



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF PORTSMOUTH
SCIOTO COUNTY, OHIO

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

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OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Members of Council
City of Portsmouth
728 Second Street
Portsmouth, Ohio 45662

We have reviewed the *Independent Auditor's Report* of the City of Portsmouth, Scioto County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

August 21, 2024

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**CITY OF PORTSMOUTH
SCIOTO COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Expenditures of Federal Awards.....	1
Notes to the Schedule of Expenditures of Federal Awards.....	2
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3
Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	5
Schedule of Findings.....	8

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**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal Assistance Listing Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>Passed through Ohio Dept. of Development</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	AF-23	\$ -	\$ 84,000
TOTAL UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			-	84,000
<u>UNITED STATES DEPARTMENT OF JUSTICE</u>				
<i>Direct from the Department of Justice</i>				
Comprehensive Opioid, Stimulant, and Substance Abuse Site-based Program (COSSAP)	16.838	2017-AR-BX-K003	-	90,776
Edward Byrne Memorial Justice Assistance Grant Program				
Radios	16.738	2022-JG-AO2-6819E	-	6,844
Task Force	16.738	2022-JG-A01-6027	-	13,960
Total Edward Byrne Memorial Justice Assistance Grant Program			-	20,804
TOTAL UNITED STATES DEPARTMENT OF JUSTICE			-	111,580
<u>UNITED STATES ENVIRONMENTAL PROTECTION AGENCY</u>				
<i>Passed through Ohio Environmental Protection Agency</i>				
Air Pollution Control Program Support	66.001	31-1334820	-	107,639
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act, PM2	66.034	31-1334820	-	78,244
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act, ARP	66.034	31-1334820	-	20,385
TOTAL UNITED STATES ENVIRONMENTAL PROTECTION AGENCY			-	206,268
<u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed through the Ohio Department of Health</i>				
Public Health Emergency Preparedness, FY23	93.069	07320012PH1423	-	55,860
Public Health Emergency Preparedness, FY24	93.069	07320012PH1524	-	36,016
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	07320012CF0123	442,255	442,255
Family Planning Services, FY23	93.217	07320011RH1223	-	18,323
Family Planning Services, FY24	93.217	07320011RH1324	-	93,208
Maternal and Child Health Services Block Grant to the States, FY23	93.994	07320011RH1223	-	2,035
Maternal and Child Health Services Block Grant to the States, FY24	93.994	07320011RH1324	-	10,679
HIV Prevention Activities Health Department Based	93.940	07320012HP1623	-	233,570
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	07320012ST1523	-	429,245
Preventive Health and Health Services Block Grant, FY23	93.991	07320014ID0523	-	50,026
Immunization Cooperative Agreements	93.268	07320012CN0122	-	104,574
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	0732012WF0122	-	185,000
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	07320012WF0223	-	5,000
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	07320012WF0223	-	57,233
<i>Passed through the Substance Abuse and Mental Health Services Administration</i>				
Telehealth Programs	93.211	G25RH32465	-	355,491
TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			442,255	2,078,515
<u>UNITED STATES DEPARTMENT OF TREASURY</u>				
<i>Passed through Ohio Department of Budget and Management</i>				
Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	-	277,210
TOTAL UNITED STATES DEPARTMENT OF TREASURY			-	277,210
TOTAL FEDERAL AWARDS EXPENDITURES			\$ 442,255	\$ 2,757,573

The accompanying notes are an integral part of this schedule

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Portsmouth (the City's) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

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

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

NOTE E – MATCHING REQUIREMENTS

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



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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, Scioto County, (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.
Circleville, Ohio
June 27, 2024



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

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

To the City Council:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Portsmouth's, Scioto County, (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City of Portsmouth's major federal programs for the year ended December 31, 2023. The City of Portsmouth's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the City of Portsmouth complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The City's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Portsmouth, Scioto County, (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 27, 2024. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



BHM CPA Group, Inc.
Circleville, Ohio
June 27, 2024

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Sexually Transmitted Diseases Prevention and Control Grants ALN 93.977 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) ALN 93.323
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

Annual Comprehensive Financial Report

City of Portsmouth, Ohio



**For Year Ended
December 31, 2023**

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



THE CITY OF PORTSMOUTH, OHIO

SCIOTO COUNTY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

Prepared by:

M. Trent Williams, CPM, CPFA
City Auditor

Finance Department:

Constance J. Snipes
Deputy Auditor

Jennifer E. Newman
Finance Clerk II

Heather L. Shoemaker
Finance Clerk I

Kelli R. Kuhn
Finance Clerk I

Income Tax Division:

Vicki L. Musser
Tax Commissioner

Sherry A. Boling
Deputy Tax Commissioner



TABLE OF CONTENTS

CITY OF PORTSMOUTH
SCIOTO COUNTY, OHIO

I INTRODUCTORY SECTION

A Letter of Transmittalv
B List of Principal Officials xviii
C City Organizational Chart xix
D Certificate of Achievement for Excellence in Financial Reporting xx

II FINANCIAL SECTION

A Independent Auditor’s Report..... 1
B Management’s Discussion and Analysis..... 5
C Basic Financial Statements:
 Government-wide Financial Statements:
 Statement of Net Position 16
 Statement of Activities 18
 Fund Financial Statements:
 Governmental Funds:
 Balance Sheet 20
 Reconciliation of Total Governmental Fund Balances to Net Position of
 Governmental Activities 22
 Statement of Revenues, Expenditures and Changes in Fund Balances 24
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities 26
 Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual (Non-GAAP Budgetary Basis)
 General Fund 28
 Health Department Fund..... 29
 American Rescue Plan Act Fund 30
 Proprietary Funds:
 Statement of Net Position 32
 Statement of Revenues, Expenses and Changes in Net Position..... 36
 Statement of Cash Flows 38
 Fiduciary Funds:
 Statement of Net Position 42
 Statement of Changes in Net Position 43
Notes to the Basic Financial Statements..... 44

D	Required Supplementary Information:	
	Schedule of City’s Proportionate Share of the Net Pension Liability	94
	Schedule of City Pension Contributions	96
	Schedule of City’s Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability (Asset)	98
	Schedule of City’s Other Postemployment Benefit (OPEB) Contributions	100
	Notes to the Required Supplementary Information	102
E	Combining and Individual Fund Statements and Schedules:	
	Nonmajor Governmental Financial Statements:	
	Combining Balance Sheet	112
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	113
	Combining Balance Sheet – Nonmajor Special Revenue Funds	114
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	121
	Combining Balance Sheet – Nonmajor Permanent Funds	128
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Permanent Funds	129
	Individual Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
	Major Governmental Funds:	
	<i>General Fund</i>	130
	<i>Special Revenue Fund:</i>	
	Health Department Fund	135
	American Rescue Plan Act Fund	138
	<i>Debt Service Fund:</i>	
	General Obligation Bond Retirement Fund	139
	<i>Capital Projects Fund:</i>	
	Capital Improvement Fund	140
	Nonmajor Governmental Funds:	
	<i>Special Revenue Funds:</i>	
	Municipal Court Grants Fund	141
	Municipal Court Subsidy Fund	142
	Municipal Court Special Project Fund	143
	Municipal Court Probation Services Fund	144
	Municipal Court Programs Fund	145

Nonmajor Governmental Funds: (Continued)

