Compensated Absences	656,894	665,046
Capital Leases	828,223	1,021,742
Total Governmental Activities	\$3,190,117	\$3,446,788
Business-Type Activities:		
Ohio Public Works Commission Loan	\$1,060,000	\$913,377
Water Refunding Revenue Bond	2,995,045	3,400,093
Ohio Water Development Authority Loan	3,968,134	4,094,027
Compensated Absences	85,279	68,778
Capital Leases	6,901,831	7,661,637
Total Business-Type Activities	15,010,289	16,137,912
Totals	\$18,200,406	\$19,584,700

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2009, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

ECONOMIC FACTORS

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

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

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

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

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

REQUESTS FOR INFORMATION

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

CITY OF PORTSMOUTH, OHIO

Statement of Net Assets
December 31, 2009

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 3,697,935	\$ 451,635	\$ 4,149,570
Receivables:			
Taxes	3,826,065	0	3,826,065
Accounts	451,256	1,980,442	2,431,698
Intergovernmental	3,804,625	0	3,804,625
Loans	128,158	0	128,158
Internal Balances	64,871	(64,871)	0
Inventory of Supplies at Cost	67,411	56,054	123,465
Prepaid Items	23,537	12,210	35,747
Deferred Charge	0	88,241	88,241
Restricted Assets:			
Cash and Cash Equivalents	186,478	2,061,531	2,248,009
Capital Assets:			
Capital Assets Not Being Depreciated	1,826,884	3,080,763	4,907,647
Capital Assets Being Depreciated, Net of Accumulated Depreciation	16,994,526	20,642,687	37,637,213
Total Assets	31,071,746	28,308,692	59,380,438
Liabilities:			
Accounts Payable	212,924	204,907	417,831
Accrued Wages and Benefits	14,293	3,447	17,740
Intergovernmental Payable	654,775	273,177	927,952
Refundable Deposits	0	285,665	285,665
Unearned Revenue	2,420,000	0	2,420,000
Accrued Interest Payable	42,569	30,679	73,248
General Obligation Notes Payable	680,000	0	680,000
Long-term Liabilities:			
Due within one year	270,259	1,444,807	1,715,066
Due in more than one year	2,919,858	13,565,482	16,485,340
Total Liabilities	7,214,678	15,808,164	23,022,842

CITY OF PORTSMOUTH, OHIO

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	17,772,546	11,824,349	29,596,895
Restricted For:			
Streets and Highways	491,454	0	491,454
Community Development	863,563	0	863,563
Security of Persons and Property	1,918,528	0	1,918,528
Public Health and Welfare	902,402	0	902,402
Capital Projects	1,863,309	0	1,863,309
Debt Service	196,867	873,786	1,070,653
Perpetual Care:			
Expendable	159,635	0	159,635
Nonexpendable	26,843	0	26,843
Unrestricted (Deficit)	(338,079)	(197,607)	(535,686)
Total Net Assets	<u>\$ 23,857,068</u>	<u>\$ 12,500,528</u>	<u>\$ 36,357,596</u>

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

**Statement of Activities
For the Year Ended December 31, 2009**

		<u>Program Revenues</u>	
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>
Governmental Activities:			
Security of Persons and Property	\$ 8,036,231	\$ 1,058,701	\$ 1,337,394
Public Health and Welfare Services	3,040,836	374,135	2,298,143
Leisure Time Activities	67,947	75,800	0
Community Environment	750,295	88,559	233,200
Transportation	2,468,391	36,450	939,029
General Government	4,093,595	402,007	258,634
Interest and Fiscal Charges	158,928	0	0
Total Governmental Activities	<u>18,616,223</u>	<u>2,035,652</u>	<u>5,066,400</u>
Business-Type Activities:			
Water	6,377,550	5,497,291	0
Sewer	2,631,047	2,620,549	0
Sanitation	1,394,427	1,417,370	0
Primary Care	82,577	61,011	0
Total Business-Type Activities	<u>10,485,601</u>	<u>9,596,221</u>	<u>0</u>
Totals	<u>\$ 29,101,824</u>	<u>\$ 11,631,873</u>	<u>\$ 5,066,400</u>

General Revenues

Property Taxes Levied for:

General Purposes

Special Purpose

Debt Service

Income Taxes

Other Local Taxes

Intergovernmental Revenue, Unrestricted

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (5,640,136)	\$ 0	\$ (5,640,136)
(368,558)	0	(368,558)
7,853	0	7,853
(428,536)	0	(428,536)
(1,492,912)	0	(1,492,912)
(3,432,954)	0	(3,432,954)
(158,928)	0	(158,928)
<u>(11,514,171)</u>	<u>0</u>	<u>(11,514,171)</u>
0	(880,259)	(880,259)
0	(10,498)	(10,498)
0	22,943	22,943
0	(21,566)	(21,566)
<u>0</u>	<u>(889,380)</u>	<u>(889,380)</u>
<u>(11,514,171)</u>	<u>(889,380)</u>	<u>(12,403,551)</u>
1,774,175	0	1,774,175
336,757	0	336,757
755,347	0	755,347
6,573,256	0	6,573,256
343,294	0	343,294
1,815,651	0	1,815,651
2,347	0	2,347
635,052	0	635,052
(62,500)	62,500	0
<u>12,173,379</u>	<u>62,500</u>	<u>12,235,879</u>
659,208	(826,880)	(167,672)
<u>23,197,860</u>	<u>13,327,408</u>	<u>36,525,268</u>
<u>\$ 23,857,068</u>	<u>\$ 12,500,528</u>	<u>\$ 36,357,596</u>

CITY OF PORTSMOUTH, OHIO

**Balance Sheet
Governmental Funds
December 31, 2009**

	General	General Obligation Bond Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 0	\$ 11,191	\$ 1,027,953	\$ 2,658,791	\$ 3,697,935
Receivables:					
Taxes	2,409,051	892,105	187,701	337,208	3,826,065
Accounts	326,567	0	0	124,689	451,256
Intergovernmental	734,076	58,068	0	3,012,481	3,804,625
Loans	0	0	0	128,158	128,158
Due from Other Funds	0	0	692,363	24,453	716,816
Inventory of Supplies, at Cost	26,592	0	0	40,819	67,411
Prepaid Items	19,958	0	0	3,579	23,537
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	186,478	186,478
Total Assets	\$ 3,516,244	\$ 961,364	\$ 1,908,017	\$ 6,516,656	\$ 12,902,281
Liabilities:					
Accounts Payable	\$ 48,690	\$ 0	\$ 32,636	\$ 131,598	\$ 212,924
Accrued Wages and Benefits Payable	11,670	0	0	2,623	14,293
Intergovernmental Payable	485,284	0	0	169,491	654,775
Due to Other Funds	477,350	0	0	25,718	503,068
Deferred Revenue	2,492,913	950,173	22,063	2,706,156	6,171,305
Accrued Interest Payable	0	0	12,072	0	12,072
General Obligation Notes Payable	0	0	680,000	0	680,000
Total Liabilities	3,515,907	950,173	746,771	3,035,586	8,248,437
Fund Balances:					
Reserved for Encumbrances	26,134	0	489,647	0	515,781
Reserved for Prepaid Items	19,958	0	0	3,579	23,537
Reserved for Supplies Inventory	26,592	0	0	40,819	67,411
Reserved for Debt Service	0	11,191	0	0	11,191
Reserved for Endowments	0	0	0	26,843	26,843
Unreserved, Undesignated in:					
General Fund	(72,347)	0	0	0	(72,347)
Capital Projects Fund	0	0	671,599	0	671,599
Special Revenue Funds	0	0	0	3,250,194	3,250,194
Permanent Fund	0	0	0	159,635	159,635
Total Fund Balances	337	11,191	1,161,246	3,481,070	4,653,844
Total Liabilities and Fund Balances	\$ 3,516,244	\$ 961,364	\$ 1,908,017	\$ 6,516,656	\$ 12,902,281

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2009***

Total Governmental Fund Balances		\$ 4,653,844
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		18,821,410
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		3,751,305
Internal Service Funds are used by management to charge the costs of insurance and use of supplies to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		(148,877)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds Payable	(1,705,000)	
Capital Leases Payable	(828,223)	
Compensated Absences Payable	(656,894)	
Accrued Interest Payable	(30,497)	
		<u>(3,220,614)</u>
<i>Net Assets of Governmental Activities</i>		<u>\$ 23,857,068</u>

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009**

	General	General Obligation Bond Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 7,189,959	\$ 719,056	\$ 1,410,865	\$ 379,914	\$ 9,699,794
Intergovernmental Revenues	1,780,521	107,003	0	4,102,335	5,989,859
Charges for Services	365,745	0	0	202,388	568,133
Licenses and Permits	199,095	0	0	100	199,195
Investment Earnings	1,731	0	0	616	2,347
Fines and Forfeitures	646,006	0	0	602,018	1,248,024
All Other Revenue	128,770	0	10,818	59,473	199,061
Total Revenue	10,311,827	826,059	1,421,683	5,346,844	17,906,413
Expenditures:					
Current:					
Security of Persons and Property	7,031,499	0	0	665,271	7,696,770
Public Health and Welfare Services	671,041	0	0	2,295,798	2,966,839
Leisure Time Activities	0	0	0	52,655	52,655
Community Environment	197,523	0	0	485,195	682,718
Transportation	365,975	0	0	1,036,965	1,402,940
General Government	2,767,157	0	0	448,099	3,215,256
Capital Outlay	0	0	1,933,349	0	1,933,349
Debt Service:					
Principal Retirement	0	55,000	193,519	0	248,519
Interest and Fiscal Charges	0	94,020	65,751	0	159,771
Total Expenditures	11,033,195	149,020	2,192,619	4,983,983	18,358,817
Excess (Deficiency) of Revenues Over Expenditures	(721,368)	677,039	(770,936)	362,861	(452,404)
Other Financing Sources (Uses):					
Sale of Capital Assets	474,793	0	0	0	474,793
Transfers In	0	0	698,242	18,000	716,242
Transfers Out	(18,000)	(698,242)	0	0	(716,242)
Total Other Financing Sources (Uses)	456,793	(698,242)	698,242	18,000	474,793
Net Change in Fund Balances	(264,575)	(21,203)	(72,694)	380,861	22,389
Fund Balances at Beginning of Year	263,653	32,394	1,233,940	3,083,692	4,613,679
Increase in Inventory Reserve	1,259	0	0	16,517	17,776
Fund Balances End of Year	\$ 337	\$ 11,191	\$ 1,161,246	\$ 3,481,070	\$ 4,653,844

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2009***

Net Change in Fund Balances - Total Governmental Funds \$ 22,389

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

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

Capital Outlay	1,320,614	
Depreciation Expense	<u>(1,721,105)</u>	(400,491)

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

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.		(3,573)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		956,725
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Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

General Obligation Bonds Payable	55,000	
Capital Leases Payable	<u>193,519</u>	248,519

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		843
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	8,152	
Change in Inventory	<u>17,776</u>	25,928

Internal Service Funds used by management to charge the costs of insurance and use of supplies to individual funds are not reported in the statement of activities. Governmental fund expenditures and related internal service revenues are eliminated. The net revenue (expense) of the internal service funds is allocated among the governmental activities.

(191,132)

Change in Net Assets of Governmental Activities

\$ 659,208

See accompanying notes to the basic financial statements



CITY OF PORTSMOUTH, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 7,186,000	\$ 7,168,000	\$ 7,163,197	\$ (4,803)
Intergovernmental Revenue	2,062,000	1,861,000	1,857,945	(3,055)
Charges for Services	519,500	357,000	354,785	(2,215)
Licenses and Permits	197,800	208,000	199,095	(8,905)
Investment Earnings	250,000	2,000	1,731	(269)
Fines and Forfeitures	650,000	620,000	618,048	(1,952)
All Other Revenues	464,000	129,000	128,440	(560)
Total Revenues	<u>11,329,300</u>	<u>10,345,000</u>	<u>10,323,241</u>	<u>(21,759)</u>
Expenditures:				
Current:				
Security of Persons and Property	7,247,450	7,231,628	7,225,435	6,193
Public Health and Welfare Services	654,699	684,081	684,081	0
Community Environment	294,483	216,356	216,356	0
Transportation	374,296	385,141	385,141	0
General Government	3,501,380	2,870,630	2,870,630	0
Total Expenditures	<u>12,072,308</u>	<u>11,387,836</u>	<u>11,381,643</u>	<u>6,193</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(743,008)	(1,042,836)	(1,058,402)	(15,566)
Other Financing Sources (Uses):				
Sale of Capital Assets	575,000	475,000	474,793	(207)
Transfers Out	(322,000)	(18,000)	(18,000)	0
Total Other Financing Sources (Uses):	<u>253,000</u>	<u>457,000</u>	<u>456,793</u>	<u>(207)</u>
Net Change in Fund Balance	(490,008)	(585,836)	(601,609)	(15,773)
Fund Balance at Beginning of Year	30,450	30,450	30,450	0
Prior Year Encumbrances	38,100	38,100	38,100	0
Fund Balance at End of Year	<u>\$ (421,458)</u>	<u>\$ (517,286)</u>	<u>\$ (533,059)</u>	<u>\$ (15,773)</u>

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2009**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ 92,214	\$ 305,855	\$ 53,566
Accounts receivable (net of allowance for uncollectibles)	1,133,840	562,013	284,589
Inventory of Supplies at Cost	18,109	32,592	1,391
Prepaid Items	5,123	1,976	5,111
Total current assets	<u>1,249,286</u>	<u>902,436</u>	<u>344,657</u>
Noncurrent assets:			
Restricted Assets:			
Cash and Cash Equivalents	2,061,531	0	0
Deferred Charges	88,241	0	0
Capital assets:			
Capital Assets Not Being Depreciated	50,653	3,030,110	0
Capital Assets Being Depreciated, net of accumulated depreciation	<u>18,606,931</u>	<u>986,749</u>	<u>1,049,007</u>
Total capital assets	<u>18,657,584</u>	<u>4,016,859</u>	<u>1,049,007</u>
Total noncurrent assets	<u>20,807,356</u>	<u>4,016,859</u>	<u>1,049,007</u>
Total assets	<u>22,056,642</u>	<u>4,919,295</u>	<u>1,393,664</u>
LIABILITIES			
Current liabilities:			
Accounts Payable	191,253	13,172	447
Accrued Wages and Benefits	1,468	1,979	0
Intergovernmental Payable	150,625	80,147	39,528
Refundable Deposits	285,665	0	0
Due to Other Funds	0	0	0
Accrued Interest Payable	30,679	0	0
Capital Leases Payable - Current	519,646	185,098	87,171
Revenue Bond Payable - Current	420,045	0	0
OWDA Loans Payable - Current	148,198	9,257	0
OPWC Loans Payable - Current	0	65,000	0
Compensated Absences Payable - Current	5,703	3,588	1,101
Total Current Liabilities	<u>1,753,282</u>	<u>358,241</u>	<u>128,247</u>

CITY OF PORTSMOUTH, OHIO

<u>Nonmajor</u>		Governmental Activities - Internal Service Funds
Primary Care	Total	
\$ 0	\$ 451,635	\$ 0
0	1,980,442	0
3,962	56,054	0
0	12,210	0
<u>3,962</u>	<u>2,500,341</u>	<u>0</u>
0	2,061,531	0
0	88,241	0
0	3,080,763	0
<u>0</u>	<u>20,642,687</u>	<u>0</u>
<u>0</u>	<u>23,723,450</u>	<u>0</u>
<u>0</u>	<u>25,873,222</u>	<u>0</u>
<u>3,962</u>	<u>28,373,563</u>	<u>0</u>
35	204,907	0
0	3,447	0
2,877	273,177	0
0	285,665	0
0	0	213,748
0	30,679	0
0	791,915	0
0	420,045	0
0	157,455	0
0	65,000	0
0	10,392	0
<u>2,912</u>	<u>2,242,682</u>	<u>213,748</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Statement of Net Assets
Proprietary Funds
December 31, 2009**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
Noncurrent Liabilities:			
Capital Leases Payable	4,589,746	1,334,662	185,508
Revenue Bonds Payable	2,575,000	0	0
OWDA Loans Payable	3,304,276	506,403	0
OPWC Loans Payable	0	995,000	0
Compensated Absences Payable	57,815	13,869	3,203
Total noncurrent liabilities	10,526,837	2,849,934	188,711
Total Liabilities	12,280,119	3,208,175	316,958
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	8,964,780	2,083,241	776,328
Restricted for Debt Service	873,786	0	0
Unrestricted	(62,043)	(372,121)	300,378
Total Net Assets	<u>\$ 9,776,523</u>	<u>\$ 1,711,120</u>	<u>\$ 1,076,706</u>

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

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

<u>Nonmajor</u>		Governmental Activities - Internal Service Funds
Primary Care	Total	
0	6,109,916	0
0	2,575,000	0
0	3,810,679	0
0	995,000	0
0	74,887	0
0	13,565,482	0
<u>2,912</u>	<u>15,808,164</u>	<u>213,748</u>
0	11,824,349	0
0	873,786	0
1,050	(132,736)	(213,748)
<u>\$ 1,050</u>	<u>\$ 12,565,399</u>	<u>\$ (213,748)</u>

(64,871)
\$ 12,500,528

CITY OF PORTSMOUTH, OHIO

**Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2009**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
Operating Revenues:			
Charges for Services	\$ 5,486,568	\$ 2,615,105	\$ 1,415,105
Other Operating Revenues	9,147	5,035	2,265
Total Operating Revenues	5,495,715	2,620,140	1,417,370
Operating Expenses:			
Personal Services	2,992,882	1,600,162	789,603
Contractual Services	737,761	609,327	372,191
Materials and Supplies	1,212,184	239,967	97,953
Depreciation	865,934	68,138	121,648
Total Operating Expenses	5,808,761	2,517,594	1,381,395
Operating Income (Loss)	(313,046)	102,546	35,975
Non-Operating Revenue (Expenses):			
Interest Income	1,576	409	0
Interest and Fiscal Charges	(514,383)	(89,395)	0
Loss on Disposal of Capital Assets	(12,233)	0	0
Total Non-Operating Revenues (Expenses)	(525,040)	(88,986)	0
Income (Loss) Before Contributions	(838,086)	13,560	35,975
Capital Contributions	0	0	62,500
Change in Net Assets	(838,086)	13,560	98,475
Net Assets Beginning of Year	10,614,609	1,697,560	978,231
Net Assets End of Year	\$ 9,776,523	\$ 1,711,120	\$ 1,076,706