Justice Reinvestment and Incentive Grant Fund	146
Municipal Court Computer Fund	147
Municipal Court Security Fund	148
Community Corrections Grant Fund	149
Fire Donation Fund	150
Fire Pension Fund.....	151
Police Pension Fund	152
D.A.R.E. State Grant Fund.....	153
Police Donation Fund.....	154
Justice Assistance Grant (JAG) Grants Fund	155
Community Oriented Policing Services (COPS) Fast Grant Fund.....	156
Indigent Drivers Alcohol Treatment Fund	157
Indigent Drivers Alcohol Monitoring Fund	158
Enforcement and Education Fund	159
Mandatory Fines Fund.....	160
Law Enforcement Fund	161
Federal Forfeitures Fund	162
Ohio Peace Officers Training Fund.....	163
OneOhio Opioid Fund	164
Street Construction, Maintenance and Repair Fund.....	165
State Highway Improvement Fund.....	166
Community Development Fund	167
Tourism and Cultural Development Fund.....	168
Flood Defense Fund	169
Street Resurfacing Levy Fund	170
RD Marting Foundation Grant Fund	171
Council Trust for Recreation Fund.....	172
Playground Trust Fund.....	173
 <i>Permanent Funds:</i>	
Cemetery Trust Fund.....	174
Mausoleum Trust Fund	175
 Fiduciary Funds – Custodial Funds:	
Statement of Net Position.....	178
Statement of Changes in Net Position	179

III STATISTICAL SECTION

Net Position by Component - Last Ten Years S 2
Changes in Net Position - Last Ten Years..... S 4
Fund Balances, Governmental Funds - Last Ten Years S 8
Changes in Fund Balances, Governmental Funds - Last Ten Years S 10
Income Tax Revenues by Source, Governmental Funds - Last Ten Years S 12
Income Tax Collections - Current Year and Nine Years Ago..... S 15
Ratio of Outstanding Debt By Type - Last Ten Years S 16
Ratios of General Bonded Debt Outstanding - Last Ten Years S 18
Computation of Direct and Overlapping - Debt Attributable to
Governmental Activities - Current Year S 21
Debt Limitations - Last Ten Years S 22
Pledged Revenue Coverage - Last Ten Years S 24
Demographic and Economic Statistics - Last Ten Years S 26
Principal Employers - Current Year and Nine Years Ago S 29
Full Time Equivalent Employees by Function - Last Ten Years S 30
Operating Indicators by Function - Last Ten Years S 32
Capital Asset Statistics by Function - Last Ten Years S 34

INTRODUCTORY SECTION





The City of Portsmouth

"Where the Ohio and Scioto Meet"

Department of Finance

Municipal Building, Room 3

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

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



State of Ohio

M. Trent Williams, City Auditor

June 27, 2024

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

As City Auditor, it is my pleasure to present the twenty-eighth Annual Comprehensive Financial Report (ACFR) of the City of Portsmouth, Ohio for the year ended December 31, 2023. This report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

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

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

This Annual Comprehensive Financial Report was prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB) and other authoritative pronouncements. BHM CPA Group has issued an opinion on the City of Portsmouth's financial statements for the year ended December 31, 2023. 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, 2023***

The Reporting Entity

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

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

Historical Information

In 1763 on the site of present day Portsmouth, the French surrendered the Ohio Valley to the English. At that time Major John 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 18,252 (2020 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, 2023***

Form of Government

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

Municipal Services

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

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

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

ECONOMIC CONDITION AND OUTLOOK

Business and Industry

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

***Letter of Transmittal
For the Year Ended December 31, 2023***

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

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

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

Unemployment Rates

Data obtained from the State of Ohio Department of Jobs and Family Services indicates that the percentage of unemployment for Portsmouth and Scioto County averaged 4.8% for the 2023 calendar year, slightly above the state average of 3.5% and the national average of 3.6%.

Utilities

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

- Electric American Electric Power
- Telephone Frontier Communications
- Natural Gas Columbia Gas of Ohio
- Internet/Cable TV Spectrum

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 over 13,000 customers both within the City and in some areas of Scioto County and Lawrence County, and soon will be providing water to Greenup County, Kentucky. The City filtration plant has the capacity to produce 12 million gallons of treated water daily and is currently producing five to six million gallons of water per day. There are approximately 25 million gallons of water stored in reservoirs and tanks located in and around the City.

Letter of Transmittal

For the Year Ended December 31, 2023

Serving nearly 7,500 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 nearly 6,000 customers. The solid waste transfer station officially commenced operations in the fall of 1993.

Recreation and Cultural Facilities and Events

Portsmouth boasts seventeen City owned parks and numerous sports facilities, including Spartan Stadium, Branch Rickey Park and several tennis and pickle ball courts. West Portsmouth recently saw the opening of an outdoor Splash Park, Pump Track, and walking trail at the site of Earl Thomas Conley Park. West of Portsmouth is the Shawnee State Park providing recreation, camping, cabins, a lodge and many other attractions for residents and out-of-town visitors. The State of Ohio has repurposed the former Shawnee State Golf Course into a new campground facility featuring a marina, dog park, pump track, archery range, and paddle canoes. A non-profit organization, Arc of Appalachia has opened the Tremper Mound facility showcasing the ancient Native American mounds and kayaking. The group has also reopened the John Simon farm to hold an annual sorghum festival.

Along Front Street in downtown Portsmouth is the Portsmouth Murals Project on the flood wall in the historic Boneyfiddle District. These murals tell the "story" of Portsmouth and are proving to be a great tourist attraction. The funds were raised for this citizen initiated project by the people of Portsmouth through donations and fund-raisers and a state grant. With the recent conclusion of the main part of the ten year project there are now 50 completed panels on the flood wall. Maintenance of the project and new sites for continuing the project is ongoing. The City, along with the Ohio Department of Transportation completed a multi-use bike/running path along the entire length of the Murals from Shawnee State University to the most westerly point of Portsmouth at Alexandria Park Point.

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

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

CITY OF PORTSMOUTH, OHIO

Letter of Transmittal

For the Year Ended December 31, 2023

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, canoeing, and kayaking. 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 City and Shawnee State University are host to the annual Miss Ohio USA and Miss Ohio Teen USA Pageants.

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

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

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

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

Higher education facilities in the area include Ohio University Southern in nearby Ironton, 35 miles east of the City; and Shawnee State University in Portsmouth.

Shawnee State University is a four year university, the newest in the state. The University features a Fine and Performing Arts Center on the campus and an indoor Physical Education Center. More than seventy Associate, Bachelor, and Master degree programs are currently available to over 2,500 students on the 65 acre SSU campus. Immediate plans are to make Shawnee State campus a pedestrian only campus. Second Street and several side streets have been closed and Third Street was closed in furtherance of this plan. On campus housing for the University is offered to its students at twelve apartment style dormitories.

***Letter of Transmittal
For the Year Ended December 31, 2023***

Employee Relations

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

Long-term Financial Planning

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

With reductions by the State of Ohio to local government revenue, personal property tax and estate tax, the City was forced to request an increase in the city income tax rate of 0.5% to a rate of 2.5% to replace the revenue lost from state cuts and to continue and enhance operations into the next ten or more years. The new rate provides additional general fund revenue of nearly \$3,500,000 annually and allows the City to be less reliant on state funding.

MAJOR INITIATIVES

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

Financial

By the end of 2023 the financial condition continued to improve with the 2016 income tax rate increase producing nearly \$3.5 million of additional revenue to the General Fund and total revenue of over \$16 million for the third straight year to the City's General and Capital Improvement Funds in spite of the lingering detrimental effects of the Covid-19 pandemic. The long time deficit balance in the sewer fund has been resolved and has ended with a growing positive balance each month since August 2021. As the only major factor holding the City back from being released from Fiscal Watch by the State Auditor, the City is under review for release from its Fiscal Watch status.

Administrative

The Finance Department continued its participation in the State Treasurer's online checkbook initiative to provide for enhanced transparency of the City's finances. As a result, the City's spending information can be viewed online along with the State of Ohio and many other municipalities throughout the State of Ohio. The Finance Department is also in process of implementing online municipal income tax filing to be made available to its taxpayers for their 2024 returns. Several other improvements were also made within the City building in 2023.

***Letter of Transmittal
For the Year Ended December 31, 2023***

Public Service

The Public Service Department's Streets Division continued to enhance its operations with the purchase of a new street sweeper, major repairs to the sanitation transfer station, and hired two full time mechanics to maintain the City's vehicle fleet. GIS mapping continues for the graves in the 40 acre cemetery.

Public Safety

The Police Department promoted its first female Police Chief in 2020 in the history of the City of Portsmouth along with the addition of the new position of Deputy Chief in 2021. The successful conversion of a City owned impound vehicle lot continues to thrive and bring in additional revenue to the City totaling over \$205,000 in 2023. An Evidence Technician was hired to protect criminal evidence captured by the Police Department. The Fire Department continued its Emergency Medical Services program, adding additional revenue of \$428,000 in support of the City's fast, quality first response to emergencies for our citizens. Additionally in 2023, the City completed a \$600,000 "Safe Routes to School" program, funded through the City and the Ohio Department of Transportation. Included in the project were raised crosswalks, handicapped ramps, curb bump outs to better control traffic and additional lights and signage in the downtown city schools campus area.

Flood Defense

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

The City's flood defense system is continually monitored by FEMA and the Army Corps of Engineers, and the City works to maintain compliance making improvements to the system annually. The Corps of Engineers noted some weaknesses in the flood levy around the east end area of the City and are continuing a \$39 million project in 2023 that will shore up noted weaknesses over the next two years.

Water

Realizing that the City's water plant is beyond its designated life, preliminary steps were taken to prepare for the soon approaching time when the water plant must to be replaced. Environmental testing on property behind the current water plant has been completed and additional land obtained needed for construction of the new plant. A "needs assessment" has been completed which is necessary to apply for grants and loans at a future date and demonstrate that the critical needs actually exist. Pilot testing has been completed for the new water treatment process called ACTIFLO that will improve the quality of the City's water while reducing the space required for the process. This is the first of this type of system in the state of Ohio for drinking water. Preliminary design plans for the new water treatment plant began in 2020, at an estimated cost of \$100+ million along with a utility rate study to determine rates necessary for the cost of the project. Engineering and design began in 2021, continuing through 2023 with groundbreaking slated for fall of 2024.

***Letter of Transmittal
For the Year Ended December 31, 2023***

The largest project completed in 2023 was the relocation of a 900' 16" waterline now running west on 9th Street from John Street turning south on Findlay Street to Seventh Street, serving the Portsmouth City Schools campus area at in-house cost of just over \$250,000. Water Works began construction on the Franklin Furnace Booster Pump Station at just over \$1 million to boost water pressure and volume to the Franklin Furnace industrial complex. Additionally, the City began supplying water to the city of South Shore, Kentucky with a temporary water line spanning the Ohio River with a line across the Grant Bridge in downtown. This temporary line will be replaced with a permanent 20" line for a long term supply to South Shore with the line to run under the Ohio River from the City's water filtration plant to South Shore. Construction for this unique under river construction is to begin in the fall of 2024.

Wastewater

The City of Portsmouth entered into an Administrative Order of Consent (AOC) with the Environmental Protection Agency in 2013 and remains in compliance with the AOC agreement in 2019, meeting all deadlines and completed all activities required. As a result, the City has been released from the consent order and is now working with the Ohio EPA to ensure the City remains in compliance going forward. A sewer relining project along the north end of Munn's Run was completed in 2023 in preparation for the replacement of the Munn's Run Pump Station and Force Main in New Boston. This line serves the Clay Township, New Boston, and Portsmouth communities and should be completed in 2024. The Sewer department began construction of a pre-treatment bar screens at both the Lawson Run and Sciotoville plants in 2023 at the cost of just over \$1.5 million that should be completed in 2024.

Health

The Portsmouth City Health Department (PCHD) is the steward of public health for the citizens of the City of Portsmouth. On November 19, 2019, PCHD was awarded national accreditation status by the Public Health Accreditation Board (PHAB).

Each year the Portsmouth City Health Department (PCHD) publishes its annual report. As we continue to transition from operating in a pandemic, back to addressing all public health issues, we have had challenges and successes.

In 2023, the Health Department reorganized some of our programs due to the Ohio Department of Health ending the Injury Prevention grant. To accommodate staffing changes; we moved the Exchange program back to the Health Department and we now have three (3) divisions operating under Directors: Environmental Health, Nursing and Air.

While transition and reorganization has been a challenge, we have had successes. Our 2019- 2023 Community Health Needs Assessment (CHNA) identified areas in our community that experience greater instance of transportation barriers to health care. In April we started taking our mobile unit with our Nurse Practitioner out to a few areas once a month. By December, we had grown to four (4) locations (once a month). We expect to expand services again by April of 2024.

***Letter of Transmittal
For the Year Ended December 31, 2023***

Staff from our former Prevention Division are now working as Navigators. One endeavor we are most excited about is the Community Liaison Project. Our Navigator/Community Liaison is working with populations in our community that were identified by our CHNA as experiencing barriers to, or inequities in, healthcare. PCHD is recruiting representatives from each of those groups to form a Steering Committee to provide guidance to our programs and services to ensure we hear directly from the people what their needs are and get their approval on our plan to address those needs.

Because PCHD is scheduled for reaccreditation in November of 2024, we are working diligently to review our programs, policies and procedures to insure we are operating at optimum capacity and capability. Our focus has been on making improvements to our Performance Management (PM) Plan. Having an operational PM system allows each staff member to measure what they do, identify areas of improvement (Quality Improvement), develop and implement new strategies and monitor for success (or failure). Successful results are monitored and changed as needed. Unsuccessful strategies are reviewed and a different approach implemented. This process occurs until acceptable results are achieved.

We look forward to servicing the City of Portsmouth and the fourteen other counties that are served by our various grant programs in the coming year. As always, our mission is to: Prevent disease, promote optimal health and safety, bridge the gap of unmet health care needs, and respond to public health emergencies for the citizens of Portsmouth.

Community Development

Several projects are underway in the community including the 2023 completion of placement of Wayfinding signage to direct citizens and tourists to various activities, events, and landmarks within the City. The Boneyfiddle Pavilion, west of downtown, was completed in the summer of 2023. Planning is underway for improvements to the Offnere Street Landing Boat Ramp to provide greater access for boaters to the Ohio River.

Recreation

A large multi-use path for walking, jogging and bicycles along the Floodwall Murals on Front Street with funding from the Ohio Department of Natural Resources, the Ohio Department of Transportation and local private foundations along with matching funds from the City was completed and opened in 2021 and will be extended in 2023 and 2024. Additional plans for 2023 include lighting the City's pickle ball courts as well as additional courts to be constructed, along with upgrades to the riverfront amphitheater seating in the Boneyfiddle District. City Council approved a DORA (Designated Outdoor Refreshment Area) district in the downtown and Boneyfiddle district as several other Ohio cities have approved recently. The DORA is intended to permit businesses to distribute and for citizens to consume alcoholic beverages within it to provide people with a safe way to enjoy our downtown restaurants and businesses.