Change in Net Assets - Total Enterprise Funds

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

Change in Net Assets - Total Business-Type Activities

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

<u>Nonmajor</u>		Governmental Activities - Internal Service Funds
Primary Care	Total	
\$ 60,856	\$ 9,577,634	\$ 0
155	16,602	0
<u>61,011</u>	<u>9,594,236</u>	<u>0</u>
70,803	5,453,450	247,526
671	1,719,950	24,009
9,963	1,560,067	0
0	1,055,720	0
<u>81,437</u>	<u>9,789,187</u>	<u>271,535</u>
(20,426)	(194,951)	(271,535)
0	1,985	0
0	(603,778)	0
0	(12,233)	0
<u>0</u>	<u>(614,026)</u>	<u>0</u>
(20,426)	(808,977)	(271,535)
0	62,500	0
(20,426)	(746,477)	(271,535)
21,476	13,311,876	57,787
<u>\$ 1,050</u>	<u>\$ 12,565,399</u>	<u>\$ (213,748)</u>
	(746,477)	
	<u>(80,403)</u>	
	<u>\$ (826,880)</u>	

CITY OF PORTSMOUTH, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2009**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$5,559,056	\$2,625,474	\$1,411,064
Cash Payments for Goods and Services	(2,037,810)	(868,134)	(463,921)
Cash Payments to Employees	(3,063,919)	(1,645,719)	(815,653)
Customer Deposits Received	115,410	0	0
Customer Deposits Refunded	(106,590)	0	0
Net Cash Provided (Used) by Operating Activities	<u>466,147</u>	<u>111,621</u>	<u>131,490</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Loan from Other Fund	0	0	0
Principal Paid on Ohio Public Works Commission Loan	0	(15,000)	0
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>(15,000)</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from Ohio Water Development Authority Loan	73,346	27,781	0
Proceeds from Ohio Public Works Commission Loan	0	161,623	0
Acquisition and Construction of Assets	(1,496,855)	(1,154,551)	0
Principal Paid on Mortgage Revenue Bond	(440,000)	0	0
Principal Paid on Ohio Water Development Authority Loan	(213,821)	(13,199)	0
Capital Lease Payment	(498,956)	(177,200)	(83,650)
Interest Paid on All Debt	(529,859)	(99,692)	0
Net Cash Used by Capital and Related Financing Activities	<u>(3,106,145)</u>	<u>(1,255,238)</u>	<u>(83,650)</u>
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	1,576	409	0
Net Cash Provided by Investing Activities	<u>1,576</u>	<u>409</u>	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,638,422)	(1,158,208)	47,840
Cash and Cash Equivalents at Beginning of Year	<u>4,792,167</u>	<u>1,464,063</u>	<u>5,726</u>
Cash and Cash Equivalents at End of Year	<u>\$2,153,745</u>	<u>\$305,855</u>	<u>\$53,566</u>
<u>Reconciliation of Cash and Cash Equivalent per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$92,214	\$305,855	\$53,566
Restricted Cash and Cash Equivalents	<u>2,061,531</u>	<u>0</u>	<u>0</u>
Cash and Cash Equivalents at End of Year	<u>\$2,153,745</u>	<u>\$305,855</u>	<u>\$53,566</u>

CITY OF PORTSMOUTH, OHIO

<u>Nonmajor</u>		Governmental -Activities Internal Service Funds
Primary Care	Total	
\$61,011	\$9,656,605	\$2,993,422
(12,865)	(3,382,730)	(3,264,530)
(80,137)	(5,605,428)	0
0	115,410	0
0	(106,590)	0
<u>(31,991)</u>	<u>677,267</u>	<u>(271,108)</u>
0	0	213,748
<u>0</u>	<u>(15,000)</u>	<u>0</u>
<u>0</u>	<u>(15,000)</u>	<u>213,748</u>
0	101,127	0
0	161,623	0
0	(2,651,406)	0
0	(440,000)	0
0	(227,020)	0
0	(759,806)	0
<u>0</u>	<u>(629,551)</u>	<u>0</u>
<u>0</u>	<u>(4,445,033)</u>	<u>0</u>
0	1,985	0
<u>0</u>	<u>1,985</u>	<u>0</u>
(31,991)	(3,780,781)	(57,360)
<u>31,991</u>	<u>6,293,947</u>	<u>57,360</u>
<u>\$0</u>	<u>\$2,513,166</u>	<u>\$0</u>
\$0	\$451,635	\$0
<u>0</u>	<u>2,061,531</u>	<u>0</u>
<u>\$0</u>	<u>\$2,513,166</u>	<u>\$0</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2009**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$313,046)	\$102,546	\$35,975
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	865,934	68,138	121,648
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	63,341	5,334	(6,306)
(Increase) Decrease in Inventory	5,090	(418)	1,008
Decrease in Prepaid Items	22,595	3,765	5,111
Increase (Decrease) in Accounts Payable	(115,726)	(22,187)	104
Decrease in Intergovernmental Payable	(77,901)	(49,343)	(26,054)
Increase (Decrease) in Accrued Wages and Benefits	(6,394)	723	0
Increase in Customer Deposits	8,820	0	0
Increase in Compensated Absences	13,434	3,063	4
Total Adjustments	<u>779,193</u>	<u>9,075</u>	<u>95,515</u>
Net Cash Provided (Used) by Operating Activities	<u>\$466,147</u>	<u>\$111,621</u>	<u>\$131,490</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2009, the Water Fund had outstanding liabilities of \$127,563 for certain capital assets.

During 2009, the Sanitation Fund received capital assets of \$62,500 from Governmental Funds.

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

Nonmajor		Governmental -Activities Internal Service Funds
Primary Care	Total	
(\$20,426)	(\$194,951)	(\$271,535)
0	1,055,720	0
0	62,369	427
(3,428)	2,252	0
1,354	32,825	0
(157)	(137,966)	0
(9,334)	(162,632)	0
0	(5,671)	0
0	8,820	0
0	16,501	0
(11,565)	872,218	427
(\$31,991)	\$677,267	(\$271,108)

CITY OF PORTSMOUTH, OHIO

**Statement of Net Assets
Fiduciary Funds
December 31, 2009**

	Private Purpose Trust	
	Private Purpose	Agency
Assets:		
Cash and Cash Equivalents	\$ 85,837	\$ 0
Receivables:		
Accounts	0	347,853
Restricted Assets:		
Cash and Cash Equivalents	0	144,158
Total Assets	<u>85,837</u>	<u>492,011</u>
Liabilities:		
Intergovernmental Payable	0	52,745
Claims Payable	73,758	0
Due to Others	0	439,266
Total Liabilities	<u>73,758</u>	<u>492,011</u>
Unrestricted	<u>12,079</u>	<u>0</u>
Total Net Assets	<u>\$ 12,079</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

***Statement of Changes in Net Assets
Fiduciary Funds
For the Year Ended December 31, 2009***

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

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements are presented as of December 31, 2009 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations are Component Units"* in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

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

B. Basis of Presentation - Fund Accounting

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

Governmental Funds

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

Proprietary Funds

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

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

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

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

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

The following enterprise fund is nonmajor:

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

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

C. Basis of Presentation – Financial Statements

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

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

D. Basis of Accounting

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

Special assessment installments and related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenues. Property taxes measurable as of December 31, 2009 but which are not intended to finance 2009 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenues.

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

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

E. Budgetary Process

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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

1. Tax Budget

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

2. Estimated Resources

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

On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement as final budget reflect the amounts in the final amended official certificate of estimated resources issued during 2009.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations

The appropriation ordinance establishes spending controls at the fund level by department, by personal services and other expenditures for the General Fund and by the personal services and other expenditures in all other funds. The appropriation ordinance may be amended during the year as additional information becomes available provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments within a fund may be modified during the year by an ordinance of City Council. Several supplemental appropriations were made during 2009. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual " are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

4. Encumbrances

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

5. Lapsing of Appropriations

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

6. Budgetary Basis of Accounting

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

	Net Change in Fund Balance
	<u>General Fund</u>
GAAP Basis (as reported)	(\$264,575)
Increase (Decrease):	
Accrued Revenues at December 31, 2009 received during 2010	(1,030,809)
Accrued Revenues at December 31, 2008 received during 2009	1,042,223
Accrued Expenditures at December 31, 2009 paid during 2010	570,097
Accrued Expenditures at December 31, 2008 paid during 2009	(881,363)
2008 Prepays for 2009	8,910
2009 Prepays for 2010	(19,958)
Outstanding Encumbrances	(26,134)
Budget Basis	<u><u>(\$601,609)</u></u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and investments with original maturity dates of three months or less. The City pools its cash, except for cash and investments in certain fiduciary funds and monies held for construction in enterprise funds, for maximum investing efficiency. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. For purposes of the statement of cash flows, the share of equity in the pooled cash and investments of the proprietary funds is considered to be cash equivalents. See Note 4, "Cash, Cash Equivalents and Investments."

G. Inventory

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

I. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets and Depreciation (Continued)

2. Property, Plant and Equipment – Business Type Activities

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

3. Depreciation

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

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

J. Long-Term Obligations

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences

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

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

L. Net Assets

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

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

M. Pensions

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Interfund Activity

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

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

O. 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.

P. Restricted Assets

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

Q. Operating Revenues and Expenses

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2009, the City has implemented Governmental Accounting Standard Board (GASB) Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” and Statement No. 56, “Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards”.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of this statement did not result in any change in the City’s financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants’ and auditing literature into the GASB’s accounting and financial reporting literature for state and local governments. The statement’s guidance addresses related party transactions, going concern considerations, and subsequent events from the AICPA literature. The implementation of this statement did not result in any change in the City’s financial statements.

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficit

The fund deficits of \$291 in the Municipal Court Programs Fund, \$23,679 in the Fire Pension Fund, \$23,679 in the Police Pension Fund, and \$6,457 in the Rural AIDS State Grant Fund (special revenue funds) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. A deficit does not exist under the cash basis of accounting. Transfers are provided when cash is required, not when accruals occur. The fund deficits of \$4,148 in the Family Planning Fund (special revenue fund) and \$213,748 in the Insurance Account “B” Fund (internal service fund) arose from cash overdrafts in those funds.

B. Certificate of Fiscal Officer

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Certificates of Estimated Resources

Contrary to Ohio Revised Code Section 5705.36 the City did not properly file an amended certificate of estimated resources when deficient revenues would have caused available resources to fall below the current level of appropriations.

The City Auditor will obtain a reduced certificate of estimated resources when it is determined that actual resources will be less than the current level of appropriations.

D. Competitive Bidding

Contrary to Ohio Revised Code Section 735.05, the City did not properly advertise or bid one contract over \$25,000.

E. Cash Deficit

The General Fund and several other funds had negative cash balances contrary to Ohio Revised Code Section 5705.10.

F. Timely Deposits

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

G. Excess Appropriations over Estimated Resources

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

NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- 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).

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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

A. Deposits

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

At year end the carrying amount of the City's deposits was \$3,771,531 and the bank balance was \$4,469,934. Federal depository insurance covered \$500,000 of the bank balance and \$3,969,934 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$3,969,934</u>
Total Balance	<u><u>\$3,969,934</u></u>

Investment earnings of \$1,731 earned by other funds was credited to the General Fund as required by state statute.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

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

B. Investments

The City's investments at December 31, 2009 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities In Years less than 1</u>
FDRT Government Obligations Fund	\$1,475,015	AAAm	\$1,475,015
First American Treasury Obligation	<u>1,381,028</u>	AAAm	<u>1,381,028</u>
Total Investments	<u>\$2,856,043</u>		<u>\$2,856,043</u>

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

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

Concentration of Credit Risk – The City places no limit on the amount the City may invest in one issuer. The City’s investments in First American Treasury Obligation and FDRT Government Obligations Fund represent 48%, and 52% of the City’s total investments.

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

C. Reconciliation of Cash, Cash Equivalents and Investments

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

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$6,627,574	\$0
FDRT Government Obligations Fund	(1,475,015)	1,475,015
First American Treasury Obligation	<u>(1,381,028)</u>	<u>1,381,028</u>
Per GASB Statement No. 3	<u>\$3,771,531</u>	<u>\$2,856,043</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

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 2009 were levied after October 1, 2008 on assessed values as of January 1, 2008, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 2004. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder payable by June 20.

Tangible personal property tax (other than public utility property) attach as a lien and were levied, on the true value as of January 1, 2009. Tangible personal property of telephone and telecommunication companies (except for public utilities) is currently assessed for ad valorem taxation purposes at 10 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No.66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the City due to the phasing out of the tax. In calendar years 2006-2012, the City will be fully reimbursed for the lost revenue. In calendar years 2013-2017, the reimbursements will be phased out.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 5 - TAXES (Continued)

A. Property Taxes (Continued)

The full tax rate for all City operations for the year ended December 31, 2009 was \$13.35 per \$1,000 of assessed value. The assessed value upon which the 2009 tax collections were based was \$216,234,900. This amount constituted \$203,731,140 in real property assessed value, \$11,727,560 in public utility assessed value and \$776,200 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 .1335% (13.35 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, 2009 consisted of taxes, intergovernmental, interest, accounts receivable, and loans.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables balances at December 31, 2009 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$0	\$477,350
Capital Improvement	692,363	0
Other Governmental Funds	24,453	25,718
Internal Service Fund	0	213,748
	<u>\$716,816</u>	<u>\$716,816</u>

On the Statement of Net Assets, the Business-Type Activities reported an internal balance at December 31, 2009 of \$64,871, which was offset in the Governmental Activities by the same amount. The Due from Other Funds in the Capital Improvement Fund is for overdrafts in the General Fund, a Special Revenue Fund and the Internal Service Fund. The Due from Other Funds in the Other Governmental Funds is for reimbursement of expenditures made by the Community Development Fund for the General Fund.

NOTE 8 - TRANSFERS

Following is a summary of Transfers in and out for all funds for 2009:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$0	\$18,000
General Bond Retirement Fund	0	698,242
Capital Improvement Fund	698,242	0
Other Governmental Funds	18,000	0
Totals	<u>\$716,242</u>	<u>\$716,242</u>

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 9 - CAPITAL ASSETS

A. Governmental Capital Assets

Summary by category of changes in Governmental Capital Assets:

Historical Cost:

Class	December 31, 2008	Additions	Deletions	December 31, 2009
<i>Capital assets not being depreciated:</i>				
Land	\$1,826,884	\$0	\$0	\$1,826,884
Construction in Progress	477,645	0	(477,645)	0
Subtotal	2,304,529	0	(477,645)	1,826,884
<i>Capital assets being depreciated:</i>				
Buildings	6,257,625	22,614	0	6,280,239
Improvements	2,097,541	37,959	0	2,135,500
Machinery and Equipment	7,884,654	1,537,686	(14,486)	9,407,854
Infrastructure	28,117,673	200,000	(11,912)	28,305,761
Subtotal	44,357,493	1,798,259	(26,398)	46,129,354
Total Cost	\$46,662,022	\$1,798,259	(\$504,043)	\$47,956,238
<i>Accumulated Depreciation:</i>				
Class	December 31, 2008	Additions	Deletions	December 31, 2009
Buildings	(\$1,757,068)	(\$133,083)	\$0	(\$1,890,151)
Improvements	(821,486)	(76,646)	0	(898,132)
Machinery and Equipment	(5,968,855)	(512,252)	14,486	(6,466,621)
Infrastructure	(18,889,139)	(999,124)	8,339	(19,879,924)
Total Depreciation	(\$27,436,548)	(\$1,721,105) *	\$22,825	(\$29,134,828)
<i>Net Value:</i>	\$19,225,474			\$18,821,410

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$292,291
Public Health & Welfare Services	41,554
Leisure Time Activities	15,292
Community Environment	62,387
Transportation	1,048,675
General Government	260,906
Total Depreciation Expense	\$1,721,105

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business Type Capital Assets

Summary by Category at December 31, 2009:

Historical Cost:

Class	December 31, 2008	Additions	Deletions	December 31, 2009
<i>Capital assets not being depreciated:</i>				
Land	\$75,737	\$0	(\$12,233)	\$63,504
Construction in Progress	7,013,872	1,081,376	(5,077,989)	3,017,259
Subtotal	7,089,609	1,081,376	(5,090,222)	3,080,763
<i>Capital assets being depreciated:</i>				
Buildings	1,028,213	896,303	0	1,924,516
Improvements other than Buildings	23,921,037	0	0	23,921,037
Machinery and Equipment	8,378,724	5,941,779	0	14,320,503
Subtotal	33,327,974	6,838,082	0	40,166,056
Total Cost	\$40,417,583	\$7,919,458	(\$5,090,222)	\$43,246,819
 <i>Accumulated Depreciation:</i>				
Class	December 31, 2008	Additions	Deletions	December 31, 2009
Buildings	(\$401,951)	(\$39,496)	\$0	(\$441,447)
Improvements other than Buildings	(15,336,397)	(298,013)	0	(15,634,410)
Machinery and Equipment	(2,729,301)	(718,211)	0	(3,447,512)
Total Depreciation	(\$18,467,649)	(\$1,055,720)	\$0	(\$19,523,369)
<i>Net Value:</i>	\$21,949,934			\$23,723,450

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 10 – DEFINED BENEFIT PENSION PLANS

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

A. Ohio Public Employees Retirement System (the "Ohio PERS")

The following information was provided by OPERS to assist the City in complying with GASB Statement No. 27, "Accounting for Pensions by State and Local Government Employers."

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

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

The ORC provides statutory authority for employee and employer contributions. For 2009, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2009 employer contribution rate for local government employer units was 14.00%, of covered payroll which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2009, from January 1 through March 31, 2009 7.0% of annual covered salary was the portion used to fund pension obligations, and from April 1 through December 31, 2009 8.5% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City's required contributions for pension obligations to OPERS for the years ending December 31, 2009, 2008, and 2007 were \$564,141, \$479,663 and \$572,732, respectively, which were equal to the required contributions for each year. Contributions to the member-directed plan for 2009 were \$4,237 made by the City and \$3,026 made by the plan members.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2009, 12.75% of annual covered salary for police and 17.25% of annual covered salary for firefighters, respectively, were the portions used to fund pension obligations. The City's contributions for pension obligations to the OP&F Fund for the years ending December 31, 2009, 2008, and 2007 were \$205,625, \$224,010 and \$221,413 for police and \$343,372, \$313,558 and \$305,872 for firefighters, respectively, which were equal to the required contributions for each year.

NOTE 11 - POSTEMPLOYMENT BENEFITS

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

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

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

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

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. For 2009, the employer contribution allocated to the health care plan was 7.0% of covered payroll from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OPERS for the years ending December 31, 2009, 2008, and 2007 were \$407,917, \$479,663 and \$377,269, respectively, which were equal to the required contributions for each year.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

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

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164.