***Letter of Transmittal
For the Year Ended December 31, 2023***

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System

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

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

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

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

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

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

Relevant Financial Policies

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

***Letter of Transmittal
For the Year Ended December 31, 2023***

OTHER INFORMATION

Independent Audit

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

Awards

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Annual Comprehensive Financial Report with contents conforming to all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity. A Certificate of Achievement is valid for a period of one year. I believe this, our twenty-eighth Annual Comprehensive 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 Annual Comprehensive Financial Report is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. In addition to the citizens of Portsmouth, the recipients of this report include City, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it and is conveniently located on the City's Auditor's section of the official website of the City of Portsmouth under the Financial Division at:

<http://portsmouthoh.org/>

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

***Letter of Transmittal
For the Year Ended December 31, 2023***

Acknowledgments

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

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

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

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

Sincerely,

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

M. Trent Williams, CPM, CPFA
City Auditor

CITY OF PORTSMOUTH, OHIO

***List of Principal Officials
For the Year Ended December 31, 2023***

<u>Position</u>	<u>Name</u>	<u>Term of Office</u>	<u>Years with City</u>	
<u>Executive</u>				
City Manager (Appointed)	Samuel J. Sutherland	Indefinite	35	
City Auditor (Elected)	M. Trent Williams	01/01/24 - 01/02/28	25	
City Solicitor (Elected)	John R. Haas	01/01/24 - 01/02/28	15	
<u>Legislative</u> (Elected)				
Member of Council	Sean D. Dunne	<u>Ward</u> 1st	01/04/22 - 01/04/26	6
Member of Council	Charlotte M. Gordon	2nd	01/01/24 - 01/02/28	4
Member of Council (Mayor)	Andy A. Cole	3rd	01/04/22 - 01/04/26	2
Member of Council	Lyvette L. Mosley	4th	01/01/24 - 01/02/28	3
Member of Council	Joseph T. Sandlin	5th	01/04/22 - 01/04/26	2
Member of Council	Dennis W. Packard	6th	01/01/24 - 01/02/28	3
<u>Judicial</u> (Elected)				
Municipal Court Judge	Russell D. Kegley	01/01/24 - 12/31/29	21	
Municipal Court Judge	Steven L. Mowery	01/01/22 - 12/31/27	14	
<u>Administrative</u> (Appointed)				
Police Chief	Debra A. Brewer	Indefinite	31	
Fire Chief	Robert G. Long	Indefinite	27	
Public Service Director	George W. James	Indefinite	33	
Director of Water	Samuel J. Sutherland	Indefinite	35	
Director of Waste Water	Randall A. Nickles	Indefinite	33	
Director of Utility Account Services	Crystal Weghorst	Indefinite	18	
Community Development Director	Tracy A. Shearer	Indefinite	13	
City Clerk	Diana L. Ratliff	Indefinite	11	
Municipal Court Clerk	Kasey S. Boone	Indefinite	9	
Health Commissioner	Christopher S. Smith	Indefinite	28	
Income Tax Commissioner	Vicki L. Musser	Indefinite	15	
Civil Service Secretary	Kathy Hodkinson	Indefinite	26	

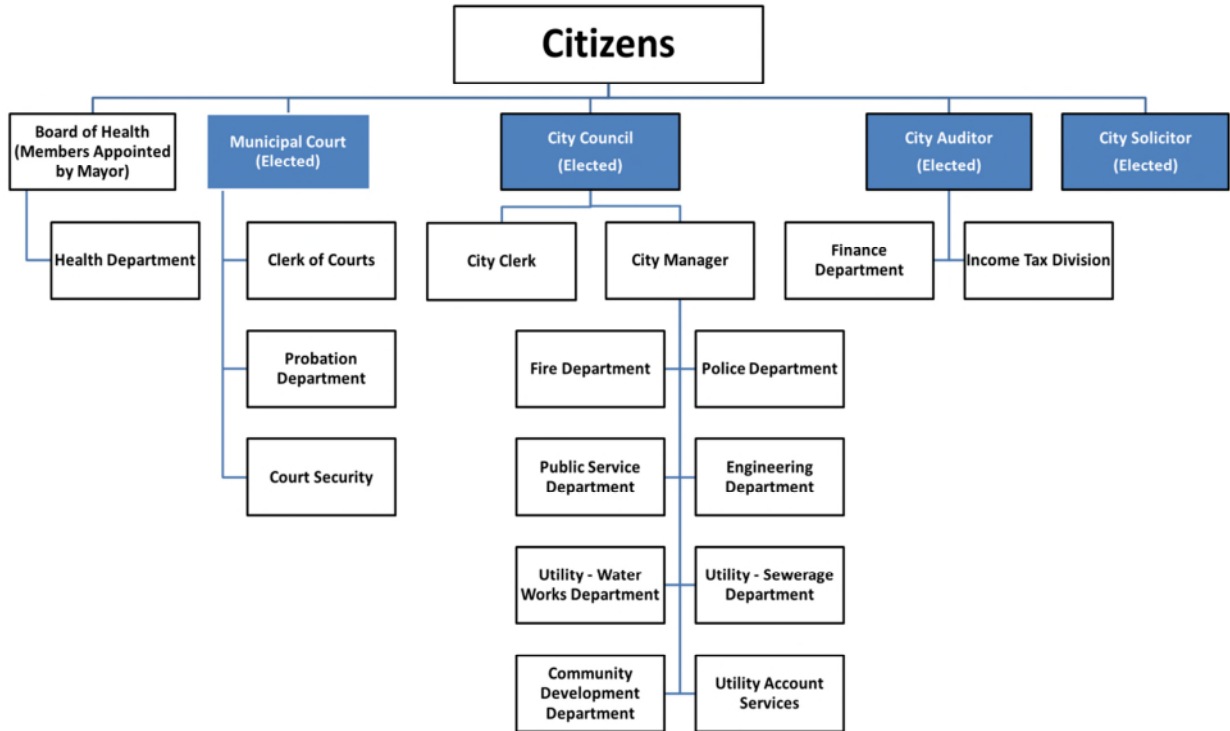
Executive Offices:

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

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

John R. Haas, Solicitor
 City of Portsmouth
 728 Second Street, Room 22
 Portsmouth, Ohio 45662
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 Email: jhaas@portsmouthoh.org

City Organizational Chart
For the Year Ended December 31, 2023



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



Government Finance Officers Association

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Achievement
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in Financial
Reporting**

Presented to

**City of Portsmouth
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION







INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, Scioto County, Ohio (City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, Scioto County, Ohio as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Health Department, and American Rescue Plan Act Funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2024, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.
Circleville, Ohio
June 27, 2024

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

The discussion and analysis of the City of Portsmouth's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2023. 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 2023 are as follows:

- ❑ In total, net position increased \$6,025,603. Net position of governmental activities increased \$3,771,845 which represents a 15.4% increase from 2022. Net position of business-type activities increased \$2,253,758, or 10.2% from 2022.
- ❑ General revenues accounted for \$22,464,170 in revenue or 43.9% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions and capital grants and contributions accounted for \$28,736,806 or 56.1% of total revenues of \$51,200,976.
- ❑ The City had \$29,738,820 in expenses related to governmental activities; only \$11,046,495 of these expenses were offset by program specific charges for services and sales, grants or contributions.
- ❑ Among major funds, the General Fund had \$20,911,744 in revenues and other financing sources and \$18,845,992 in expenditures and other financing uses. The General Fund's fund balance increased from \$15,149,074 to \$17,214,826.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