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2009, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2009, 2008, and 2007 were \$108,861, \$118,593 and \$117,219 for police and \$134,363, \$125,253 and \$122,183 for firefighters, respectively, which were equal to the required contributions for each year.

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

NOTE 12 - NOTES PAYABLE

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

	<u>Maturity Date</u>	<u>Balance January 1, 2009</u>	<u>Issued</u>	<u>(Retired)</u>	<u>Balance December 31, 2009</u>
Capital Improvement Fund Note Payable:					
2.60% Capital Improvement	6/25/2009	\$680,000	\$0	(\$680,000)	\$0
2.00% Capital Improvement	2/9/2010	<u>0</u>	<u>680,000</u>	<u>0</u>	<u>680,000</u>
Total Note Payables		<u>\$680,000</u>	<u>\$680,000</u>	<u>(\$680,000)</u>	<u>\$680,000</u>

The Notes Payable were issued for fire equipment.

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CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

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

Long-term debt and other long-term obligations of the City at December 31, 2009 were as follows:

				Balance			Balance	Amount due
				December 31,	Additions	(Deletions)	December 31,	Within
				2008			2009	One Year
Business-Type Activities Long-Term Debt:								
Ohio Public Works Commission Loans:								
2000	0.0%	Wastewater Improvement	2021	\$375,000	\$0	(\$15,000)	\$360,000	\$30,000
2008	0.0%	Wastewater-Sludge Digester	2028	538,377	161,623	0	700,000	35,000
Total Ohio Public Works Commission Loans				913,377	161,623	(15,000)	1,060,000	65,000
Refunding Revenue Bond:								
2003	1.6-4.15%	Waterworks Improvement	2015	3,470,000	0	(440,000)	3,030,000	455,000
Deferred Loss on Refunding				(69,907)	0	34,952	(34,955)	(34,955)
Total Refunding Revenue Bonds				3,400,093	0	(405,048)	2,995,045	420,045
Ohio Water Development Authority Loans:								
2007	3.25%	Water MEX Installation	2028	3,592,949	73,346	(213,821)	3,452,474	148,198
2008	4.11%	Wastewater-Sludge Digester	2038	501,078	0	(13,199)	487,879	9,257
2009	4.11%	Wastewater-Lawson Run	2031	0	27,781	0	27,781	0
Total Ohio Water Development Authority Loans				4,094,027	101,127	(227,020)	3,968,134	157,455
Compensated Absences				68,778	238,762	(222,261)	85,279	10,392
Capital Lease - Enterprise Funds				7,661,637	0	(759,806)	6,901,831	791,915
Total Business-Type Long-Term Debt				\$16,137,912	\$501,512	(\$1,629,135)	\$15,010,289	\$1,444,807
Governmental Activities Long-Term Debt:								
General Obligation Bond								
2001	3.6-5.5%	Police and Fireman's Disability and Pension	2027	\$1,760,000	\$0	(\$55,000)	\$1,705,000	\$60,000
Compensated Absences				665,046	754,135	(762,287)	656,894	57,388
Capital Lease Payable				1,021,742	0	(193,519)	828,223	152,871
Total Governmental Activities				\$3,446,788	\$754,135	(\$1,010,806)	\$3,190,117	\$270,259

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

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

				Original Issue
Business-Type Activities				
Ohio Public Works Commission Loans (OPWC):				
0.00%	Wastewater Improvement	2001-2021		\$600,000
0.00%	Wastewater-Sludge Digester	2008-2029		700,000
	Total OPWC Loans			<u>\$1,300,000</u>
Refunding Revenue Bond:				
1.6- 4.15%	Waterworks Improvement	2003-2015		\$5,500,000
	Total Refunding Revenue Bonds			<u>\$5,500,000</u>
Ohio Water Development Authority Loans (OWDA):				
3.25%	Water MIEX Installation	2007-2028		\$3,734,915 *
4.11%	Wastewater-Sludge Digester	2008-2038		501,078
3.43%	Wastewater-Lawson Run	2009-2031		27,781 *
	Total OWDA Loans			<u>\$4,263,774</u>
* Amount Disbursed as of December 31, 2009				
Governmental Activities Long-Term Debt				
General Obligation Bonds:				
3.6- 5.50%	Police and Fireman's Disability and Pension	2001-2027		\$2,090,000
	Total General Obligation Bonds			<u>\$2,090,000</u>

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

In 2007, the City entered into an agreement with the OWDA, as administrator for the U.S. Environmental Protection Agency (EPA), for the City to receive a loan in the amount of \$3,840,254 for the MIEX installation. The amount is subject to change and has not been finalized. The interest rate on the loan is 3.25% per annum. An estimate of future financing requirements has been made based on the remaining loan balance of \$3,452,474 at December 31, 2009.

In 2009, the City entered into an agreement with the OWDA, as administrator for the U.S. Environmental Protection Agency (EPA), for the City to receive a loan in the amount of \$1,746,992 for the wastewater treatment plant improvements. The amount is subject to change and has not been finalized. The interest rate on the loan is 3.43% per annum. An estimate of future financing requirements has been made based on the remaining loan balance of \$27,781 at December 31, 2009.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

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

A. Principal and Interest Requirements

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2009 follows:

Business-Type Activities:

Years	Mortgage Revenue Bond		OPWC Loans		OWDA Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$455,000	\$114,187	\$65,000	\$0	\$157,455	\$134,393
2011	475,000	96,155	65,000	0	162,696	129,152
2012	495,000	76,632	65,000	0	168,111	123,737
2013	515,000	55,922	65,000	0	173,707	118,141
2014	535,000	34,134	65,000	0	179,489	112,359
2015-2019	555,000	11,516	325,000	0	991,189	468,051
2020-2024	0	0	235,000	0	1,167,684	291,556
2025-2029	0	0	175,000	0	732,208	94,716
2030-2034	0	0	0	0	113,473	32,603
2035-2038	0	0	0	0	122,122	7,912
Totals	<u>\$3,030,000</u>	<u>\$388,546</u>	<u>\$1,060,000</u>	<u>\$0</u>	<u>\$3,968,134</u>	<u>\$1,512,620</u>

Governmental Activities:

Years	General Obligation Bonds	
	Principal	Interest
2010	\$60,000	\$91,490
2011	60,000	88,640
2012	65,000	85,700
2013	70,000	82,450
2014	70,000	78,880
2015-2019	420,000	333,800
2020-2024	550,000	206,250
2025-2027	410,000	45,925
Totals	<u>\$1,705,000</u>	<u>\$1,013,135</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2009**

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

B. Defeased Debt

In April 2003, the City defeased \$2,485,000 of General Obligation Bonds and \$594,400 of Mortgage Revenue Bonds for Water System Improvements dated April 1, 1996 (the "1996 Bonds") and July 1, 2001 (the "2001 Bonds"), respectively through the issuance of \$5,500,000 of Mortgage Revenue Bonds for Water System Improvement (the "2003 Bonds"). A portion of the net proceeds of the 2003 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$420,000 at December 31, 2009, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

NOTE 14 - CAPITALIZED LEASES

The City leases water meters, four sanitation trucks, a Jet Vac truck and a sludge digester, all classified as machinery and equipment under capital leases. The cost of the equipment obtained under capital leases is \$5,673,582 in the Water Fund, \$891,185 in the Sewer Fund, and \$436,600 in the Sanitation Fund. The related liability is included in the Water, Sewer and Sanitation Funds. In addition the City leases 15 police vehicles, a street sweeper and window replacements with an original cost of \$829,132. The original cost of the equipment and the related liability are reported on the Government – wide Statement of Net Assets.

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, 2009.

<u>Year Ending December 31,</u>	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
2010	\$1,062,894	\$187,060
2011	1,062,894	105,646
2012	1,062,894	105,646
2013	913,793	105,646
2014	913,793	105,646
2015-2018	3,108,272	360,956
Minimum Lease Payments	8,124,540	970,600
Less amount representing interest at the City's incremental borrowing rate of interest	(1,222,709)	(142,377)
Present value of minimum lease payments	<u>\$6,901,831</u>	<u>\$828,223</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2009***

NOTE 15 - CONTINGENCIES

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

NOTE 16 - INSURANCE AND RISK MANAGEMENT

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

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

NOTE 17 – CONSTRUCTION COMMITMENTS

The City has entered into four multi-year construction contracts totaling \$6 million. All four are for separate parts of the Sewage Treatment Plant upgrade entered into in late 2009.

- Primary Sewer Treatment Improvements – upgrade primary clarifiers, access improvements and odor control.
- Secondary Treatment Plant Improvements – Trickling Filter Repair, Media Replacement and Belt Filter Press Replacement.
- SCADA Telemetry System – Remote monitoring of pump stations and Scioto wastewater plant.
- Sewer Maintenance Garage – To house administrative offices, vehicles and equipment.

As of December 31, 2009, the project had just begun and the full amount was still outstanding. Payments will be made as work is completed and invoices submitted by the contractor.

NOTE 18 – SUBSEQUENT EVENT

On May 27, 2010, the Ohio Water Development Authority approved a \$254,900 loan to the City for wastewater collection system planning and design.



*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Municipal Court Grants Fund

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

Municipal Court 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.

American Recovery and Reinvestment Act (ARRA)

Municipal Court Security Grant Fund

To account for grant monies to be used for hiring Court Security Officers to protect and secure court personnel. (The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there was no activity during the year. This fund only exists on a GAAP basis and is not part of the City's appropriated budget, therefore no budgetary schedule is presented.)

Fire Pension Fund

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

Police Pension Fund

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

D.A.R.E. State Grant Fund

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

(Continued)

Special Revenue Funds

Local Law Block Grant Fund

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

Community Oriented Policing Services (COPS) Fast Grant Fund

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

Indigent Drivers Alcohol Treatment Fund

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

Enforcement and Education Fund

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

Mandatory Fines Fund

To account for mandatory fines for drug offenses.

Law Enforcement Fund

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

Community Oriented Policing Services (COPS)

Hiring Recovery Program Grant Fund

To account for grant monies to be used for the hiring of three police officers for a period of 24 months to assist in combating rural crime. (This fund only exists on a GAAP basis and is not part of the City's appropriated budget, therefore no budgetary schedule is presented.)

Rural Law Enforcement Assistance Grant Fund

To account for grant monies to be used for hiring and/or preserving law enforcement jobs, to combat crime, especially drug-related crime. (This fund only exists on a GAAP basis and is not part of the City's appropriated budget, therefore no budgetary schedule is presented.)

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.

(Continued)

Special Revenue Funds

Environmental State Grants Fund

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

Community Development Fund

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

Tourism and Cultural Development Fund

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

State Grant Health Fund

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

Rural AIDS State Grant Fund

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

Ryan White HIV Care Part B Grant Fund

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

Family Planning Fund

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

Child and Family Health Services Grant Fund

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

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

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

Regional HIV Prevention Fund

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

Ryan White Title III Fund

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

Flood Defense Fund

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

(Continued)

Special Revenue Funds

Land Reutilization Fund

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

American Recovery and Reinvestment Act (ARRA) Stimulus Grant Fund

To account for federal stimulus grants to be used for the planning, design and/or construction of the Lawson Run wastewater facility.

Council Trust for Recreation Fund

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

Playground Trust Fund

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

Permanent Funds

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

Cemetery Trust Fund

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

Mausoleum Trust Fund

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

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 2,658,791	\$ 0	\$ 2,658,791
Receivables (net of allowance for doubtful accounts):			
Taxes	337,208	0	337,208
Accounts	124,689	0	124,689
Intergovernmental	3,012,481	0	3,012,481
Loans	128,158	0	128,158
Due from Other Funds	24,453	0	24,453
Inventory of Supplies, at Cost	40,819	0	40,819
Prepaid Items	3,579	0	3,579
Restricted Assets:			
Cash and Cash Equivalents	0	186,478	186,478
Total Assets	<u>\$ 6,330,178</u>	<u>\$ 186,478</u>	<u>\$ 6,516,656</u>
Liabilities:			
Accounts Payable	\$ 131,598	\$ 0	\$ 131,598
Accrued Wages and Benefits Payable	2,623	0	2,623
Intergovernmental Payable	169,491	0	169,491
Due to Other Funds	25,718	0	25,718
Deferred Revenue	2,706,156	0	2,706,156
Total Liabilities	<u>3,035,586</u>	<u>0</u>	<u>3,035,586</u>
Fund Balances:			
Reserved for Prepaid Items	3,579	0	3,579
Reserved for Supplies Inventory	40,819	0	40,819
Reserved for Endowments	0	26,843	26,843
Unreserved, Undesignated in:			
Special Revenue Funds	3,250,194	0	3,250,194
Permanent Funds	0	159,635	159,635
Total Fund Balances	<u>3,294,592</u>	<u>186,478</u>	<u>3,481,070</u>
Total Liabilities and Funds Balances	<u>\$ 6,330,178</u>	<u>\$ 186,478</u>	<u>\$ 6,516,656</u>

CITY OF PORTSMOUTH, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2009***

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ 379,914	\$ 0	\$ 379,914
Intergovernmental Revenues	4,102,335	0	4,102,335
Charges for Services	193,388	9,000	202,388
Licenses and Permits	100	0	100
Investment Earnings	128	488	616
Fines and Forfeitures	602,018	0	602,018
All Other Revenue	59,000	473	59,473
Total Revenue	5,336,883	9,961	5,346,844
Expenditures:			
Current:			
Security of Persons and Property	665,271	0	665,271
Public Health and Welfare Services	2,286,080	9,718	2,295,798
Leisure Time Activities	52,655	0	52,655
Community Environment	485,195	0	485,195
Transportation	1,036,965	0	1,036,965
General Government	448,099	0	448,099
Total Expenditures	4,974,265	9,718	4,983,983
Excess (Deficiency) of Revenues Over Expenditures	362,618	243	362,861
Other Financing Sources (Uses):			
Transfers In	18,000	0	18,000
Total Other Financing Sources (Uses)	18,000	0	18,000
Net Change in Fund Balances	380,618	243	380,861
Fund Balances at Beginning of Year	2,897,457	186,235	3,083,692
Increase in Inventory Reserve	16,517	0	16,517
Fund Balances End of Year	\$ 3,294,592	\$ 186,478	\$ 3,481,070

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009**

	Municipal Court Grants	Municipal Court Special Project	Municipal Court Probation Services	Municipal Court Programs	Municipal Court Computer
Assets:					
Cash and Cash Equivalents	\$ 0	\$ 206,776	\$ 6,875	\$ 931	\$ 3,568
Receivables (net of allowance for doubtful accounts):					
Taxes	0	0	0	0	0
Accounts	0	63,148	32,377	4,384	16,803
Intergovernmental	39,905	0	0	0	0
Loans	0	0	0	0	0
Due from Other Funds	0	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0	0
Prepaid Items	0	0	0	0	1,940
Total Assets	\$ 39,905	\$ 269,924	\$ 39,252	\$ 5,315	\$ 22,311
Liabilities:					
Accounts Payable	\$ 0	\$ 2,619	\$ 0	\$ 0	\$ 4,247
Accrued Wages and Benefits Payable	0	344	0	0	0
Intergovernmental Payable	3,552	1,145	3,929	2,573	517
Due to Other Funds	0	0	0	0	0
Deferred Revenue	25,506	43,415	22,402	3,033	11,626
Total Liabilities	29,058	47,523	26,331	5,606	16,390
Fund Balances:					
Reserved for Prepaid Items	0	0	0	0	1,940
Reserved for Supplies Inventory	0	0	0	0	0
Unreserved, Undesignated in:					
Special Revenue Funds	10,847	222,401	12,921	(291)	3,981
Total Fund Balances	10,847	222,401	12,921	(291)	5,921
Total Liabilities and Fund Balances	\$ 39,905	\$ 269,924	\$ 39,252	\$ 5,315	\$ 22,311

CITY OF PORTSMOUTH, OHIO

ARRA - Municipal Court Security Grant	Fire Pension	Police Pension	D.A.R.E. State Grant	Local Law Block Grant	COPS Fast Grant	Indigent Drivers Alcohol Treatment
\$ 0	\$ 0	\$ 0	\$ 16,797	\$ 17,492	\$ 87,561	\$ 32,157
0	63,430	63,430	0	0	0	0
0	0	0	0	0	0	6,508
163,431	4,198	4,198	17,585	137,499	34,051	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$ 163,431</u>	<u>\$ 67,628</u>	<u>\$ 67,628</u>	<u>\$ 34,382</u>	<u>\$ 154,991</u>	<u>\$ 121,612</u>	<u>\$ 38,665</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	344	0	0	0
0	23,679	23,679	0	0	2,782	0
0	0	0	0	0	0	0
163,431	67,628	67,628	17,585	499	32,380	4,503
<u>163,431</u>	<u>91,307</u>	<u>91,307</u>	<u>17,929</u>	<u>499</u>	<u>35,162</u>	<u>4,503</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	(23,679)	(23,679)	16,453	154,492	86,450	34,162
0	(23,679)	(23,679)	16,453	154,492	86,450	34,162
<u>\$ 163,431</u>	<u>\$ 67,628</u>	<u>\$ 67,628</u>	<u>\$ 34,382</u>	<u>\$ 154,991</u>	<u>\$ 121,612</u>	<u>\$ 38,665</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009**

	Enforcement and Education	Mandatory Fines	Law Enforcement	COPS - Hiring Recovery Program Grant	Rural Law Enforcement Assistance Grant
Assets:					
Cash and Cash Equivalents	\$ 4,412	\$ 670	\$ 155,642	\$ 0	\$ 0
Receivables (net of allowance for doubtful accounts):					
Taxes	0	0	0	0	0
Accounts	857	612	0	0	0
Intergovernmental	0	0	111,300	367,064	480,522
Loans	0	0	0	0	0
Due from Other Funds	0	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0	0
Prepaid Items	0	0	0	0	0
Total Assets	\$ 5,269	\$ 1,282	\$ 266,942	\$ 367,064	\$ 480,522
Liabilities:					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0	0
Intergovernmental Payable	21	0	0	0	0
Due to Other Funds	0	0	0	0	0
Deferred Revenue	593	423	111,300	317,064	430,522
Total Liabilities	614	423	111,300	317,064	430,522
Fund Balances:					
Reserved for Prepaid Items	0	0	0	0	0
Reserved for Supplies Inventory	0	0	0	0	0
Unreserved, Undesignated in:					
Special Revenue Funds	4,655	859	155,642	50,000	50,000
Total Fund Balances	4,655	859	155,642	50,000	50,000
Total Liabilities and Fund Balances	\$ 5,269	\$ 1,282	\$ 266,942	\$ 367,064	\$ 480,522