CITY OF PORTSMOUTH, OHIO

**Management’s Discussion and Analysis
For the Year Ended December 31, 2023**

Unaudited

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

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City’s net position for 2023 compared to 2022:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$36,939,620	\$32,683,295	\$13,550,508	\$11,371,147	\$50,490,128	\$44,054,442
Net OPEB Asset	0	1,030,227	0	639,649	0	1,669,876
Capital assets, Net	23,786,972	22,606,481	30,934,552	30,072,626	54,721,524	52,679,107
Total assets	<u>60,726,592</u>	<u>56,320,003</u>	<u>44,485,060</u>	<u>42,083,422</u>	<u>105,211,652</u>	<u>98,403,425</u>
Deferred outflows of resources	<u>12,965,836</u>	<u>8,629,215</u>	<u>3,249,802</u>	<u>909,952</u>	<u>16,215,638</u>	<u>9,539,167</u>
Long-term liabilities outstanding	3,647,303	3,859,714	14,879,030	14,252,094	18,526,333	18,111,808
Net Pension Liability	29,700,485	16,776,162	6,706,151	1,875,248	36,406,636	18,651,410
Net OPEB Liability	1,682,293	2,413,414	134,914	0	1,817,207	2,413,414
Other liabilities	3,641,899	3,722,595	1,546,344	1,680,984	5,188,243	5,403,579
Total liabilities	<u>38,671,980</u>	<u>26,771,885</u>	<u>23,266,439</u>	<u>17,808,326</u>	<u>61,938,419</u>	<u>44,580,211</u>
Deferred inflows of resources	<u>6,787,843</u>	<u>13,716,573</u>	<u>47,132</u>	<u>3,017,515</u>	<u>6,834,975</u>	<u>16,734,088</u>
Net position:						
Net investment in capital assets	21,630,424	20,201,082	15,706,500	15,669,414	37,336,924	35,870,496
Restricted	9,054,291	6,117,367	0	0	9,054,291	6,117,367
Unrestricted (Deficit)	(2,452,110)	(1,857,689)	8,714,791	6,498,119	6,262,681	4,640,430
Total net position	<u>\$28,232,605</u>	<u>\$24,460,760</u>	<u>\$24,421,291</u>	<u>\$22,167,533</u>	<u>\$52,653,896</u>	<u>\$46,628,293</u>

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

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

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

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

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

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

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

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

CITY OF PORTSMOUTH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2023**

Unaudited

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

Changes in Net Position – The following table shows the changes in net position for 2023 compared to 2022:

	Governmental		Business-type		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for Services and Sales	\$3,069,056	\$3,157,210	\$16,735,142	\$15,659,607	\$19,804,198	\$18,816,817
Operating Grants and Contributions	7,183,107	4,641,577	0	0	7,183,107	4,641,577
Capital Grants and Contributions	794,332	1,379,753	955,169	239,258	1,749,501	1,619,011
Total Program Revenues	11,046,495	9,178,540	17,690,311	15,898,865	28,736,806	25,077,405
General revenues:						
Property Taxes	2,959,876	2,278,865	0	0	2,959,876	2,278,865
Income Taxes	17,398,629	16,897,668	0	0	17,398,629	16,897,668
Other Local Taxes	345,866	349,118	0	0	345,866	349,118
Intergovernmental Revenue, Unrestricted	1,260,499	1,301,467	0	0	1,260,499	1,301,467
Investment Earnings	50,955	4,618	0	0	50,955	4,618
Miscellaneous	448,345	472,643	0	0	448,345	472,643
Total General Revenues	22,464,170	21,304,379	0	0	22,464,170	21,304,379
Total Revenues	33,510,665	30,482,919	17,690,311	15,898,865	51,200,976	46,381,784
Program Expenses						
Security of Persons and Property	15,002,256	12,366,917	0	0	15,002,256	12,366,917
Public Health and Welfare Services	4,272,238	3,315,496	0	0	4,272,238	3,315,496
Leisure Time Activities	86,421	83,214	0	0	86,421	83,214
Community Environment	604,580	686,227	0	0	604,580	686,227
Transportation	3,178,878	2,513,783	0	0	3,178,878	2,513,783
General Government	6,530,556	5,500,036	0	0	6,530,556	5,500,036
Interest and Fiscal Charges	63,891	30,245	0	0	63,891	30,245
Water	0	0	7,584,521	7,023,094	7,584,521	7,023,094
Sewer	0	0	5,265,785	4,547,534	5,265,785	4,547,534
Sanitation	0	0	2,586,247	2,068,219	2,586,247	2,068,219
Total Expenses	29,738,820	24,495,918	15,436,553	13,638,847	45,175,373	38,134,765
Change in Net Position before Transfers and Special Item	3,771,845	5,987,001	2,253,758	2,260,018	6,025,603	8,247,019
Special Item	0	(1,294,205)	0	0	0	(1,294,205)
Transfers	0	(7,872)	0	7,872	0	0
Total Change in Net Position	3,771,845	4,684,924	2,253,758	2,267,890	6,025,603	6,952,814
Beginning Net Position	24,460,760	19,775,836	22,167,533	19,899,643	46,628,293	39,675,479
Ending Net Position	\$28,232,605	\$24,460,760	\$24,421,291	\$22,167,533	\$52,653,896	\$46,628,293

CITY OF PORTSMOUTH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2023**

Unaudited

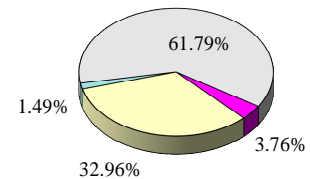
Governmental Activities

Net position of the City's governmental activities increased by \$3,771,845. Expenses increased as a result of an increase in pension and OPEB expense of \$4.3 million compared to 2022. This was offset by increases in income tax revenue and in property taxes due to property revaluations and a new 1.5 mill tax levy for street improvements.

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

Income taxes and property taxes made up 51.9% and 8.8% respectively of revenues for governmental activities for the City in 2023. The City's reliance upon tax revenues is demonstrated by the following graph indicating 61.79% of total revenues from general tax revenues:

<u>Revenue Sources</u>	<u>2023</u>	<u>Percent of Total</u>
General Tax Revenues	\$20,704,371	61.79%
Intergovernmental Revenue, Unrestricted	1,260,499	3.76%
Program Revenues	11,046,495	32.96%
General Other	499,300	1.49%
Total Revenue	<u>\$33,510,665</u>	<u>100.00%</u>



Business-Type Activities

The net position of the business-type activities increased by \$2,253,758. Utility revenue increased in 2023 due to a 10% increase in water rates and a 3% increase in sewer rates as well as receiving ARPA grant monies.

CITY OF PORTSMOUTH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2023**

Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$25,473,592, which is an increase from last year's balance of \$20,534,900. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2023 and 2022:

	Fund Balance December 31, 2023	Fund Balance December 31, 2022	Increase (Decrease)
General	\$17,214,826	\$15,149,074	\$2,065,752
Health Department	1,879,176	956,478	922,698
General Obligation Bond Retirement	215,617	203,334	12,283
Capital Improvement	1,499,362	1,477,641	21,721
Other Governmental	4,664,611	2,748,373	1,916,238
Total	<u>\$25,473,592</u>	<u>\$20,534,900</u>	<u>\$4,938,692</u>

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

	2023 Revenues	2022 Revenues	Increase (Decrease)
Property and Other Taxes	\$17,633,276	\$16,848,276	\$785,000
Intergovernmental Revenue	1,329,570	1,214,331	115,239
Charges for Services	897,866	896,353	1,513
Licenses and Permits	198,770	218,936	(20,166)
Investment Earnings	50,937	4,609	46,328
Fines and Forfeitures	427,092	422,822	4,270
All Other Revenue	374,233	358,661	15,572
Total	<u>\$20,911,744</u>	<u>\$19,963,988</u>	<u>\$947,756</u>

General Fund revenues in 2023 increased approximately 4.7% compared to revenues in 2022. The increase in Property and Other Taxes is primarily due to better than anticipated income tax collections as well as an increase in property values resulting in additional collections from property tax.