CITY OF PORTSMOUTH, OHIO

Street Construction, Maintenance and Repair	State Highway Improvement	Environmental State Grants	Community Development	Tourism and Cultural Development	State Grant Health	Rural AIDS State Grant
\$ 14,624	\$ 75,692	\$ 203,364	\$ 388,892	\$ 10,471	\$ 79,263	\$ 11,835
0	0	0	0	10,770	0	0
0	0	0	0	0	0	0
453,211	32,947	291,461	450,400	0	275,508	0
0	0	0	128,158	0	0	0
0	0	0	24,453	0	0	0
31,402	0	2,079	0	0	0	1,491
1,278	0	0	0	0	0	197
<u>\$ 500,515</u>	<u>\$ 108,639</u>	<u>\$ 496,904</u>	<u>\$ 991,903</u>	<u>\$ 21,241</u>	<u>\$ 354,771</u>	<u>\$ 13,523</u>
\$ 396	\$ 12,125	\$ 304	\$ 86,681	\$ 0	\$ 6,692	\$ 6,930
262	0	0	983	0	0	690
38,300	0	24,541	0	0	8,689	12,360
0	0	0	0	0	0	0
<u>304,000</u>	<u>22,000</u>	<u>260,279</u>	<u>460,158</u>	<u>0</u>	<u>56,693</u>	<u>0</u>
<u>342,958</u>	<u>34,125</u>	<u>285,124</u>	<u>547,822</u>	<u>0</u>	<u>72,074</u>	<u>19,980</u>
1,278	0	0	0	0	0	197
31,402	0	2,079	0	0	0	1,491
<u>124,877</u>	<u>74,514</u>	<u>209,701</u>	<u>444,081</u>	<u>21,241</u>	<u>282,697</u>	<u>(8,145)</u>
<u>157,557</u>	<u>74,514</u>	<u>211,780</u>	<u>444,081</u>	<u>21,241</u>	<u>282,697</u>	<u>(6,457)</u>
<u>\$ 500,515</u>	<u>\$ 108,639</u>	<u>\$ 496,904</u>	<u>\$ 991,903</u>	<u>\$ 21,241</u>	<u>\$ 354,771</u>	<u>\$ 13,523</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009**

	Ryan White HIV Care Part B Grant	Family Planning	Child and Family Health Services Grant	F.E.M.A. Grant	Ryan White Title III
Assets:					
Cash and Cash Equivalents	\$ 404	\$ 0	\$ 4,740	\$ 41,235	\$ 34,370
Receivables (net of allowance for doubtful accounts):					
Taxes	0	0	0	0	0
Accounts	0	0	0	0	0
Intergovernmental	20,000	73,778	42,637	0	0
Loans	0	0	0	0	0
Due from Other Funds	0	0	0	0	0
Inventory of Supplies, at Cost	0	3,962	1,885	0	0
Prepaid Items	0	0	0	0	164
Total Assets	\$ 20,404	\$ 77,740	\$ 49,262	\$ 41,235	\$ 34,534
Liabilities:					
Accounts Payable	\$ 42	\$ 541	\$ 0	\$ 0	\$ 10,805
Accrued Wages and Benefits Payable	0	0	0	0	0
Intergovernmental Payable	2,620	5,823	1,296	0	7,442
Due to Other Funds	0	25,718	0	0	0
Deferred Revenue	0	49,806	21,318	0	0
Total Liabilities	2,662	81,888	22,614	0	18,247
Fund Balances:					
Reserved for Prepaid Items	0	0	0	0	164
Reserved for Supplies Inventory	0	3,962	1,885	0	0
Unreserved, Undesignated in:					
Special Revenue Funds	17,742	(8,110)	24,763	41,235	16,123
Total Fund Balances	17,742	(4,148)	26,648	41,235	16,287
Total Liabilities and Fund Balances	\$ 20,404	\$ 77,740	\$ 49,262	\$ 41,235	\$ 34,534

CITY OF PORTSMOUTH, OHIO

<u>Flood Defense</u>	<u>Land Reutilization</u>	<u>ARRA - Stimulus Grant</u>	<u>Council Trust for Recreation</u>	<u>Playground Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 967,241	\$ 2,378	\$ 205,427	\$ 73,337	\$ 12,637	\$ 2,658,791
199,578	0	0	0	0	337,208
0	0	0	0	0	124,689
12,786	0	0	0	0	3,012,481
0	0	0	0	0	128,158
0	0	0	0	0	24,453
0	0	0	0	0	40,819
0	0	0	0	0	3,579
<u>\$ 1,179,605</u>	<u>\$ 2,378</u>	<u>\$ 205,427</u>	<u>\$ 73,337</u>	<u>\$ 12,637</u>	<u>\$ 6,330,178</u>
\$ 0	\$ 216	\$ 0	\$ 0	\$ 0	\$ 131,598
0	0	0	0	0	2,623
5,036	0	0	1,507	0	169,491
0	0	0	0	0	25,718
212,364	0	0	0	0	2,706,156
<u>217,400</u>	<u>216</u>	<u>0</u>	<u>1,507</u>	<u>0</u>	<u>3,035,586</u>
0	0	0	0	0	3,579
0	0	0	0	0	40,819
<u>962,205</u>	<u>2,162</u>	<u>205,427</u>	<u>71,830</u>	<u>12,637</u>	<u>3,250,194</u>
<u>962,205</u>	<u>2,162</u>	<u>205,427</u>	<u>71,830</u>	<u>12,637</u>	<u>3,294,592</u>
<u>\$ 1,179,605</u>	<u>\$ 2,378</u>	<u>\$ 205,427</u>	<u>\$ 73,337</u>	<u>\$ 12,637</u>	<u>\$ 6,330,178</u>

CITY OF PORTSMOUTH, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009***

	Municipal Court Grants	Municipal Court Special Project	Municipal Court Probation Services	Municipal Court Programs	Municipal Court Computer
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	54,304	0	0	0	0
Charges for Services	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Investment Earnings	0	0	0	0	0
Fines and Forfeitures	0	165,722	75,661	93,250	41,809
All Other Revenue	0	6,288	0	0	0
Total Revenue	54,304	172,010	75,661	93,250	41,809
Expenditures:					
Current:					
Security of Persons and Property	0	0	0	0	0
Public Health and Welfare Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	0	0	0	0	0
General Government	44,256	161,075	78,321	111,181	41,482
Total Expenditures	44,256	161,075	78,321	111,181	41,482
Excess (Deficiency) of Revenues Over Expenditures	10,048	10,935	(2,660)	(17,931)	327
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balances	10,048	10,935	(2,660)	(17,931)	327
Fund Balances at Beginning of Year	799	211,466	15,581	17,640	5,594
Increase (Decrease) in Inventory Reserve	0	0	0	0	0
Fund Balances End of Year	\$ 10,847	\$ 222,401	\$ 12,921	\$ (291)	\$ 5,921

CITY OF PORTSMOUTH, OHIO

<u>Fire Pension</u>	<u>Police Pension</u>	<u>D.A.R.E. State Grant</u>	<u>Local Law Block Grant</u>	<u>COPS Fast Grant</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Enforcement and Education</u>
\$ 63,674	\$ 63,676	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
8,447	8,448	0	137,353	8,674	0	0
0	0	16,482	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	26,333	1,545
0	0	600	0	0	0	0
<u>72,121</u>	<u>72,124</u>	<u>17,082</u>	<u>137,353</u>	<u>8,674</u>	<u>26,333</u>	<u>1,545</u>
95,942	95,945	16,089	24,206	56,181	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	10,921	863
<u>95,942</u>	<u>95,945</u>	<u>16,089</u>	<u>24,206</u>	<u>56,181</u>	<u>10,921</u>	<u>863</u>
(23,821)	(23,821)	993	113,147	(47,507)	15,412	682
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(23,821)	(23,821)	993	113,147	(47,507)	15,412	682
142	142	15,460	41,345	133,957	18,750	3,973
0	0	0	0	0	0	0
<u>\$ (23,679)</u>	<u>\$ (23,679)</u>	<u>\$ 16,453</u>	<u>\$ 154,492</u>	<u>\$ 86,450</u>	<u>\$ 34,162</u>	<u>\$ 4,655</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

	Mandatory Fines	Law Enforcement	COPS Hiring Recovery Program Grant	Rural Law Enforcement Assistance Grant	Street Construction, Maintenance and Repair
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	50,000	50,000	894,774
Charges for Services	0	0	0	0	0
Licenses and Permits	0	0	0	0	0
Investment Earnings	0	0	0	0	36
Fines and Forfeitures	7,756	189,942	0	0	0
All Other Revenue	0	0	0	0	474
Total Revenue	7,756	189,942	50,000	50,000	895,284
Expenditures:					
Current:					
Security of Persons and Property	40,518	210,365	0	0	0
Public Health and Welfare Services	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	0	0	0	0	883,914
General Government	0	0	0	0	0
Total Expenditures	40,518	210,365	0	0	883,914
Excess (Deficiency) of Revenues Over Expenditures	(32,762)	(20,423)	50,000	50,000	11,370
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balances	(32,762)	(20,423)	50,000	50,000	11,370
Fund Balances at Beginning of Year	33,621	176,065	0	0	131,721
Increase (Decrease) in Inventory Reserve	0	0	0	0	14,466
Fund Balances End of Year	\$ 859	\$ 155,642	\$ 50,000	\$ 50,000	\$ 157,557

CITY OF PORTSMOUTH, OHIO

State Highway Improvement	Environmental State Grants	Community Development	Tourism and Cultural Development	State Grant Health	Rural AIDS State Grant	Ryan White HIV Care Part B Grant
\$ 0	\$ 0	\$ 0	\$ 52,655	\$ 0	\$ 0	\$ 0
65,255	507,057	400,000	0	457,793	351,399	75,743
0	0	0	0	55,744	0	0
0	0	0	0	0	0	0
18	0	43	0	0	0	0
0	0	0	0	0	0	0
0	8,250	30,235	0	0	1,109	510
<u>65,273</u>	<u>515,307</u>	<u>430,278</u>	<u>52,655</u>	<u>513,537</u>	<u>352,508</u>	<u>76,253</u>
0	0	0	0	0	0	0
0	596,549	0	0	323,079	344,952	90,806
0	0	0	0	0	0	0
0	0	427,733	57,462	0	0	0
153,051	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>153,051</u>	<u>596,549</u>	<u>427,733</u>	<u>57,462</u>	<u>323,079</u>	<u>344,952</u>	<u>90,806</u>
(87,778)	(81,242)	2,545	(4,807)	190,458	7,556	(14,553)
0	18,000	0	0	0	0	0
0	18,000	0	0	0	0	0
(87,778)	(63,242)	2,545	(4,807)	190,458	7,556	(14,553)
162,292	272,943	441,536	26,048	92,239	(13,304)	32,295
0	2,079	0	0	0	(709)	0
<u>\$ 74,514</u>	<u>\$ 211,780</u>	<u>\$ 444,081</u>	<u>\$ 21,241</u>	<u>\$ 282,697</u>	<u>\$ (6,457)</u>	<u>\$ 17,742</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

	Family Planning	Children and Family Health Services	F.E.M.A. Grant	Regional HIV Prevention	Ryan White Title III
Revenues:					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	118,213	93,883	0	366,556	223,336
Charges for Services	57,684	0	0	0	9,116
Licenses and Permits	0	0	0	0	0
Investment Earnings	0	0	0	0	0
Fines and Forfeitures	0	0	0	0	0
All Other Revenue	5,477	0	0	0	920
Total Revenue	181,374	93,883	0	366,556	233,372
Expenditures:					
Current:					
Security of Persons and Property	0	0	0	0	0
Public Health and Welfare Services	158,475	95,654	0	450,953	224,942
Leisure Time Activities	0	0	0	0	0
Community Environment	0	0	0	0	0
Transportation	0	0	0	0	0
General Government	0	0	0	0	0
Total Expenditures	158,475	95,654	0	450,953	224,942
Excess (Deficiency) of Revenues Over Expenditures	22,899	(1,771)	0	(84,397)	8,430
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balances	22,899	(1,771)	0	(84,397)	8,430
Fund Balances at Beginning of Year	(27,021)	27,068	41,235	84,397	8,501
Increase (Decrease) in Inventory Reserve	(26)	1,351	0	0	(644)
Fund Balances End of Year	\$ (4,148)	\$ 26,648	\$ 41,235	\$ 0	\$ 16,287

CITY OF PORTSMOUTH, OHIO

<u>Flood Defense</u>	<u>Land Reutilization</u>	<u>ARRA - Stimulus Grant</u>	<u>Council Trust for Recreation</u>	<u>Playground Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 199,909	\$ 0	\$ 0	\$ 0	\$ 0	\$ 379,914
25,673	0	205,427	0	0	4,102,335
0	0	0	54,362	0	193,388
0	100	0	0	0	100
0	0	0	0	31	128
0	0	0	0	0	602,018
0	2,500	0	2,637	0	59,000
<u>225,582</u>	<u>2,600</u>	<u>205,427</u>	<u>56,999</u>	<u>31</u>	<u>5,336,883</u>
126,025	0	0	0	0	665,271
0	670	0	0	0	2,286,080
0	0	0	52,655	0	52,655
0	0	0	0	0	485,195
0	0	0	0	0	1,036,965
0	0	0	0	0	448,099
<u>126,025</u>	<u>670</u>	<u>0</u>	<u>52,655</u>	<u>0</u>	<u>4,974,265</u>
99,557	1,930	205,427	4,344	31	362,618
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,000</u>
99,557	1,930	205,427	4,344	31	380,618
862,648	232	0	67,486	12,606	2,897,457
0	0	0	0	0	16,517
<u>\$ 962,205</u>	<u>\$ 2,162</u>	<u>\$ 205,427</u>	<u>\$ 71,830</u>	<u>\$ 12,637</u>	<u>\$ 3,294,592</u>

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Permanent Funds
December 31, 2009**

	<u>Cemetery Trust</u>	<u>Mausoleum Trust</u>	<u>Total Nonmajor Permanent Funds</u>
Assets:			
Restricted Assets:			
Cash and Cash Equivalents	\$ 181,626	\$ 4,852	\$ 186,478
Total Assets	<u>\$ 181,626</u>	<u>\$ 4,852</u>	<u>\$ 186,478</u>
Liabilities:			
Fund Balances:			
Reserved for Endowments	22,339	4,504	26,843
Unreserved, Undesignated in:			
Permanent Funds	<u>159,287</u>	<u>348</u>	<u>159,635</u>
Total Fund Balances	<u>181,626</u>	<u>4,852</u>	<u>186,478</u>
Total Liabilities and Fund Balances	<u>\$ 181,626</u>	<u>\$ 4,852</u>	<u>\$ 186,478</u>

CITY OF PORTSMOUTH, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Permanent Funds
For the Year Ended December 31, 2009**

	<u>Cemetery Trust</u>	<u>Mausoleum Trust</u>	<u>Total Nonmajor Permanent Funds</u>
Revenues:			
Charges for Services	\$ 9,000	\$ 0	\$ 9,000
Investment Earnings	473	15	488
All Other Revenue	473	0	473
Total Revenue	<u>9,946</u>	<u>15</u>	<u>9,961</u>
Expenditures:			
Current:			
Public Health and Welfare Services	<u>9,718</u>	<u>0</u>	<u>9,718</u>
Total Expenditures	<u>9,718</u>	<u>0</u>	<u>9,718</u>
Excess (Deficiency) of Revenues Over Expenditures	228	15	243
Fund Balances at Beginning of Year	<u>181,398</u>	<u>4,837</u>	<u>186,235</u>
Fund Balances End of Year	<u>\$ 181,626</u>	<u>\$ 4,852</u>	<u>\$ 186,478</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 7,186,000	\$ 7,168,000	\$ 7,163,197	\$ (4,803)
Intergovernmental Revenues	2,062,000	1,861,000	1,857,945	(3,055)
Charges for Services	519,500	357,000	354,785	(2,215)
Licenses and Permits	197,800	208,000	199,095	(8,905)
Investment Earnings	250,000	2,000	1,731	(269)
Fines and Forfeitures	650,000	620,000	618,048	(1,952)
All Other Revenues	464,000	129,000	128,440	(560)
Total Revenues	11,329,300	10,345,000	10,323,241	(21,759)
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	3,380,309	3,155,096	3,155,096	0
Materials and Supplies	13,055	89,428	88,373	1,055
Contractual Services	135,314	136,982	131,844	5,138
Total Police	3,528,678	3,381,506	3,375,313	6,193
Fire:				
Personal Services	3,460,025	3,567,351	3,567,351	0
Materials and Supplies	8,550	20,650	20,650	0
Contractual Services	64,196	70,722	70,722	0
Total Fire	3,532,771	3,658,723	3,658,723	0
Street Lighting:				
Materials and Supplies	1,000	3,945	3,945	0
Contractual Services	185,000	187,454	187,454	0
Total Street Lighting	186,000	191,399	191,399	0
Total Security of Persons and Property	7,247,449	7,231,628	7,225,435	6,193

(Continued)

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Health and Welfare Services:				
Health:				
Personal Services	538,579	572,463	572,463	0
Materials and Supplies	4,500	5,155	5,155	0
Contractual Services	109,620	102,315	102,315	0
Capital Outlay	2,000	4,148	4,148	0
Total Health	<u>654,699</u>	<u>684,081</u>	<u>684,081</u>	<u>0</u>
Total Public Health and Welfare Services	<u>654,699</u>	<u>684,081</u>	<u>684,081</u>	<u>0</u>
Community Environment:				
Building Inspection:				
Personal Services	160,872	111,024	111,024	0
Materials and Supplies	1,400	783	783	0
Contractual Services	76,100	62,086	62,086	0
Total Building Inspection	<u>238,372</u>	<u>173,893</u>	<u>173,893</u>	<u>0</u>
Administration:				
Personal Services	48,711	35,327	35,327	0
Materials and Supplies	1,600	1,960	1,960	0
Contractual Services	5,800	5,176	5,176	0
Total Administration	<u>56,111</u>	<u>42,463</u>	<u>42,463</u>	<u>0</u>
Total Community Environment	<u>294,483</u>	<u>216,356</u>	<u>216,356</u>	<u>0</u>
Transportation:				
Traffic Lights:				
Personal Services	94,369	111,602	111,602	0
Materials and Supplies	8,300	8,613	8,613	0
Contractual Services	36,055	30,780	30,780	0
Capital Outlay	500	0	0	0
Total Traffic Lights	<u>139,224</u>	<u>150,995</u>	<u>150,995</u>	<u>0</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Cemetery Grounds:				
Personal Services	51,161	53,710	53,710	0
Materials and Supplies	1,700	1,422	1,422	0
Contractual Services	37,200	34,769	34,769	0
Capital Outlay	300	2,604	2,604	0
Total Cemetery Grounds	90,361	92,505	92,505	0
Recreational Grounds:				
Personal Services	139,571	136,693	136,693	0
Materials and Supplies	2,700	2,552	2,552	0
Contractual Services	1,940	1,984	1,984	0
Capital Outlay	500	412	412	0
Total Recreational Grounds	144,711	141,641	141,641	0
Total Transportation	374,296	385,141	385,141	0
General Government:				
City Council:				
Personal Services	82,533	82,382	82,382	0
Materials and Supplies	600	844	844	0
Contractual Services	1,740	619	619	0
Total City Council	84,873	83,845	83,845	0
Executive:				
Personal Services	95,765	64,849	64,849	0
Materials and Supplies	1,750	794	794	0
Contractual Services	9,850	8,834	8,834	0
Total Executive	107,365	74,477	74,477	0
Legal:				
Personal Services	257,424	244,141	244,141	0
Materials and Supplies	2,000	2,496	2,496	0
Contractual Services	18,650	7,661	7,661	0
Total Legal	278,074	254,298	254,298	0