CITY OF PORTSMOUTH, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

	2023	2022	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$11,574,635	\$11,489,204	\$85,431
Community Environment	403,745	375,299	28,446
Transportation	787,066	760,598	26,468
General Government	5,113,088	4,922,508	190,580
Total	<u>\$17,878,534</u>	<u>\$17,547,609</u>	<u>\$330,925</u>

General Fund expenditures increased by \$330,925 or 1.9% compared to the prior year. General government increased as a result of doing renovations to the 5th 3rd building and increased tax refunds, and a 3.85% wage increase across the board.

Health Department Fund – The Health Department Fund balance increased from \$956,478 to \$1,879,176 as a result of an increase in grant revenue and an \$809,695 transfer from the General Fund.

American Rescue Plan Act Fund – The American Rescue Plan Act Fund balance is zero because revenue is only recognized as expenditures are made.

General Obligation Bond Retirement Fund – The General Obligation Bond Retirement Fund balance increased from \$203,334 to \$215,617. The fund remained stable compared to 2022.

Capital Improvement Fund - The Capital Improvement Fund balance did not change significantly from \$1,477,641 to \$1,499,362.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

During the course of 2023 the City amended its General Fund budget several times. Final budgeted expenditures of \$19.8 million decreased \$3.3 million from original budget estimates due to budgeted appropriations for renovations to a new City Building that were not completed in 2023. Also budgeted appropriations for anticipated operating fund transfers that were not needed in 2023. As well as not being fully staffed in the Police and Fire Departments after having budgeted for full staffing levels.

For the General Fund, final budget basis revenue of \$21,126,000 increased from original budget estimates of \$19,013,000 as a result of greater than anticipated income tax revenue and property tax collections. The actual revenues of \$21,337,813 were not significantly different than the final budget basis revenue.

CITY OF PORTSMOUTH, OHIO

***Management's Discussion and Analysis
For the Year Ended December 31, 2023***

Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023 the City had \$54,721,524 net of accumulated depreciation invested in buildings, improvements, machinery and equipment, and infrastructure. Of this total, \$23,786,972 related to governmental activities and \$30,934,552 to the business-type activities. The following table shows 2023 and 2022 balances:

	Governmental Activities		Increase (Decrease)
	2023	2022	
Land	\$2,156,209	\$2,156,209	\$0
Construction In Progress	620,974	291,543	329,431
Buildings	5,631,002	4,981,878	649,124
Improvements	4,292,369	3,932,577	359,792
Machinery and Equipment	16,438,846	15,726,232	712,614
Infrastructure	36,368,561	35,268,256	1,100,305
Less: Accumulated Depreciation	<u>(41,720,989)</u>	<u>(39,750,214)</u>	<u>(1,970,775)</u>
Totals	<u>\$23,786,972</u>	<u>\$22,606,481</u>	<u>\$1,180,491</u>

The increases in infrastructure were for street projects. Buildings increased due to building a pavilion. Machinery and Equipment increased due to the purchase of City vehicles including five new police vehicles, several trucks and a street sweeper.

	Business-Type Activities		Increase (Decrease)
	2023	2022	
Land	\$63,504	\$63,504	\$0
Construction in Progress	6,927,814	4,521,375	2,406,439
Buildings	6,976,721	6,976,721	0
Improvements other than Buildings	41,402,229	41,308,519	93,710
Machinery and Equipment	17,772,059	17,554,433	217,626
Less: Accumulated Depreciation	<u>(42,207,775)</u>	<u>(40,351,926)</u>	<u>(1,855,849)</u>
Totals	<u>\$30,934,552</u>	<u>\$30,072,626</u>	<u>\$861,926</u>

Business type capital assets increased by \$861,926. Construction in Progress increased due to the construction of Water and Sewer projects including a new water treatment plant and a booster station at Munn's Run and the start of SSO elimination at Sciotoville-Harding. Depreciation expense partially offset the additional acquisitions. Additional information on the City's capital assets can be found in Note 9.

CITY OF PORTSMOUTH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2023**

Unaudited

Debt

At December 31, 2023, the City had \$1,545,000 in General Obligation Bonds outstanding, \$260,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Governmental Activities:		
General Obligation Bond	\$1,545,000	\$1,800,000
Compensated Absences	1,624,405	1,483,385
Installment Loans Payable	477,898	576,329
Total Governmental Activities	<u>\$3,647,303</u>	<u>\$3,859,714</u>
Business-Type Activities:		
Ohio Public Works Commission Loan	\$2,281,703	\$2,414,275
Ohio Water Development Authority Loan	12,287,418	11,446,282
Compensated Absences	309,909	294,382
Installment Loans Payable	0	97,155
Total Business-Type Activities	<u>14,879,030</u>	<u>14,252,094</u>
Totals	<u>\$18,526,333</u>	<u>\$18,111,808</u>

Ohio Water Development Loans increased because the City is financing the Sciotoville-Harding SSO Elimination.

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, 2023, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.

ECONOMIC FACTORS

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

REQUESTS FOR INFORMATION

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



CITY OF PORTSMOUTH, OHIO

**Statement of Net Position
December 31, 2023**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 29,977,586	\$ 8,060,809	\$ 38,038,395
Receivables:			
Taxes	5,446,201	0	5,446,201
Accounts	811,086	3,215,362	4,026,448
Intergovernmental	1,564,578	400,000	1,964,578
Internal Balances	(1,388,608)	1,388,608	0
Inventory of Supplies at Cost	82,089	33,294	115,383
Prepaid Items	210,336	17,894	228,230
Restricted Assets:			
Cash and Cash Equivalents	236,352	434,541	670,893
Capital Assets:			
Capital Assets Not Being Depreciated	2,777,183	6,991,318	9,768,501
Capital Assets Being Depreciated, Net of Accumulated Depreciation	21,009,789	23,943,234	44,953,023
Total Assets	60,726,592	44,485,060	105,211,652
Deferred Outflows of Resources:			
Pension	10,943,378	2,850,085	13,793,463
OPEB	2,022,458	399,717	2,422,175
Total Deferred Outflows of Resources	12,965,836	3,249,802	16,215,638
Liabilities:			
Accounts Payable	780,600	920,645	1,701,245
Accrued Wages and Benefits	11,129	5,903	17,032
Intergovernmental Payable	211,915	71,056	282,971
Claims Payable	1,123,297	0	1,123,297
Due to Others	75,208	0	75,208
Unearned Revenue	1,421,854	0	1,421,854
Refundable Deposits	0	434,541	434,541
Accrued Interest Payable	17,896	114,199	132,095
Long-term Liabilities:			
Due Within One Year	1,361,216	1,184,197	2,545,413
Due in More Than One Year:			
Net Pension Liability	29,700,485	6,706,151	36,406,636
Net OPEB Liability	1,682,293	134,914	1,817,207
Other Amounts Due in More Than One Year	2,286,087	13,694,833	15,980,920
Total Liabilities	38,671,980	23,266,439	61,938,419

(Continued)

CITY OF PORTSMOUTH, OHIO

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Property Tax	2,762,000	0	2,762,000
Pension	1,933,104	2,636	1,935,740
OPEB	2,092,739	44,496	2,137,235
Total Deferred Inflows of Resources	6,787,843	47,132	6,834,975
Net Position:			
Net Investment in Capital Assets	21,630,424	15,706,500	37,336,924
Restricted For:			
Streets and Highways	1,465,936	0	1,465,936
Community Development	1,615,112	0	1,615,112
Security of Persons and Property	2,133,823	0	2,133,823
Public Health and Welfare	1,829,689	0	1,829,689
Capital Projects	1,532,280	0	1,532,280
Debt Service	241,099	0	241,099
Perpetual Care:			
Expendable	209,509	0	209,509
Nonexpendable	26,843	0	26,843
Unrestricted (Deficit)	(2,452,110)	8,714,791	6,262,681
Total Net Position	\$ 28,232,605	\$ 24,421,291	\$ 52,653,896