(Continued)

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2009***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Finance:				
Personal Services	177,945	163,199	163,199	0
Materials and Supplies	2,700	3,241	3,241	0
Contractual Services	56,150	51,313	51,313	0
Capital Outlay	<u>500</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Finance	237,295	217,753	217,753	0
Civil Service:				
Personal Services	13,870	12,540	12,540	0
Contractual Services	<u>3,330</u>	<u>835</u>	<u>835</u>	<u>0</u>
Total Civil Service	17,200	13,375	13,375	0
Court Security:				
Personal Services	<u>0</u>	<u>14,461</u>	<u>14,461</u>	<u>0</u>
Total Court Security	0	14,461	14,461	0
Municipal Court:				
Personal Services	821,789	819,038	819,038	0
Materials and Supplies	3,100	2,125	2,125	0
Contractual Services	<u>135,624</u>	<u>123,124</u>	<u>123,124</u>	<u>0</u>
Total Municipal Court	960,513	944,287	944,287	0
Income Tax:				
Personal Services	168,756	118,561	118,561	0
Materials and Supplies	1,350	1,902	1,902	0
Contractual Services	<u>134,372</u>	<u>130,276</u>	<u>130,276</u>	<u>0</u>
Total Income Tax	304,478	250,739	250,739	0

(Continued)

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Engineering:				
Personal Services	85,323	44,973	44,973	0
Materials and Supplies	900	801	801	0
Contractual Services	10,750	8,712	8,712	0
Total Engineering	96,973	54,486	54,486	0
Public Service:				
Personal Services	64,753	66,384	66,384	0
Materials and Supplies	1,800	1,253	1,253	0
Contractual Services	10,673	19,432	19,432	0
Total Public Service	77,226	87,069	87,069	0
City Building:				
Personal Services	87,449	79,124	79,124	0
Materials and Supplies	5,000	4,890	4,890	0
Contractual Services	71,300	71,777	71,777	0
Total City Building	163,749	155,791	155,791	0
Garage:				
Personal Services	128,547	132,281	132,281	0
Materials and Supplies	206,675	111,358	111,358	0
Contractual Services	40,750	35,583	35,583	0
Capital Outlay	1,000	0	0	0
Total Garage	376,972	279,222	279,222	0
Non-Departmental:				
Personal Services	324,000	30,940	30,940	0
Materials and Supplies	44,000	0	0	0
Contractual Services	428,662	409,887	409,887	0
Total Non-Departmental	796,662	440,827	440,827	0
Total General Government	3,501,380	2,870,630	2,870,630	0
Total Expenditures	12,072,307	11,387,836	11,381,643	6,193

(Continued)

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – General Fund
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(743,007)	(1,042,836)	(1,058,402)	(15,566)
Other Financing Sources (Uses):				
Sale of Capital Assets	575,000	475,000	474,793	(207)
Transfers Out	(322,000)	(18,000)	(18,000)	0
Total Other Financing Sources (Uses)	253,000	457,000	456,793	(207)
Net Change in Fund Balance	(490,007)	(585,836)	(601,609)	(15,773)
Fund Balance at Beginning of Year	30,450	30,450	30,450	0
Prior Year Encumbrances	38,100	38,100	38,100	0
Fund Balance at End of Year	<u>\$ (421,457)</u>	<u>\$ (517,286)</u>	<u>\$ (533,059)</u>	<u>\$ (15,773)</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Debt Service Fund
For the Year Ended December 31, 2009**

GENERAL OBLIGATION BOND RETIREMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 729,000	\$ 719,000	\$ 719,056	\$ 56
Intergovernmental Revenues	121,000	107,000	107,003	3
Total Revenues	<u>850,000</u>	<u>826,000</u>	<u>826,059</u>	<u>59</u>
Expenditures:				
Debt Service:				
Principal Retirement	850,000	735,000	735,000	0
Interest and Fiscal Charges	0	115,000	112,262	2,738
Total Expenditures	<u>850,000</u>	<u>850,000</u>	<u>847,262</u>	<u>2,738</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(24,000)	(21,203)	2,797
Fund Balance at Beginning of Year	<u>32,394</u>	<u>32,394</u>	<u>32,394</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 32,394</u>	<u>\$ 8,394</u>	<u>\$ 11,191</u>	<u>\$ 2,797</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Funds
For the Year Ended December 31, 2009**

CAPITAL IMPROVEMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,400,000	\$ 1,420,000	\$ 1,419,653	\$ (347)
All Other Revenues	0	10,000	10,818	818
Total Revenues	1,400,000	1,430,000	1,430,471	471
Expenditures:				
Capital Outlay	1,374,057	2,923,630	2,436,999	486,631
Debt Service:				
Principal Retirement	0	240,101	193,519	46,582
Interest and Fiscal Charges	0	45,315	44,543	772
Total Expenditures	1,374,057	3,209,046	2,675,061	533,985
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,943	(1,779,046)	(1,244,590)	534,456
Other Financing Sources (Uses):				
General Obligation Notes Issued	0	680,000	680,000	0
Total Other Financing Sources (Uses)	0	680,000	680,000	0
Net Change in Fund Balance	25,943	(1,099,046)	(564,590)	534,456
Fund Balance at Beginning of Year	391,320	391,320	391,320	0
Prior Year Encumbrances	1,374,058	1,374,058	1,374,058	0
Fund Balance at End of Year	\$ 1,791,321	\$ 666,332	\$ 1,200,788	\$ 534,456

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009***

MUNICIPAL COURT GRANTS FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 60,000	\$ 53,000	\$ 53,207	\$ 207
Total Revenues	<u>60,000</u>	<u>53,000</u>	<u>53,207</u>	<u>207</u>
Expenditures:				
General Government:				
Personal Services	53,000	66,153	41,076	25,077
Materials and Supplies	<u>0</u>	<u>4,176</u>	<u>4,176</u>	<u>0</u>
Total Expenditures	<u>53,000</u>	<u>70,329</u>	<u>45,252</u>	<u>25,077</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,000	(17,329)	7,955	25,284
Fund Balance at Beginning of Year	<u>(7,955)</u>	<u>(7,955)</u>	<u>(7,955)</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (955)</u>	<u>\$ (25,284)</u>	<u>\$ 0</u>	<u>\$ 25,284</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

MUNICIPAL COURT SPECIAL PROJECT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and Forfeitures	\$ 160,000	\$ 168,000	\$ 162,229	\$ (5,771)
All Other Revenues	<u>0</u>	<u>0</u>	<u>5,888</u>	<u>5,888</u>
Total Revenues	<u>160,000</u>	<u>168,000</u>	<u>168,117</u>	<u>117</u>
Expenditures:				
General Government:				
Personal Services	64,970	115,970	78,143	37,827
Materials and Supplies	30,000	21,800	18,476	3,324
Contractual Services	39,000	47,200	46,875	325
Capital Outlay	<u>31,030</u>	<u>31,030</u>	<u>18,402</u>	<u>12,628</u>
Total Expenditures	<u>165,000</u>	<u>216,000</u>	<u>161,896</u>	<u>54,104</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	(48,000)	6,221	54,221
Fund Balance at Beginning of Year	<u>187,231</u>	<u>187,231</u>	<u>187,231</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 182,231</u>	<u>\$ 139,231</u>	<u>\$ 193,452</u>	<u>\$ 54,221</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

MUNICIPAL COURT PROBATION SERVICES FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 75,000	\$ 80,000	\$ 80,355	\$ 355
Total Revenues	<u>75,000</u>	<u>80,000</u>	<u>80,355</u>	<u>355</u>
Expenditures:				
General Government:				
Personal Services	69,700	88,680	76,942	11,738
Contractual Services	<u>7,300</u>	<u>3,413</u>	<u>3,413</u>	<u>0</u>
Total Expenditures	<u>77,000</u>	<u>92,093</u>	<u>80,355</u>	<u>11,738</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,000)	(12,093)	0	12,093
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (2,000)</u>	<u>\$ (12,093)</u>	<u>\$ 0</u>	<u>\$ 12,093</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

MUNICIPAL COURT PROGRAMS FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and Forfeitures	<u>\$ 120,000</u>	<u>\$ 94,000</u>	<u>\$ 93,963</u>	<u>\$ (37)</u>
Total Revenues	<u>120,000</u>	<u>94,000</u>	<u>93,963</u>	<u>(37)</u>
Expenditures:				
General Government:				
Personal Services	59,625	45,279	32,750	12,529
Contractual Services	<u>50,375</u>	<u>80,236</u>	<u>80,236</u>	<u>0</u>
Total Expenditures	<u>110,000</u>	<u>125,515</u>	<u>112,986</u>	<u>12,529</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,000	(31,515)	(19,023)	12,492
Fund Balance at Beginning of Year	<u>19,023</u>	<u>19,023</u>	<u>19,023</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 29,023</u></u>	<u><u>\$ (12,492)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 12,492</u></u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

MUNICIPAL COURT COMPUTER FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 40,000	\$ 39,000	\$ 39,144	\$ 144
Total Revenues	<u>40,000</u>	<u>39,000</u>	<u>39,144</u>	<u>144</u>
Expenditures:				
General Government:				
Personal Services	11,060	7,667	6,702	965
Materials and Supplies	21,940	24,165	24,165	0
Contractual Services	<u>17,000</u>	<u>17,573</u>	<u>17,573</u>	<u>0</u>
Total Expenditures	<u>50,000</u>	<u>49,405</u>	<u>48,440</u>	<u>965</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(10,405)	(9,296)	1,109
Fund Balance at Beginning of Year	<u>9,296</u>	<u>9,296</u>	<u>9,296</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (704)</u>	<u>\$ (1,109)</u>	<u>\$ 0</u>	<u>\$ 1,109</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

FIRE PENSION FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 52,000	\$ 64,000	\$ 63,674	\$ (326)
Intergovernmental Revenues	8,000	8,000	8,447	447
Total Revenues	60,000	72,000	72,121	121
Expenditures:				
Security of Persons and Property:				
Personal Services	70,000	72,263	72,263	0
Total Expenditures	70,000	72,263	72,263	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(263)	(142)	121
Fund Balance at Beginning of Year	142	142	142	0
Fund Balance at End of Year	\$ (9,858)	\$ (121)	\$ 0	\$ 121

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

POLICE PENSION FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 52,000	\$ 64,000	\$ 63,676	\$ (324)
Intergovernmental Revenues	8,000	8,000	8,448	448
Total Revenues	60,000	72,000	72,124	124
Expenditures:				
Security of Persons and Property:				
Personal Services	70,000	72,266	72,266	0
Total Expenditures	70,000	72,266	72,266	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(266)	(142)	124
Fund Balance at Beginning of Year	142	142	142	0
Fund Balance at End of Year	\$ (9,858)	\$ (124)	\$ 0	\$ 124

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

D.A.R.E. STATE GRANT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 10,000	\$ 17,000	\$ 16,482	\$ (518)
All Other Revenues	0	0	600	600
Total Revenues	10,000	17,000	17,082	82
Expenditures:				
Security of Persons and Property:				
Personal Services	11,000	10,882	6,791	4,091
Materials and Supplies	1,000	3,618	3,594	24
Contractual Services	8,000	5,500	5,438	62
Total Expenditures	20,000	20,000	15,823	4,177
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(3,000)	1,259	4,259
Fund Balance at Beginning of Year	15,538	15,538	15,538	0
Fund Balance at End of Year	\$ 5,538	\$ 12,538	\$ 16,797	\$ 4,259

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

LOCAL LAW BLOCK GRANT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 20,000	\$ 0	\$ 353	\$ 353
Total Revenues	<u>20,000</u>	<u>0</u>	<u>353</u>	<u>353</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	10,000	10,000	0	10,000
Contractual Services	29,000	29,000	24,363	4,637
Capital Outlay	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>24,363</u>	<u>15,637</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,000)	(40,000)	(24,010)	15,990
Fund Balance at Beginning of Year	<u>41,502</u>	<u>41,502</u>	<u>41,502</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 21,502</u>	<u>\$ 1,502</u>	<u>\$ 17,492</u>	<u>\$ 15,990</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

COPS FAST GRANT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 25,000	\$ 20,000	\$ 19,820	\$ (180)
Total Revenues	<u>25,000</u>	<u>20,000</u>	<u>19,820</u>	<u>(180)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	68,700	72,200	56,726	15,474
Materials and Supplies	1,200	1,200	0	1,200
Contractual Services	2,800	2,800	0	2,800
Capital Outlay	<u>52,300</u>	<u>48,800</u>	<u>0</u>	<u>48,800</u>
Total Expenditures	<u>125,000</u>	<u>125,000</u>	<u>56,726</u>	<u>68,274</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,000)	(105,000)	(36,906)	68,094
Fund Balance at Beginning of Year	<u>124,467</u>	<u>124,467</u>	<u>124,467</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 24,467</u>	<u>\$ 19,467</u>	<u>\$ 87,561</u>	<u>\$ 68,094</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

INDIGENT DRIVERS ALCOHOL TREATMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 20,000	\$ 25,000	\$ 25,186	\$ 186
Total Revenues	<u>20,000</u>	<u>25,000</u>	<u>25,186</u>	<u>186</u>
Expenditures:				
General Government:				
Contractual Services	<u>22,000</u>	<u>22,000</u>	<u>11,171</u>	<u>10,829</u>
Total Expenditures	<u>22,000</u>	<u>22,000</u>	<u>11,171</u>	<u>10,829</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,000)	3,000	14,015	11,015
Fund Balance at Beginning of Year	<u>16,760</u>	<u>16,760</u>	<u>16,760</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,760</u>	<u>\$ 19,760</u>	<u>\$ 30,775</u>	<u>\$ 11,015</u>

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009***

ENFORCEMENT AND EDUCATION FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and Forfeitures	\$ 3,000	\$ 2,000	\$ 1,702	\$ (298)
Total Revenues	<u>3,000</u>	<u>2,000</u>	<u>1,702</u>	<u>(298)</u>
Expenditures:				
General Government:				
Personal Services	0	700	481	219
Contractual Services	<u>5,000</u>	<u>4,700</u>	<u>445</u>	<u>4,255</u>
Total Expenditures	<u>5,000</u>	<u>5,400</u>	<u>926</u>	<u>4,474</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,000)	(3,400)	776	4,176
Fund Balance at Beginning of Year	<u>3,454</u>	<u>3,454</u>	<u>3,454</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,454</u>	<u>\$ 54</u>	<u>\$ 4,230</u>	<u>\$ 4,176</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

MANDATORY FINES FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fines and Forfeitures	<u>\$ 10,000</u>	<u>\$ 9,000</u>	<u>\$ 8,708</u>	<u>\$ (292)</u>
Total Revenues	<u>10,000</u>	<u>9,000</u>	<u>8,708</u>	<u>(292)</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	<u>40,000</u>	<u>40,518</u>	<u>40,518</u>	<u>0</u>
Total Expenditures	<u>40,000</u>	<u>40,518</u>	<u>40,518</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(30,000)</u>	<u>(31,518)</u>	<u>(31,810)</u>	<u>(292)</u>
Fund Balance at Beginning of Year	<u>32,350</u>	<u>32,350</u>	<u>32,350</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 2,350</u></u>	<u><u>\$ 832</u></u>	<u><u>\$ 540</u></u>	<u><u>\$ (292)</u></u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

LAW ENFORCEMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 75,000	\$ 212,000	\$ 189,942	\$ (22,058)
Total Revenues	<u>75,000</u>	<u>212,000</u>	<u>189,942</u>	<u>(22,058)</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	200,000	319,250	210,365	108,885
Total Expenditures	<u>200,000</u>	<u>319,250</u>	<u>210,365</u>	<u>108,885</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(125,000)	(107,250)	(20,423)	86,827
Fund Balance at Beginning of Year	176,065	176,065	176,065	0
Fund Balance at End of Year	<u>\$ 51,065</u>	<u>\$ 68,815</u>	<u>\$ 155,642</u>	<u>\$ 86,827</u>

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009***

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 927,000	\$ 896,000	\$ 895,927	\$ (73)
Investment Earnings	0	0	36	36
All Other Revenues	0	0	474	474
Total Revenues	<u>927,000</u>	<u>896,000</u>	<u>896,437</u>	<u>437</u>
Expenditures:				
Transportation:				
Personal Services	821,514	809,449	803,853	5,596
Materials and Supplies	84,700	69,224	63,105	6,119
Contractual Services	35,948	36,748	34,419	2,329
Capital Outlay	1,000	1,217	1,162	55
Total Expenditures	<u>943,162</u>	<u>916,638</u>	<u>902,539</u>	<u>14,099</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,162)	(20,638)	(6,102)	14,536
Fund Balance at Beginning of Year	<u>20,726</u>	<u>20,726</u>	<u>20,726</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,564</u>	<u>\$ 88</u>	<u>\$ 14,624</u>	<u>\$ 14,536</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

STATE HIGHWAY IMPROVEMENT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 65,000	\$ 65,000	\$ 65,428	\$ 428
Investment Earnings	<u>0</u>	<u>0</u>	<u>18</u>	<u>18</u>
Total Revenues	<u>65,000</u>	<u>65,000</u>	<u>65,446</u>	<u>446</u>
Expenditures:				
Transportation:				
Materials and Supplies	70,000	90,276	90,276	0
Capital Outlay	<u>0</u>	<u>50,650</u>	<u>50,650</u>	<u>0</u>
Total Expenditures	<u>70,000</u>	<u>140,926</u>	<u>140,926</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	(75,926)	(75,480)	446
Fund Balance at Beginning of Year	<u>151,172</u>	<u>151,172</u>	<u>151,172</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 146,172</u>	<u>\$ 75,246</u>	<u>\$ 75,692</u>	<u>\$ 446</u>