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

**Statement of Activities
For the Year Ended December 31, 2023**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 15,002,256	\$ 1,389,575	\$ 509,403	\$ 0
Public Health and Welfare Services	4,272,238	767,766	3,538,053	0
Leisure Time Activities	86,421	103,871	0	0
Community Environment	604,580	108,064	288,720	0
Transportation	3,178,878	9,095	1,194,804	794,332
General Government	6,530,556	690,685	1,652,127	0
Interest and Fiscal Charges	63,891	0	0	0
Total Governmental Activities	29,738,820	3,069,056	7,183,107	794,332
Business-Type Activities:				
Water	7,584,521	9,005,672	0	749,138
Sewer	5,265,785	5,071,665	0	206,031
Sanitation	2,586,247	2,657,805	0	0
Total Business-Type Activities	15,436,553	16,735,142	0	955,169
Totals	\$ 45,175,373	\$ 19,804,198	\$ 7,183,107	\$ 1,749,501

General Revenues

Property Taxes Levied for:

General Purposes

Special Purpose

Debt Service

Income Taxes

Other Local Taxes

Intergovernmental Revenue, Unrestricted

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (13,103,278)	\$ 0	\$ (13,103,278)
33,581	0	33,581
17,450	0	17,450
(207,796)	0	(207,796)
(1,180,647)	0	(1,180,647)
(4,187,744)	0	(4,187,744)
(63,891)	0	(63,891)
<u>(18,692,325)</u>	<u>0</u>	<u>(18,692,325)</u>
0	2,170,289	2,170,289
0	11,911	11,911
0	71,558	71,558
<u>0</u>	<u>2,253,758</u>	<u>2,253,758</u>
<u>(18,692,325)</u>	<u>2,253,758</u>	<u>(16,438,567)</u>
2,054,005	0	2,054,005
725,317	0	725,317
180,554	0	180,554
17,398,629	0	17,398,629
345,866	0	345,866
1,260,499	0	1,260,499
50,955	0	50,955
448,345	0	448,345
<u>22,464,170</u>	<u>0</u>	<u>22,464,170</u>
3,771,845	2,253,758	6,025,603
24,460,760	22,167,533	46,628,293
<u>\$ 28,232,605</u>	<u>\$ 24,421,291</u>	<u>\$ 52,653,896</u>

CITY OF PORTSMOUTH, OHIO

**Balance Sheet
Governmental Funds
December 31, 2023**

	General	Health Department	American Rescue Plan Act	General Obligation Bond Retirement
Assets:				
Cash and Cash Equivalents	\$ 15,158,235	\$ 1,905,530	\$ 1,421,854	\$ 215,617
Receivables:				
Taxes	4,148,466	0	0	204,775
Accounts	222,024	0	0	0
Intergovernmental	692,408	245,655	0	9,603
Due from Other Funds	227,210	0	0	0
Interfund Loans Receivables	270,000	0	0	0
Inventory of Supplies, at Cost	57,050	779	0	0
Prepaid Items	127,912	47,430	0	0
Restricted Assets:				
Cash and Cash Equivalents	0	0	0	0
Total Assets	\$ 20,903,305	\$ 2,199,394	\$ 1,421,854	\$ 429,995
Liabilities:				
Accounts Payable	\$ 264,013	\$ 23,506	\$ 0	\$ 0
Accrued Wages and Benefits Payable	11,129	0	0	0
Intergovernmental Payable	167,010	26,712	0	0
Claims Payable	118,496	0	0	0
Due to Others	0	0	0	0
Unearned Revenue	0	0	1,421,854	0
Due to Other Funds	24,453	0	0	0
Interfund Loans Payable	0	270,000	0	0
Total Liabilities	585,101	320,218	1,421,854	0
Deferred Inflows of Resources:				
Property Tax	1,912,000	0	0	171,000
Unavailable Revenue	1,191,378	0	0	43,378
Total Deferred Inflows of Resources	3,103,378	0	0	214,378
Fund Balances:				
Nonspendable	184,962	48,209	0	0
Restricted	0	1,830,967	0	215,617
Committed	186,820	0	0	0
Assigned	1,609,435	0	0	0
Unassigned	15,233,609	0	0	0
Total Fund Balances	17,214,826	1,879,176	0	215,617
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 20,903,305	\$ 2,199,394	\$ 1,421,854	\$ 429,995

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 1,687,949	\$ 4,347,163	\$ 24,736,348
252,665	840,295	5,446,201
0	589,062	811,086
0	616,912	1,564,578
0	24,453	251,663
0	0	270,000
0	24,260	82,089
316	13,746	189,404
0	236,352	236,352
<u>\$ 1,940,930</u>	<u>\$ 6,692,243</u>	<u>\$ 33,587,721</u>
\$ 408,650	\$ 84,431	\$ 780,600
0	0	11,129
0	18,193	211,915
0	0	118,496
0	75,208	75,208
0	0	1,421,854
0	227,210	251,663
0	0	270,000
<u>408,650</u>	<u>405,042</u>	<u>3,140,865</u>
0	679,000	2,762,000
32,918	943,590	2,211,264
<u>32,918</u>	<u>1,622,590</u>	<u>4,973,264</u>
316	64,849	298,336
1,499,046	4,577,585	8,123,215
0	22,177	208,997
0	0	1,609,435
0	0	15,233,609
<u>1,499,362</u>	<u>4,664,611</u>	<u>25,473,592</u>
<u>\$ 1,940,930</u>	<u>\$ 6,692,243</u>	<u>\$ 33,587,721</u>

CITY OF PORTSMOUTH, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2023***

Total Governmental Fund Balances		\$ 25,473,592
<i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		23,786,972
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.		2,211,264
Internal Service Funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		2,868,761
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	10,943,378	
Deferred Inflows - Pension	(1,933,104)	
Net Pension Liability	<u>(29,700,485)</u>	(20,690,211)
The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - OPEB	2,022,458	
Deferred Inflows - OPEB	(2,092,739)	
Net OPEB Liability	<u>(1,682,293)</u>	(1,752,574)
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	(1,545,000)	
Installment Loan Payable	(477,898)	
Compensated Absences Payable	(1,624,405)	
Accrued Interest Payable	<u>(17,896)</u>	<u>(3,665,199)</u>
<i>Net Position of Governmental Activities</i>		<u>\$ 28,232,605</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, 2023**

	General	Health Department	American Rescue Plan Act	General Obligation Bond Retirement
Revenues:				
Taxes	\$ 17,633,276	\$ 0	\$ 0	\$ 178,669
Intergovernmental Revenues	1,329,570	3,433,743	69,174	19,164
Charges for Services	897,866	538,242	0	0
Licenses and Permits	198,770	0	0	0
Investment Earnings	50,937	0	0	0
Fines and Forfeitures	427,092	0	0	0
Donations	0	0	0	0
All Other Revenue	374,233	126,804	0	0
Total Revenue	20,911,744	4,098,789	69,174	197,833
Expenditures:				
Current:				
Security of Persons and Property	11,574,635	0	0	0
Public Health and Welfare Services	0	3,985,786	0	0
Leisure Time Activities	0	0	0	0
Community Environment	403,745	0	0	0
Transportation	787,066	0	0	0
General Government	5,113,088	0	69,174	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	135,000
Interest and Fiscal Charges	0	0	0	50,550
Total Expenditures	17,878,534	3,985,786	69,174	185,550
Excess (Deficiency) of Revenues Over Expenditures	3,033,210	113,003	0	12,283
Other Financing Sources (Uses):				
Transfers In	0	809,695	0	0
Transfers Out	(967,458)	0	0	0
Total Other Financing Sources (Uses)	(967,458)	809,695	0	0
Net Change in Fund Balances	2,065,752	922,698	0	12,283
Fund Balances at Beginning of Year	15,149,074	956,478	0	203,334
Fund Balances End of Year	\$ 17,214,826	\$ 1,879,176	\$ 0	\$ 215,617