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009***

ENVIRONMENTAL STATE GRANTS FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 580,000	\$ 664,000	\$ 697,747	\$ 33,747
All Other Revenues	<u>0</u>	<u>0</u>	<u>8,250</u>	<u>8,250</u>
Total Revenues	<u>580,000</u>	<u>664,000</u>	<u>705,997</u>	<u>41,997</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	486,027	511,972	510,482	1,490
Materials and Supplies	15,500	15,500	8,376	7,124
Contractual Services	62,072	63,127	52,540	10,587
Capital Outlay	<u>53,370</u>	<u>40,370</u>	<u>40,176</u>	<u>194</u>
Total Expenditures	<u>616,969</u>	<u>630,969</u>	<u>611,574</u>	<u>19,395</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,969)	33,031	94,423	61,392
Other Financing Sources (Uses):				
Transfers In	<u>0</u>	<u>18,000</u>	<u>18,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>18,000</u>	<u>18,000</u>	<u>0</u>
Net Change in Fund Balance	(36,969)	51,031	112,423	61,392
Fund Balance at Beginning of Year	<u>90,941</u>	<u>90,941</u>	<u>90,941</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 53,972</u>	<u>\$ 141,972</u>	<u>\$ 203,364</u>	<u>\$ 61,392</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

COMMUNITY DEVELOPMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 270,000	\$ 275,000	\$ 286,600	\$ 11,600
Investment Earnings	0	0	43	43
All Other Revenues	30,000	30,000	30,235	235
Total Revenues	<u>300,000</u>	<u>305,000</u>	<u>316,878</u>	<u>11,878</u>
Expenditures:				
Community Environment:				
Personal Services	0	27,354	20,976	6,378
Materials and Supplies	0	5,300	4,071	1,229
Contractual Services	437,309	434,455	315,979	118,476
Total Expenditures	<u>437,309</u>	<u>467,109</u>	<u>341,026</u>	<u>126,083</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(137,309)	(162,109)	(24,148)	137,961
Fund Balance at Beginning of Year	390,040	390,040	390,040	0
Prior Year Encumbrances	23,000	23,000	23,000	0
Fund Balance at End of Year	<u>\$ 275,731</u>	<u>\$ 250,931</u>	<u>\$ 388,892</u>	<u>\$ 137,961</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

TOURISM AND CULTURAL DEVELOPMENT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 55,000	\$ 56,000	\$ 56,404	\$ 404
Total Revenues	<u>55,000</u>	<u>56,000</u>	<u>56,404</u>	<u>404</u>
Expenditures:				
Community Environment:				
Contractual Services	<u>60,000</u>	<u>60,000</u>	<u>57,462</u>	<u>2,538</u>
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>57,462</u>	<u>2,538</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	(4,000)	(1,058)	2,942
Fund Balance at Beginning of Year	<u>11,529</u>	<u>11,529</u>	<u>11,529</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,529</u>	<u>\$ 7,529</u>	<u>\$ 10,471</u>	<u>\$ 2,942</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

STATE GRANT HEALTH FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 250,000	\$ 265,000	\$ 265,809	\$ 809
Charges for Services	0	56,000	55,744	(256)
Total Revenues	<u>250,000</u>	<u>321,000</u>	<u>321,553</u>	<u>553</u>
Expenditures:				
Public Health and Welfare Services:				
Prevention:				
Personal Services	16,789	21,989	20,930	1,059
Materials and Supplies	2,295	4,995	3,719	1,276
Contractual Services	15,916	16,066	15,277	789
Capital Outlay	0	1,800	1,704	96
Total Prevention	<u>35,000</u>	<u>44,850</u>	<u>41,630</u>	<u>3,220</u>
State Grant - Safety Grant:				
Personal Services	50,483	53,723	51,426	2,297
Materials and Supplies	3,995	755	579	176
Contractual Services	3,600	3,600	2,882	718
Total State Grant - Safety Grant	<u>58,078</u>	<u>58,078</u>	<u>54,887</u>	<u>3,191</u>
Bioterrorism Grant:				
Personal Services	89,825	88,925	65,972	22,953
Materials and Supplies	8,000	8,000	4,862	3,138
Contractual Services	57,500	53,650	50,032	3,618
Capital Outlay	6,800	1,700	63	1,637
Total Bioterrorism Grant	<u>162,125</u>	<u>152,275</u>	<u>120,929</u>	<u>31,346</u>
H1N1 Grant:				
Personal Services	0	34,800	16,739	18,061
Materials and Supplies	0	13,127	10,818	2,309
Contractual Services	0	51,200	45,339	5,861
Capital Outlay	0	30,000	25,691	4,309
Total H1N1 Grant	<u>0</u>	<u>129,127</u>	<u>98,587</u>	<u>30,540</u>
Total Expenditures	<u>255,203</u>	<u>384,330</u>	<u>316,033</u>	<u>68,297</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,203)	(63,330)	5,520	68,850
Fund Balance at Beginning of Year	73,743	73,743	73,743	0
Fund Balance at End of Year	<u>\$ 68,540</u>	<u>\$ 10,413</u>	<u>\$ 79,263</u>	<u>\$ 68,850</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

RURAL AIDS STATE GRANT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 300,000	\$ 352,000	\$ 351,399	\$ (601)
All Other Revenues	0	0	1,109	1,109
Total Revenues	<u>300,000</u>	<u>352,000</u>	<u>352,508</u>	<u>508</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	252,943	244,503	243,276	1,227
Materials and Supplies	11,735	44,800	41,444	3,356
Contractual Services	48,724	66,824	61,788	5,036
Capital Outlay	500	500	0	500
Total Expenditures	<u>313,902</u>	<u>356,627</u>	<u>346,508</u>	<u>10,119</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,902)	(4,627)	6,000	10,627
Fund Balance at Beginning of Year	<u>5,835</u>	<u>5,835</u>	<u>5,835</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (8,067)</u>	<u>\$ 1,208</u>	<u>\$ 11,835</u>	<u>\$ 10,627</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

RYAN WHITE HIV CARE PART B GRANT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 110,000	\$ 93,000	\$ 91,993	\$ (1,007)
All Other Revenues	0	0	510	510
Total Revenues	110,000	93,000	92,503	(497)
Expenditures:				
Public Health and Welfare Services:				
Personal Services	81,320	57,031	57,031	0
Materials and Supplies	8,050	2,642	2,641	1
Contractual Services	22,220	34,471	34,470	1
Total Expenditures	111,590	94,144	94,142	2
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,590)	(1,144)	(1,639)	(495)
Fund Balance at Beginning of Year	2,043	2,043	2,043	0
Fund Balance at End of Year	\$ 453	\$ 899	\$ 404	\$ (495)

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

FAMILY PLANNING FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 130,000	\$ 95,000	\$ 94,241	\$ (759)
Charges for Services	65,000	57,000	57,684	684
All Other Revenues	5,000	5,000	5,477	477
Total Revenues	<u>200,000</u>	<u>157,000</u>	<u>157,402</u>	<u>402</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	155,283	112,124	112,124	0
Materials and Supplies	26,300	21,923	21,923	0
Contractual Services	28,000	29,201	29,201	0
Total Expenditures	<u>209,583</u>	<u>163,248</u>	<u>163,248</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,583)	(6,248)	(5,846)	402
Fund Balance at Beginning of Year	<u>(19,872)</u>	<u>(19,872)</u>	<u>(19,872)</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (29,455)</u>	<u>\$ (26,120)</u>	<u>\$ (25,718)</u>	<u>\$ 402</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

CHILDREN AND FAMILY HEALTH SERVICES GRANT FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 85,000	\$ 101,000	\$ 101,610	\$ 610
Total Revenues	<u>85,000</u>	<u>101,000</u>	<u>101,610</u>	<u>610</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	19,900	22,200	20,624	1,576
Materials and Supplies	1,050	3,050	2,534	516
Contractual Services	<u>96,700</u>	<u>72,088</u>	<u>71,977</u>	<u>111</u>
Total Expenditures	<u>117,650</u>	<u>97,338</u>	<u>95,135</u>	<u>2,203</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,650)	3,662	6,475	2,813
Fund Balance at Beginning of Year	<u>(1,735)</u>	<u>(1,735)</u>	<u>(1,735)</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (34,385)</u>	<u>\$ 1,927</u>	<u>\$ 4,740</u>	<u>\$ 2,813</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

F.E.M.A. GRANT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Public Health and Welfare Services:				
Contractual Services	<u> 40,000</u>	<u> 40,000</u>	<u> 0</u>	<u> 40,000</u>
Total Expenditures	<u> 40,000</u>	<u> 40,000</u>	<u> 0</u>	<u> 40,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u> (40,000)</u>	<u> (40,000)</u>	<u> 0</u>	<u> 40,000</u>
Fund Balance at Beginning of Year	<u> 41,235</u>	<u> 41,235</u>	<u> 41,235</u>	<u> 0</u>
Fund Balance at End of Year	<u><u>\$ 1,235</u></u>	<u><u>\$ 1,235</u></u>	<u><u>\$ 41,235</u></u>	<u><u>\$ 40,000</u></u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

REGIONAL HIV PREVENTION FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	<u>\$ 400,000</u>	<u>\$ 366,000</u>	<u>\$ 366,556</u>	<u>\$ 556</u>
Total Revenues	<u>400,000</u>	<u>366,000</u>	<u>366,556</u>	<u>556</u>
Expenditures:				
Public Health and Welfare Services:				
Contractual Services	<u>366,556</u>	<u>458,195</u>	<u>458,195</u>	<u>0</u>
Total Expenditures	<u>366,556</u>	<u>458,195</u>	<u>458,195</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	33,444	(92,195)	(91,639)	556
Fund Balance at Beginning of Year	<u>91,639</u>	<u>91,639</u>	<u>91,639</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 125,083</u></u>	<u><u>\$ (556)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 556</u></u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

RYAN WHITE TITLE III FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 225,000	\$ 188,000	\$ 223,336	\$ 35,336
Charges for Services	0	4,000	9,116	5,116
All Other Revenues	0	1,000	920	(80)
Total Revenues	<u>225,000</u>	<u>193,000</u>	<u>233,372</u>	<u>40,372</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	158,403	163,591	163,591	0
Materials and Supplies	21,000	24,852	24,852	0
Contractual Services	44,484	37,917	37,917	0
Total Expenditures	<u>223,887</u>	<u>226,360</u>	<u>226,360</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,113	(33,360)	7,012	40,372
Fund Balance at Beginning of Year	<u>27,358</u>	<u>27,358</u>	<u>27,358</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 28,471</u>	<u>\$ (6,002)</u>	<u>\$ 34,370</u>	<u>\$ 40,372</u>

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009***

FLOOD DEFENSE FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 180,000	\$ 200,000	\$ 199,909	\$ (91)
Intergovernmental Revenues	20,000	25,000	25,673	673
Total Revenues	200,000	225,000	225,582	582
Expenditures:				
Security of Persons and Property:				
Personal Services	141,000	149,000	94,851	54,149
Materials and Supplies	23,663	23,663	305	23,358
Contractual Services	84,803	76,803	3,993	72,810
Capital Outlay	354,390	559,390	33,150	526,240
Total Expenditures	603,856	808,856	132,299	676,557
Excess (Deficiency) of Revenues Over (Under) Expenditures	(403,856)	(583,856)	93,283	677,139
Fund Balance at Beginning of Year	616,065	616,065	616,065	0
Prior Year Encumbrances	257,893	257,893	257,893	0
Fund Balance at End of Year	\$ 470,102	\$ 290,102	\$ 967,241	\$ 677,139

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

LAND REUTILIZATION FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses and Permits	\$ 0	\$ 0	\$ 100	\$ 100
All Other Revenues	0	0	2,500	2,500
Total Revenues	<u>0</u>	<u>0</u>	<u>2,600</u>	<u>2,600</u>
Expenditures:				
Public Health and Welfare Services:				
Contractual Services	2,000	2,222	2,222	0
Total Expenditures	<u>2,000</u>	<u>2,222</u>	<u>2,222</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,000)	(2,222)	378	2,600
Other Financing Sources (Uses):				
Transfers In	25,000	3,000	0	(3,000)
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>3,000</u>	<u>0</u>	<u>(3,000)</u>
Net Change in Fund Balance	23,000	778	378	(400)
Fund Balance at Beginning of Year	2,000	2,000	2,000	0
Fund Balance at End of Year	<u>\$ 25,000</u>	<u>\$ 2,778</u>	<u>\$ 2,378</u>	<u>\$ (400)</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

ARRA - STIMULUS GRANT FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 205,427	\$ 205,427
Total Revenues	<u>0</u>	<u>0</u>	<u>205,427</u>	<u>205,427</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	205,427	205,427
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 205,427</u>	<u>\$ 205,427</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

COUNCIL TRUST FOR RECREATION FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 85,000	\$ 54,000	\$ 54,362	\$ 362
All Other Revenues	5,000	3,000	2,637	(363)
Total Revenues	90,000	57,000	56,999	(1)
Expenditures:				
Leisure Time Activities:				
Personal Services	41,986	41,886	30,743	11,143
Materials and Supplies	7,050	5,282	4,393	889
Contractual Services	15,525	17,394	16,602	792
Total Expenditures	64,561	64,562	51,738	12,824
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,439	(7,562)	5,261	12,823
Fund Balance at Beginning of Year	68,076	68,076	68,076	0
Fund Balance at End of Year	\$ 93,515	\$ 60,514	\$ 73,337	\$ 12,823

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009**

PLAYGROUND TRUST FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment Earnings	\$ 0	\$ 0	\$ 133	\$ 133
All Other Revenues	<u>2,000</u>	<u>2,000</u>	<u>0</u>	<u>(2,000)</u>
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>133</u>	<u>(1,867)</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,000	2,000	133	(1,867)
Fund Balance at Beginning of Year	<u>12,504</u>	<u>12,504</u>	<u>12,504</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,504</u>	<u>\$ 14,504</u>	<u>\$ 12,637</u>	<u>\$ (1,867)</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Fund
For the Year Ended December 31, 2009**

CEMETERY TRUST FUND

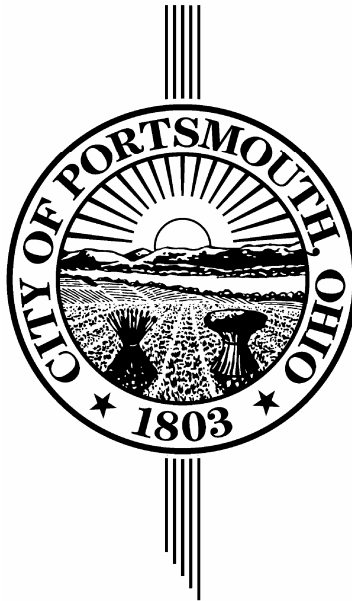
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 0	\$ 11,000	\$ 9,000	\$ (2,000)
Investment Earnings	0	0	2,027	2,027
All Other Revenues	0	0	473	473
Total Revenues	0	11,000	11,500	500
Expenditures:				
Public Health and Welfare Services:				
Contractual Services	1,000	1,300	420	880
Capital Outlay	0	10,000	9,298	702
Total Expenditures	1,000	11,300	9,718	1,582
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,000)	(300)	1,782	2,082
Fund Balance at Beginning of Year	179,844	179,844	179,844	0
Fund Balance at End of Year	\$ 178,844	\$ 179,544	\$ 181,626	\$ 2,082

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Fund
For the Year Ended December 31, 2009**

MAUSOLEUM TRUST FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment Earnings	\$ 0	\$ 0	\$ 66	\$ 66
Total Revenues	<u>0</u>	<u>0</u>	<u>66</u>	<u>66</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	66	66
Fund Balance at Beginning of Year	<u>4,786</u>	<u>4,786</u>	<u>4,786</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,786</u>	<u>\$ 4,786</u>	<u>\$ 4,852</u>	<u>\$ 66</u>



Fiduciary Funds

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

Agency Funds

Performance Bonds Fund

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

Law Library Fund

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

Ohio Board of Building Standards Fund

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

Municipal Court Fund

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

Insurance Fund

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

CITY OF PORTSMOUTH, OHIO

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2009**

	Balance December 31, 2008	Additions	Deductions	Balance December 31, 2009
Performance Bonds Fund				
Restricted Assets:				
Cash and Cash Equivalents	\$11,592	\$49,310	(\$23,646)	\$37,256
Total Assets	<u>\$11,592</u>	<u>\$49,310</u>	<u>(\$23,646)</u>	<u>\$37,256</u>
Liabilities:				
Due to Others	\$11,592	\$49,310	(\$23,646)	\$37,256
Total Liabilities	<u>\$11,592</u>	<u>\$49,310</u>	<u>(\$23,646)</u>	<u>\$37,256</u>
Law Library Fund				
Assets:				
Accounts Receivable	\$17,539	\$18,965	(\$17,539)	\$18,965
Restricted Assets:				
Cash and Cash Equivalents	2,411	45,439	(43,823)	4,027
Total Assets	<u>\$19,950</u>	<u>\$64,404</u>	<u>(\$61,362)</u>	<u>\$22,992</u>
Liabilities:				
Due to Others	\$19,950	\$64,404	(\$61,362)	\$22,992
Total Liabilities	<u>\$19,950</u>	<u>\$64,404</u>	<u>(\$61,362)</u>	<u>\$22,992</u>
Ohio Board of Building Standards Fund				
Restricted Assets:				
Cash and Cash Equivalents	\$697	\$2,004	(\$478)	\$2,223
Total Assets	<u>\$697</u>	<u>\$2,004</u>	<u>(\$478)</u>	<u>\$2,223</u>
Liabilities:				
Due to Others	\$697	\$2,004	(\$478)	\$2,223
Total Liabilities	<u>\$697</u>	<u>\$2,004</u>	<u>(\$478)</u>	<u>\$2,223</u>
Municipal Court Fund				
Assets:				
Accounts Receivable	\$327,090	\$328,888	(\$327,090)	\$328,888
Restricted Assets:				
Cash and Cash Equivalents	89,198	1,525,668	(1,514,214)	100,652
Total Assets	<u>\$416,288</u>	<u>\$1,854,556</u>	<u>(\$1,841,304)</u>	<u>\$429,540</u>
Liabilities:				
Intergovernmental Payables	\$35,234	\$632,940	(\$615,429)	\$52,745
Due to Others	381,054	1,221,616	(1,225,875)	376,795
Total Liabilities	<u>\$416,288</u>	<u>\$1,854,556</u>	<u>(\$1,841,304)</u>	<u>\$429,540</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2009**

	Balance December 31, 2008	Additions	Deductions	Balance December 31, 2009
Insurance Fund				
Assets:				
Cash and Cash Equivalents	\$0	\$2,783,709	(\$2,783,709)	\$0
Total Assets	<u>\$0</u>	<u>\$2,783,709</u>	<u>(\$2,783,709)</u>	<u>\$0</u>
Liabilities:				
Due to Others	\$0	\$2,783,709	(\$2,783,709)	\$0
Total Liabilities	<u>\$0</u>	<u>\$2,783,709</u>	<u>(\$2,783,709)</u>	<u>\$0</u>
Totals - All Agency Funds				
Assets:				
Accounts Receivable	\$344,629	\$347,853	(\$344,629)	\$347,853
Restricted Assets:				
Cash and Cash Equivalents	103,898	4,406,130	(4,365,870)	144,158
Total Assets	<u>\$448,527</u>	<u>\$4,753,983</u>	<u>(\$4,710,499)</u>	<u>\$492,011</u>
Liabilities:				
Intergovernmental Payables	\$35,234	\$632,940	(\$615,429)	\$52,745
Due to Others	413,293	4,121,043	(4,095,070)	439,266
Total Liabilities	<u>\$448,527</u>	<u>\$4,753,983</u>	<u>(\$4,710,499)</u>	<u>\$492,011</u>

*CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS*

CITY OF PORTSMOUTH, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
December 31, 2009***

<u>Capital Assets</u>	
Land	\$1,826,884
Buildings and Improvements	6,280,239
Land Improvements	2,135,500
Machinery and Equipment	9,407,854
Infrastructure	<u>28,305,761</u>
Total Capital Assets	<u>\$47,956,238</u>
<u>Investment in Capital Assets</u>	
General Fund	\$140,798
Special Revenue Funds	2,254,343
Capital Projects Fund	45,088,807
Permanent Funds	40,330
Proprietary Funds	123,285
Internal Service Funds	3,399
Grants	289,276
Donated	<u>16,000</u>
Total Investment in Capital Assets	<u>\$47,956,238</u>

CITY OF PORTSMOUTH, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2009***

Function and Activity	Land	Buildings and Improvements	Land Improvements
<u>General Government:</u>			
City Council	\$50,078	\$67,344	\$0
Executive	0	3,919,751	267,106
Finance	0	0	0
Municipal Court	0	0	0
Income Tax	0	0	0
Engineering	0	432,507	0
Public Service	0	50,226	360,812
City Garage	0	0	0
Total	50,078	4,469,828	627,918
<u>Security of Persons and Property:</u>			
Police	0	0	0
Fire	183,982	598,888	0
Flood Defense	0	5,425	362,206
Total	183,982	604,313	362,206
<u>Transportation:</u>			
General Street Construction	1,258,853	0	0
<u>Public Health and Welfare:</u>			
Cemetery	17,632	118,682	0
Air Pollution	0	5,168	0
Health	0	0	0
Total	17,632	123,850	0
<u>Leisure Time Activities:</u>			
Recreation	316,339	732,080	115,605
<u>Community Environment:</u>			
Community Development	0	0	993,142
Grounds Maintenance	0	350,168	36,629
Total	0	350,168	1,029,771
Total Capital Assets	\$1,826,884	\$6,280,239	\$2,135,500

CITY OF PORTSMOUTH, OHIO

<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Totals</u>
\$12,739	\$0	\$130,161
297,899	0	4,484,756
32,110	0	32,110
223,510	0	223,510
32,694	0	32,694
430,868	0	863,375
893,984	0	1,305,022
83,848	0	83,848
<u>2,007,652</u>	<u>0</u>	<u>7,155,476</u>
1,727,456	0	1,727,456
3,187,064	0	3,969,934
266,126	0	633,757
<u>5,180,646</u>	<u>0</u>	<u>6,331,147</u>
<u>1,116,548</u>	<u>28,305,761</u>	<u>30,681,162</u>
133,193	0	269,507
327,372	0	332,540
278,589	0	278,589
739,154	0	880,636
<u>56,645</u>	<u>0</u>	<u>1,220,669</u>
16,879	0	1,010,021
290,330	0	677,127
307,209	0	1,687,148
<u>\$9,407,854</u>	<u>\$28,305,761</u>	<u>\$47,956,238</u>

CITY OF PORTSMOUTH, OHIO

***Capital Assets Used in the Operation of Governmental Funds
Schedule Changes by Function and Activity
For Year Ended December 31, 2009***

Function and Activity	December 31, 2008	Additions	Deletions	December 31, 2009
<u>General Government:</u>				
City Council	\$130,161	\$0	\$0	\$130,161
Executive	4,484,756	0	0	4,484,756
Finance	32,110	0	0	32,110
Municipal Court	212,110	11,400	0	223,510
Income Tax	20,948	26,232	(14,486)	32,694
Engineering	826,467	36,908	0	863,375
Public Service	1,143,346	161,676	0	1,305,022
City Garage	83,848	0	0	83,848
Total	6,933,746	236,216	(14,486)	7,155,476
<u>Security of Persons and Property:</u>				
Police	1,679,507	47,949	0	1,727,456
Fire	3,169,883	1,277,696	(477,645)	3,969,934
Flood Defense	633,757	0	0	633,757
Total	5,483,147	1,325,645	(477,645)	6,331,147
<u>Transportation:</u>				
General Street Construction	30,493,074	200,000	(11,912)	30,681,162
<u>Public Health and Welfare:</u>				
Cemetery	269,507	0	0	269,507
Air Pollution	332,540	0	0	332,540
Health	261,499	17,090	0	278,589
Total	863,546	17,090	0	880,636
<u>Leisure Time Activities:</u>				
Recreation	1,220,669	0	0	1,220,669
<u>Community Environment:</u>				
Community Development	1,010,021	0	0	1,010,021
Grounds Maintenance	657,819	19,308	0	677,127
Total	1,667,840	19,308	0	1,687,148
Total Capital Assets	\$46,662,022	\$1,798,259	(\$504,043)	\$47,956,238

STATISTICAL SECTION





STATISTICAL TABLES

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

Contents

Financial Trends	S 2 – S 11
These schedules contain trend information to help the reader understand how the City’s financial position has changed over time.	
Revenue Capacity	S 12 – S 15
These schedules contain information to help the reader understand and assess the factors affecting the City’s ability to generate its most significant local revenue sources, which the income tax.	
Debt Capacity	S 16 – S 25
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Economic and Demographic Information	S 26 – S 28
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City’s financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
Operating Information	S 29 – S 33
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the district provides and the activities it performs.	
Sources Note:	
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.	

City of Portsmouth

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

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

Source: City Auditor's Office

City of Portsmouth

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$19,314,512	\$18,230,304	\$17,772,546
5,064,839	5,412,572	6,422,601
274,557	(445,016)	(338,079)
<u>\$24,653,908</u>	<u>\$23,197,860</u>	<u>\$23,857,068</u>

\$9,373,296	\$9,820,832	\$11,824,349
783,278	755,780	873,786
3,074,363	2,750,796	(197,607)
<u>\$13,230,937</u>	<u>\$13,327,408</u>	<u>\$12,500,528</u>

\$28,687,808	\$28,051,136	\$29,596,895
5,848,117	6,168,352	7,296,387
3,348,920	2,305,780	(535,686)
<u>\$37,884,845</u>	<u>\$36,525,268</u>	<u>\$36,357,596</u>

City of Portsmouth

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

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

City of Portsmouth

<u>2007</u>	<u>2008</u>	<u>2009</u>
\$7,625,070	\$7,842,183	\$8,036,231
2,861,477	2,986,843	3,040,836
26,055	38,446	67,947
454,715	585,826	750,295
2,534,541	2,532,238	2,468,391
4,122,079	4,271,908	4,093,595
138,677	158,664	158,928
<u>17,762,614</u>	<u>18,416,108</u>	<u>18,616,223</u>
5,659,269	5,491,584	6,377,550
2,690,618	2,920,998	2,631,047
1,295,143	1,463,080	1,394,427
160,583	190,251	82,577
<u>9,805,613</u>	<u>10,065,913</u>	<u>10,485,601</u>
<u>\$27,568,227</u>	<u>\$28,482,021</u>	<u>\$29,101,824</u>

\$1,064,597	\$917,498	\$1,058,701
427,938	405,343	374,135
81,513	73,823	75,800
204,896	194,868	88,559
59,246	40,901	36,450
377,847	423,422	402,007
3,388,057	3,350,201	5,066,400
0	0	0
<u>5,604,094</u>	<u>5,406,056</u>	<u>7,102,052</u>

(continued)

City of Portsmouth

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

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

Source: City Auditor's Office

City of Portsmouth

2007	2008	2009
5,641,577	5,689,761	5,497,291
2,639,583	2,645,697	2,620,549
1,322,894	1,332,278	1,417,370
82,039	126,946	61,011
0	231,602	0
<u>9,686,093</u>	<u>10,026,284</u>	<u>9,596,221</u>
<u>15,290,187</u>	<u>15,432,340</u>	<u>16,698,273</u>
(12,158,520)	(13,010,052)	(11,514,171)
(119,520)	(39,629)	(889,380)
<u>(\$12,278,040)</u>	<u>(\$13,049,681)</u>	<u>(\$12,403,551)</u>
\$1,742,823	\$1,681,199	\$1,774,175
344,718	320,395	336,757
150,919	233,466	755,347
6,349,696	6,686,131	6,573,256
266,330	288,923	343,294
2,037,424	2,183,479	1,815,651
341,030	119,544	2,347
204,325	176,967	635,052
(150,000)	(136,100)	(62,500)
<u>11,287,265</u>	<u>11,554,004</u>	<u>12,173,379</u>
150,000	136,100	62,500
<u>150,000</u>	<u>136,100</u>	<u>62,500</u>
<u>\$11,437,265</u>	<u>\$11,690,104</u>	<u>\$12,235,879</u>
(\$871,255)	(\$1,456,048)	\$659,208
30,480	96,471	(826,880)
<u>(\$840,775)</u>	<u>(\$1,359,577)</u>	<u>(\$167,672)</u>

City of Portsmouth

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Fund				
Reserved	\$114,382	\$150,827	\$97,713	\$108,831
Unreserved	2,594,720	1,931,759	933,037	704,284
<i>Total General Fund</i>	<u>2,709,102</u>	<u>2,082,586</u>	<u>1,030,750</u>	<u>813,115</u>
All Other Governmental Funds				
Reserved	2,755,854	2,674,575	2,597,638	275,950
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,931,418	2,181,004	2,469,590	2,423,614
Capital Projects Funds	141,238	310,165	(1,711,167)	235,713
Permanent Fund	0	0	0	178,966
<i>Total All Other Governmental Funds</i>	<u>4,828,510</u>	<u>5,165,744</u>	<u>3,356,061</u>	<u>3,114,243</u>
<i>Total Governmental Funds</i>	<u><u>\$7,537,612</u></u>	<u><u>\$7,248,330</u></u>	<u><u>\$4,386,811</u></u>	<u><u>\$3,927,358</u></u>

Source: City Auditor's Office

NOTE: Years 2000-2002 do not include the Nonexpendable Trust Funds and the Council Trust for Recreation and Playground Trust Funds which were classified as Fiduciary Funds prior to implementing GASB 34 in 2003.

City of Portsmouth

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$97,635	\$98,476	\$82,472	\$129,318	\$68,808	\$72,684
<u>1,170,835</u>	<u>864,105</u>	<u>619,184</u>	<u>669,976</u>	<u>194,845</u>	<u>(72,347)</u>
<u>1,268,470</u>	<u>962,581</u>	<u>701,656</u>	<u>799,294</u>	<u>263,653</u>	<u>337</u>
347,033	416,408	535,621	399,443	1,748,111	572,079
2,274,291	2,770,689	2,519,419	2,578,171	2,575,725	3,250,194
649,230	780,868	969,910	1,409,916	(133,202)	671,599
<u>173,511</u>	<u>168,324</u>	<u>174,297</u>	<u>161,071</u>	<u>159,392</u>	<u>159,635</u>
<u>3,444,065</u>	<u>4,136,289</u>	<u>4,199,247</u>	<u>4,548,601</u>	<u>4,350,026</u>	<u>4,653,507</u>
<u>\$4,712,535</u>	<u>\$5,098,870</u>	<u>\$4,900,903</u>	<u>\$5,347,895</u>	<u>\$4,613,679</u>	<u>\$4,653,844</u>

City of Portsmouth

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

	2000	2001	2002	2003
Revenues:				
Taxes	\$7,704,373	\$7,830,364	\$8,029,034	\$7,791,325
Intergovernmental Revenues	6,318,644	5,182,900	5,994,416	5,463,082
Charges for Services	447,215	402,186	471,528	654,975
Licenses and Permits	115,686	193,254	177,129	231,125
Investment Earnings	636,947	353,764	136,409	47,865
Special Assessments	154,473	156,083	154,864	0
Fines and Forfeitures	919,845	933,608	917,757	994,915
All Other Revenue	418,047	507,925	374,085	482,914
Total Revenue	<u>16,715,230</u>	<u>15,560,084</u>	<u>16,255,222</u>	<u>15,666,201</u>
Expenditures:				
Current:				
Security of Persons and Property	5,757,590	5,991,355	6,423,187	6,572,469
Public Health and Welfare Services	2,373,333	2,769,406	2,708,280	2,565,485
Leisure Time Activities	0	0	0	73,507
Community Environment	1,367,040	626,376	695,134	371,813
Transportation	1,300,667	1,307,038	1,417,750	2,292,674
General Government	3,216,901	3,572,084	3,434,883	3,403,628
Capital Outlay	1,545,779	2,017,237	4,007,499	665,748
Debt Service:				
Principal Retirement	197,139	2,302,391	175,000	252,306
Interest and Fiscal Charges	150,015	124,271	159,738	151,542
Total Expenditures	<u>15,908,464</u>	<u>18,710,158</u>	<u>19,021,471</u>	<u>16,349,172</u>
Excess (Deficiency) of Revenues Over Expenditures	806,766	(3,150,074)	(2,766,249)	(682,971)
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	20,350	13,000	16,930	21,398
Other Financing Sources - Capital Leases	312,960	0	0	0
General Obligation Bonds Issued	0	2,090,000	0	0
Transfers In	145,446	415,604	364,296	4,106,809
Transfers Out	(145,308)	(461,403)	(443,907)	(4,262,989)
Total Other Financing Sources (Uses)	<u>333,448</u>	<u>2,057,201</u>	<u>(62,681)</u>	<u>(134,782)</u>
Net Change in Fund Balance	<u>\$1,140,214</u>	<u>(\$1,092,873)</u>	<u>(\$2,828,930)</u>	<u>(\$817,753)</u>
Debt Service as a Percentage of Noncapital Expenditures	2.35%	13.95%	2.17%	2.56%

Source: City Auditor's Office

NOTE: Years 2000-2002 do not include the Nonexpendable Trust Funds and the Council Trust for Recreation and Playground Trust Funds which were classified as Fiduciary Funds prior to implementing GASB 34 in 2003.

City of Portsmouth

2004	2005	2006	2007	2008	2009
\$8,380,980	\$8,250,795	\$8,310,392	\$8,705,227	\$9,100,353	\$9,699,794
5,484,792	5,123,524	5,068,076	5,442,279	5,421,898	5,989,859
669,104	498,169	526,403	628,968	565,075	568,133
286,046	189,102	174,978	255,533	232,738	199,195
41,254	144,644	343,205	341,030	119,544	2,347
465	0	781	0	0	0
1,013,920	1,138,755	1,181,478	1,251,120	1,180,816	1,248,024
308,498	517,542	302,800	308,225	491,256	199,061
<u>16,185,059</u>	<u>15,862,531</u>	<u>15,908,113</u>	<u>16,932,382</u>	<u>17,111,680</u>	<u>17,906,413</u>
6,349,582	6,532,111	6,868,634	7,264,770	7,444,324	7,696,770
2,539,607	2,851,886	2,957,064	2,806,647	2,910,053	2,966,839
72,782	111,168	99,621	19,116	25,986	52,655
677,336	404,492	562,329	587,307	527,297	682,718
1,110,311	1,117,116	1,168,987	1,484,907	1,463,599	1,402,940
3,203,359	3,277,687	3,303,143	3,133,796	3,430,535	3,215,256
1,275,007	985,797	1,418,055	1,601,796	1,677,173	1,933,349
114,002	98,607	153,071	179,200	195,134	248,519
115,616	110,808	102,436	139,489	159,480	159,771
<u>15,457,602</u>	<u>15,489,672</u>	<u>16,633,340</u>	<u>17,217,028</u>	<u>17,833,581</u>	<u>18,358,817</u>
727,457	372,859	(725,227)	(284,646)	(721,901)	(452,404)
8,312	5,584	32,001	22,637	0	474,793
0	0	497,862	852,153	0	0
65,000	0	0	0	0	0
545,860	101,396	18,000	18,000	20,000	716,242
(545,860)	(101,396)	(18,000)	(168,000)	(20,000)	(716,242)
<u>73,312</u>	<u>5,584</u>	<u>529,863</u>	<u>724,790</u>	<u>0</u>	<u>474,793</u>
<u>\$800,769</u>	<u>\$378,443</u>	<u>(\$195,364)</u>	<u>\$440,144</u>	<u>(\$721,901)</u>	<u>\$22,389</u>
1.54%	1.41%	1.66%	2.00%	2.12%	2.40%

City of Portsmouth

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Income Tax Rate	1.40%	1.40%	1.40%	1.40%
Estimated Personal Income (in thousands)	\$412,200	\$423,219	\$437,207	\$451,195
Total Tax Collected	\$5,437,546	\$5,442,422	\$5,537,363	\$5,675,462
Income Tax Receipts				
Withholding	4,528,100	4,735,608	4,795,049	4,877,783
Percentage	83.27%	87.01%	86.59%	85.95%
Corporate	651,877	472,677	499,226	536,746
Percentage	11.99%	8.69%	9.02%	9.46%
Individuals	257,569	234,137	243,088	260,933
Percentage	4.74%	4.30%	4.39%	4.60%

Source: City Income Tax Department

City of Portsmouth

2004	2005	2006	2007	2008	2009
1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
\$477,896	\$484,566	\$499,328	\$534,476	\$576,273	\$576,273
\$5,853,487	\$6,275,016	\$6,036,828	\$6,178,521	\$7,057,662	\$6,624,731
5,126,945	5,429,215	5,211,420	5,323,577	6,202,595	5,775,601
87.59%	86.52%	86.33%	86.16%	87.88%	87.18%
503,000	614,148	564,472	629,463	613,663	603,317
8.59%	9.79%	9.35%	10.19%	8.69%	9.11%
223,542	231,653	260,936	225,481	241,404	245,813
3.82%	3.69%	4.32%	3.65%	3.42%	3.71%



City of Portsmouth

Income Tax Collections Current Year and Nine Years Ago

Calendar Year 2009

Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	0.15%	\$201,047,857	42.49%	\$2,814,670	42.49%
All Others	6,464	99.85%	272,147,214	57.51%	3,810,061	57.51%
Total	6,474	100.00%	\$473,195,071	100.00%	\$6,624,731	100.00%

Calendar Year 2000

Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	N/A	\$144,145,286	37.11%	\$2,018,034	37.11%
All Others	N/A	N/A	244,250,857	62.89%	3,419,512	62.89%
Total	N/A	N/A	\$388,396,143	100.00%	\$5,437,546	100.00%

Source: City Income Tax Department

N/A - Not available

City of Portsmouth

Ratio of Outstanding Debt By Type Last Ten Years

	2000	2001	2002	2003
Governmental Activities ⁽¹⁾				
Special Assessment Bonds Payable	\$410,000	\$280,000	\$145,000	\$0
General Obligation Bonds Payable	0	2,090,000	2,050,000	2,005,000
Bond Anticipation Notes Payable	0	0	0	0
Capital Leases	276,683	222,272	164,047	101,741
Business-type Activities ⁽¹⁾				
OWDA Loan Payable	\$664,202	\$412,217	\$281,536	\$0
OPWC Loan Payable	22,565	600,266	562,747	525,000
General Obligation Bonds Payable	3,295,000	3,040,000	2,770,000	0
Mortgage Revenue Bonds Payable	0	600,000	594,400	0
Water Refunding Revenue Bonds Payable	0	0	0	5,255,333
Capital Leases	0	164,107	286,477	584,615
Total Primary Government	<u>\$4,668,450</u>	<u>\$7,408,862</u>	<u>\$6,854,207</u>	<u>\$8,471,689</u>
Population ⁽²⁾				
City of Portsmouth	20,909	20,909	20,909	20,909
Outstanding Debt Per Capita	\$223	\$354	\$328	\$405
Income ⁽³⁾				
Personal (in thousands)	412,200	423,219	437,207	451,195
Percentage of Personal Income	1.13%	1.75%	1.57%	1.88%

Sources:

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

City of Portsmouth

2004	2005	2006	2007	2008	2009
\$0	\$0	\$0	\$0	\$0	\$0
1,960,000	1,915,000	1,865,000	1,815,000	1,760,000	1,705,000
65,000	44,132	22,475	0	0	0
32,739	0	416,448	1,161,876	1,021,742	828,223
\$0	\$0	\$0	\$1,732,784	\$4,094,027	\$3,968,134
495,000	465,000	435,000	405,000	913,377	1,060,000
0	0	0	0	0	0
0	0	0	0	0	0
4,900,285	4,540,237	4,170,189	3,790,141	3,400,093	2,995,045
571,921	456,278	305,421	7,855,343	7,661,637	6,901,831
<u>\$8,024,945</u>	<u>\$7,420,647</u>	<u>\$7,214,533</u>	<u>\$16,760,144</u>	<u>\$18,850,876</u>	<u>\$17,458,233</u>

20,909	20,909	20,909	20,909	20,909	20,909
\$384	\$355	\$345	\$802	\$902	\$835

477,896	484,566	499,328	534,476	576,273	576,273
1.68%	1.53%	1.44%	3.14%	3.27%	3.03%

City of Portsmouth

Ratios of General Bonded Debt Outstanding Last Ten Years

Year	2000	2001	2002	2003
Population ⁽¹⁾	20,909	20,909	20,909	20,909
Assessed Value ⁽²⁾	\$190,482,970	\$207,689,570	\$206,248,060	\$207,459,910
General Bonded Debt ⁽³⁾				
General Obligation Bonds-Governmental	\$0	\$2,090,000	\$2,050,000	\$2,005,000
General Obligation Bonds-Proprietary	\$3,295,000	\$3,040,000	\$2,770,000	\$0
Resources Available to Pay Principal ⁽⁴⁾	\$1,616,429	\$2,108,332	\$2,303,009	\$102,150
Net General Bonded Debt	\$1,678,571	\$3,021,668	\$2,516,991	\$1,902,850
Ratio of Net Bonded Debt to Assessed Value	0.88%	1.45%	1.22%	0.92%
Net Bonded Debt per Capita	\$80.28	\$144.52	\$120.38	\$91.01

Source:

- (1) U.S. Bureau of Census of Population
- (2) Scioto County Auditor
- (3) Includes all general obligation bonded debt.
- (4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

City of Portsmouth

2004	2005	2006	2007	2008	2009
20,909	20,909	20,909	20,909	20,909	20,909
\$219,358,780	\$223,629,450	\$220,033,280	\$228,185,580	\$221,748,980	\$214,886,500
\$1,960,000	\$1,915,000	\$1,865,000	\$1,815,000	\$1,760,000	\$1,705,000
\$0	\$0	\$0	\$0	\$0	\$0
\$98,936	\$65,248	\$25,419	\$31,275	\$32,394	\$11,191
\$1,861,064	\$1,849,752	\$1,839,581	\$1,783,725	\$1,727,606	\$1,693,809
0.85%	0.83%	0.84%	0.78%	0.78%	0.79%
\$89.01	\$88.47	\$87.98	\$85.31	\$82.62	\$81.01



City of Portsmouth

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2009*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Portsmouth</u>	<u>Amount Applicable to the City of Portsmouth</u>
Direct:			
City of Portsmouth	\$2,385,000	100.00%	\$2,385,000
Overlapping:			
Scioto County	16,142,202	23.79%	3,840,230
Portsmouth City School District	15,187,197	93.07%	<u>14,134,724</u>
		Subtotal	<u>17,974,954</u>
		Total	<u><u>\$20,359,954</u></u>

Source: Scioto County Auditor
Portsmouth City School District

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

City of Portsmouth

*Debt Limitations
Last Ten Years*

Collection Year	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$190,482,970	\$207,689,570	\$206,248,060	\$207,459,910
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	20,000,712	21,807,405	21,656,046	21,783,291
City Debt Outstanding (2)	0	2,090,000	2,050,000	2,005,000
Less: Applicable Debt Service Fund Amounts	0	(2,108,332)	(2,303,009)	(102,150)
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,902,850</u>
Overall Legal Debt Margin	<u>\$20,000,712</u>	<u>\$21,807,405</u>	<u>\$21,656,046</u>	<u>\$19,880,441</u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$190,482,970	\$207,689,570	\$206,248,060	\$207,459,910
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	10,476,563	11,422,926	11,343,643	11,410,295
City Debt Outstanding (2)	0	2,090,000	2,050,000	2,005,000
Less: Applicable Debt Service Fund Amounts	0	(2,108,332)	(2,303,009)	(102,150)
Net Indebtedness Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,902,850</u>
Overall Legal Debt Margin	<u>\$10,476,563</u>	<u>\$11,422,926</u>	<u>\$11,343,643</u>	<u>\$9,507,445</u>

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

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

Source: City Auditor's Office

City of Portsmouth

2004	2005	2006	2007	2008	2009
\$219,358,780	\$223,629,450	\$220,033,280	\$228,185,580	\$221,748,980	\$214,886,500
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
23,032,672	23,481,092	23,103,494	23,959,486	23,283,643	22,563,083
2,025,000	1,959,132	1,887,475	1,815,000	2,440,000	2,385,000
(98,936)	(65,248)	(25,419)	(31,275)	(32,394)	(11,191)
1,926,064	1,893,884	1,862,056	1,783,725	2,407,606	2,373,809
\$21,106,608	\$21,587,208	\$21,241,438	\$22,175,761	\$20,876,037	\$20,189,274
\$219,358,780	\$223,629,450	\$220,033,280	\$228,185,580	\$221,748,980	\$214,886,500
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
12,064,733	12,299,620	12,101,830	12,550,207	12,196,194	11,818,758
2,025,000	1,959,132	1,887,475	1,815,000	2,440,000	2,385,000
(98,936)	(65,248)	(25,419)	(31,275)	(32,394)	(11,191)
1,926,064	1,893,884	1,862,056	1,783,725	2,407,606	2,373,809
\$10,138,669	\$10,405,736	\$10,239,774	\$10,766,482	\$9,788,588	\$9,444,949

City of Portsmouth

Pledged Revenue Coverage Last Ten Years

	2000	2001	2002	2003
Water Mortgage Bonds (1)				
Gross Revenues (2)	\$4,149,244	\$4,095,407	\$4,258,687	\$4,810,736
Direct Operating Expenses (3)	3,030,217	3,209,930	3,268,930	3,695,797
Net Revenue Available for Debt Service	1,119,027	885,477	989,757	1,114,939
Annual Debt Service Requirement	0	0	32,600	121,070
Coverage	N/A	N/A	30.36	9.21
Special Assessment Bonds (4)				
Special Assessment Collections	\$176,376	\$148,062	\$154,864	\$149,637
Debt Service				
Principal	125,000	130,000	135,000	145,000
Interest	27,931	21,525	14,700	7,613
Coverage	1.15	0.98	1.03	0.98

(1) Water Mortgage Revenue Bonds were issued in 2001 in the amount of \$600,000. These were refunded in 2003 with the issuance of \$5,500,000 of Water Mortgage Revenue Bonds.

(2) Gross revenues include operating revenues plus interest income.

(3) Direct operating expenses include operating expenses less depreciation.

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

Source: City Auditor's Office

City of Portsmouth

2004	2005	2006	2007	2008	2009
\$4,739,065	\$5,144,913	\$5,559,506	\$5,641,577	\$5,689,761	\$5,497,291
4,083,172	4,245,597	4,092,557	4,882,428	4,385,597	4,942,827
655,893	899,316	1,466,949	759,149	1,304,164	554,464
575,525	573,456	574,443	573,155	570,024	570,418
1.14	1.57	2.55	1.32	2.29	0.97
\$465	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
N/A	N/A	N/A	N/A	N/A	N/A

City of Portsmouth

Demographic and Economic Statistics Last Ten Years

Calendar Year	2000	2001	2002	2003	2004
Population (1)					
City of Portsmouth	20,909	20,909	20,909	20,909	20,909
Scioto County	79,195	79,195	79,195	79,195	79,195
Income (2) (a)					
Total Personal (in thousands)	412,200	423,219	437,207	451,195	477,896
Per Capita	19,714	20,241	20,910	21,579	22,856
Unemployment Rate (3)					
Federal	4.2%	3.8%	4.8%	5.8%	6.0%
State	4.3%	3.7%	4.3%	5.7%	6.1%
Scioto County	8.8%	7.0%	7.8%	8.6%	9.0%
Civilian Work Force Estimates (3)					
State	5,900,400	5,857,000	5,828,000	5,915,000	5,875,300
Scioto County	32,800	33,600	34,100	33,900	32,900

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2008.

For the presentation of 2009 statistics, the City is using the latest information available.

(a) Per Capita Income is only available by County, Total Personal Income is a calculation

(3) State Department of Labor Statistics

City of Portsmouth

2005	2006	2007	2008	2009
20,909	20,909	20,909	20,909	20,909
79,195	79,195	79,195	79,195	79,195
484,566	499,328	534,476	576,273	576,273
23,175	23,881	25,562	27,561	27,561
5.5%	4.6%	4.6%	5.8%	9.3%
6.0%	5.5%	5.6%	6.5%	10.2%
8.8%	7.6%	7.4%	8.3%	12.3%
5,900,400	5,934,000	5,976,500	5,971,900	5,970,200
32,300	31,300	32,200	32,800	33,100

City of Portsmouth

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2009	
		Number of Employees	Rank
Southern Ohio Medical Center	Medical	2,436	1
Shawnee State University	Education	1,454	2
Scioto County	Government	665	3
Community Action Organization	Government	317	4
State of Ohio	Government	312	5
City of Portsmouth	Government	282	6
Portsmouth City School District	Education	266	7
OSCO Industries, Inc.	Manufacturing	160	8
Norfolk & Southern Railroad	Industrial	149	9
United States Enrichment Corporation	Manufacturing	93	10
Total		<u>6,134</u>	

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

Sources: City Auditor's Office

Total employment within the City is not available.

City of Portsmouth

Full Time Equivalent Employees by Function Last Five Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities					
Security of Persons and Property					
Police	46	47	46	48	52
Fire	39	38	43	39	36
Public Health and Welfare Services					
Health	33	34	35	33	33
General Government					
Legislative	7	7	7	7	7
Mayor	3	3	3	3	3
Finance	5	5	5	5	5
Legal	5	5	5	5	5
Court	28	28	24	23	24
Income Tax	3	3	3	3	3
Engineering	3	3	4	4	4
Administration	3	3	8	8	7
Garage	5	5	5	4	5
Transportation					
Streets	10	10	14	14	14
Cemetery Grounds	4	4	4	3	3
Recreational Grounds	3	3	6	6	2
Community Environment					
Building Inspection	3	3	3	3	3
Community Development	2	2	2	2	2
Business-Type Activities					
Utilities					
Water	34	33	37	39	38
Sewer	32	30	30	30	23
Sanitation	16	17	18	13	13
<i>Total Employees</i>	<u>284.0</u>	<u>283.0</u>	<u>302.0</u>	<u>292.0</u>	<u>282.0</u>

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

Source: City Auditor's Office, Data is not available prior to 2005.

City of Portsmouth

Operating Indicators by Function Last Ten Years

	2000	2001	2002	2003
Governmental Activities				
General Government				
Licenses and Permits				
Number of Building Permits	502	541	632	879
Security of Persons and Property				
Police				
Number of Patrol Units	31	33	35	32
Criminal/Juvenile Citations and Charges	2,963	2,620	1,896	2,291
Traffice Citations Issued	1,820	2,356	2,239	2,118
Parking Tickets Written	762	734	775	1,165
Fire				
Number of Calls Answered	824	809	738	763
Number of Fire Inspections	234	228	172	111
Number of Investigations	n/a	n/a	17	22
Business-Type Activities				
Water				
Number of Service Connections	14,525	14,489	14,338	14,289
Average Daily Consumption (thousands of gallons)	7M	7M	7M	7M
Maximum Daily Capacity (thousands of gallons)	12M	12M	12M	12M
Sewer				
Number of Service Connections	9,117	9,117	9,117	8,580
Average Daily Sewage Treatment (thousands of gallons)	5	5	5	5
Maximum Daily Plant Capacity (thousands of gallons)	10	10	10	10
Solid Waste				
Number of Customers Served	7,710	7,800	7,800	7,700

Source: City Auditor's Office

City of Portsmouth

2004	2005	2006	2007	2008	2009
412	326	336	166	305	612
30	27	27	27	27	27
1,946	2,346	2,202	1,912	1,668	1,327
1,579	2,955	1,392	2,052	1,441	1,267
654	614	946	616	385	487
699	683	717	747	782	785
125	131	154	121	126	99
10	50	30	20	22	32
14,136	14,140	13,963	13,963	13,900	13,900
7M	7M	7M	6M	6M	6M
12M	12M	12M	12M	12M	12M
8,580	8,580	8,318	8,362	8,353	8,360
5	5	5	5	5	5
10	10	10	10	10	10
7,700	7,700	7,327	7,597	7,600	7,600

City of Portsmouth

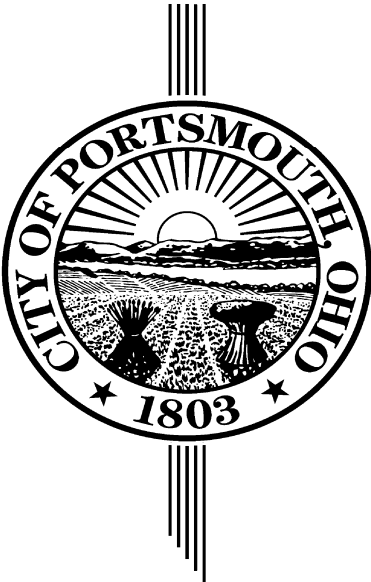
Capital Asset Statistics by Function Last Ten Years

	2000	2001	2002	2003
Governmental Activities				
General Government				
Public Land and Buildings				
Land (acres)	7,680	7,680	7,680	7,680
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	31	33	35	32
Fire				
Stations	3	3	3	3
Vehicles	10	10	10	10
Transportation				
Street				
Streets (lane miles)	220	220	220	220
Street Lights	1,479	1,485	1,488	1,485
Leisure Time Activities				
Recreation/Seniors				
Land (acres)	223	223	223	223
Parks	17	17	17	17
Number of Ball Fields (Lighted)	4	4	4	4
Number of Ball Fields (Unlighted)	7	7	7	7
Number of Tennis Courts (Lighted)	4	4	4	4
Number of Tennis Courts (Unlighted)	8	8	8	8
Public Health and Welfare				
Cemeteries				
Cemeteries	1	1	1	1
Land (acres)	40	40	40	40
Business-Type Activities				
Utilities				
Water				
Number of Filtration/Purification Plants	1	1	1	1
Waterlines (Miles)	400	400	400	400
Number of Hydrants	865	865	865	865
Sewer				
Number of Sewage Treatment Plants	2	2	2	2
Sewerlines (Miles)	30	30	30	30
Storm Water Drainage				
Storm Drains (Miles)	30	30	30	30

Source: City Auditor's Office

City of Portsmouth

2004	2005	2006	2007	2008	2009
7,680	7,680	7,680	7,680	7,680	7,680
1	1	1	1	1	1
30	27	27	27	27	27
3	3	3	3	3	3
10	10	10	10	14	17
220	220	220	220	220	220
1,475	1,475	1,475	1,475	1,476	1,476
223	223	223	223	223	223
17	17	17	17	17	17
6	7	7	7	7	7
5	4	4	4	4	4
4	4	4	4	4	0
8	8	8	8	8	11
1	1	1	1	1	1
40	40	40	40	40	40
1	1	1	1	1	1
400	400	400	400	400	400
865	865	865	865	865	865
2	2	2	2	2	2
30	30	30	30	30	30
30	30	30	30	30	30





Mary Taylor, CPA
Auditor of State

CITY OF PORTSMOUTH

SCIOTO COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 9, 2010**