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 2,098,129	\$ 847,995	\$ 20,758,069
25,000	2,178,681	7,055,332
0	91,515	1,527,623
0	0	198,770
4	14	50,955
0	771,764	1,198,856
0	1,400,000	1,400,000
23,626	16,353	541,016
<u>2,146,759</u>	<u>5,306,322</u>	<u>32,730,621</u>
0	859,254	12,433,889
0	0	3,985,786
0	70,699	70,699
0	246,738	650,483
0	1,401,792	2,188,858
0	969,364	6,151,626
1,895,180	0	1,895,180
218,431	0	353,431
11,427	0	61,977
<u>2,125,038</u>	<u>3,547,847</u>	<u>27,791,929</u>
21,721	1,758,475	4,938,692
0	157,763	967,458
0	0	(967,458)
<u>0</u>	<u>157,763</u>	<u>0</u>
21,721	1,916,238	4,938,692
1,477,641	2,748,373	20,534,900
<u>\$ 1,499,362</u>	<u>\$ 4,664,611</u>	<u>\$ 25,473,592</u>

CITY OF PORTSMOUTH, OHIO

**Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For the Year Ended December 31, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ 4,938,692

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

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

Capital Outlay	3,440,224	
Depreciation Expense	<u>(2,226,708)</u>	1,213,516

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

The statement of activities reports losses arising from the disposal of capital assets. However, in the governmental funds, proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold.	(33,025)
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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.	(14,288)
--	----------

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	2,065,604
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Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(3,925,712)
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Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability/asset are reported as OPEB expense in the statement of activities.	280,030
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The issuance of long-term debt (e.g. notes, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

General Obligation Bonds Payable	255,000	
Installment Loan Payable	<u>98,431</u>	353,431

(Continued)

CITY OF PORTSMOUTH, OHIO

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (1,914)

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 (141,020)

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. (963,469)

Change in Net Position of Governmental Activities \$ 3,771,845

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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 16,330,000	\$ 17,258,000	\$ 17,470,380	\$ 212,380
Intergovernmental Revenue	1,111,000	1,221,000	1,225,388	4,388
Charges for Services	758,000	890,000	889,475	(525)
Licenses and Permits	205,000	198,000	198,770	770
Investment Earnings	3,000	51,000	50,937	(63)
Fines and Forfeitures	500,000	424,000	426,331	2,331
All Other Revenues	106,000	384,000	383,532	(468)
Total Revenues	<u>19,013,000</u>	<u>20,426,000</u>	<u>20,644,813</u>	<u>218,813</u>
Expenditures:				
Current:				
Security of Persons and Property	12,574,067	11,777,233	11,777,233	0
Community Environment	412,974	403,622	403,622	0
Transportation	677,651	779,415	779,415	0
General Government	6,207,475	4,316,396	4,316,396	0
Total Expenditures	<u>19,872,167</u>	<u>17,276,666</u>	<u>17,276,666</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(859,167)	3,149,334	3,368,147	218,813
Other Financing Sources (Uses):				
Transfers Out	(2,502,695)	(2,234,458)	(2,234,458)	0
Advances In	0	700,000	693,000	(7,000)
Advances Out	(662,000)	(270,000)	(270,000)	0
Total Other Financing Sources (Uses):	<u>(3,164,695)</u>	<u>(1,804,458)</u>	<u>(1,811,458)</u>	<u>(7,000)</u>
Net Change in Fund Balance	(4,023,862)	1,344,876	1,556,689	211,813
Fund Balance at Beginning of Year	12,392,068	12,392,068	12,392,068	0
Prior Year Encumbrances	527,823	527,823	527,823	0
Fund Balance at End of Year	<u>\$ 8,896,029</u>	<u>\$ 14,264,767</u>	<u>\$ 14,476,580</u>	<u>\$ 211,813</u>

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Health Department Fund
For the Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 1,664,000	\$ 3,305,000	\$ 3,252,221	\$ (52,779)
Charges for Services	1,165,000	561,000	538,242	(22,758)
All Other Revenues	153,000	125,000	126,804	1,804
Total Revenues	2,982,000	3,991,000	3,917,267	(73,733)
Expenditures:				
Public Health and Welfare Services	4,852,285	4,113,973	4,113,973	0
Total Expenditures	4,852,285	4,113,973	4,113,973	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,870,285)	(122,973)	(196,706)	(73,733)
Other Financing Sources (Uses):				
Transfers In	793,000	1,183,000	809,695	(373,305)
Transfers Out	0	(363,274)	0	363,274
Advances In	300,000	220,000	270,000	50,000
Advances Out	0	(693,000)	(693,000)	0
Total Other Financing Sources (Uses)	1,093,000	346,726	386,695	39,969
Net Change in Fund Balance	(777,285)	223,753	189,989	(33,764)
Fund Balance at Beginning of Year	1,692,656	1,692,656	1,692,656	0
Prior Year Encumbrances	22,885	22,885	22,885	0
Fund Balance at End of Year	\$ 938,256	\$ 1,939,294	\$ 1,905,530	\$ (33,764)

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)
American Rescue Plan Act Fund
For the Year Ended December 31, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 2,000,000	\$ 70,000	\$ 69,174	\$ (826)
Total Revenues	<u>2,000,000</u>	<u>70,000</u>	<u>69,174</u>	<u>(826)</u>
Expenditures:				
General Government	1,677,185	386,766	386,766	0
Total Expenditures	<u>1,677,185</u>	<u>386,766</u>	<u>386,766</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	322,815	(316,766)	(317,592)	(826)
Fund Balance at Beginning of Year	1,677,023	1,677,023	1,677,023	0
Fund Balance at End of Year	<u>\$ 1,999,838</u>	<u>\$ 1,360,257</u>	<u>\$ 1,359,431</u>	<u>\$ (826)</u>

See accompanying notes to the basic financial statements



CITY OF PORTSMOUTH, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2023**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Sanitation
Assets:			
Current assets:			
Cash and Cash Equivalents	\$ 6,043,422	\$ 1,742,771	\$ 274,616
Accounts receivable (net of allowance for uncollectibles)	1,694,871	998,206	522,285
Intergovernmental receivable	400,000	0	0
Inventory of Supplies at Cost	0	0	33,294
Prepaid Items	8,090	6,781	3,023
Total current assets	8,146,383	2,747,758	833,218
Noncurrent assets:			
Restricted Assets:			
Cash and Cash Equivalents	434,541	0	0
Capital assets:			
Capital Assets Not Being Depreciated	5,789,013	1,202,305	0
Capital Assets Being Depreciated, net of accumulated depreciation	12,318,099	10,989,291	635,844
Total capital assets	18,107,112	12,191,596	635,844
Total noncurrent assets	18,541,653	12,191,596	635,844
Total Assets	26,688,036	14,939,354	1,469,062
Deferred Outflows of Resources:			
Pension	1,310,562	1,032,163	507,360
OPEB	185,616	140,776	73,325
Total Deferred Outflows of Resources	1,496,178	1,172,939	580,685
Liabilities:			
Current liabilities:			
Accounts Payable	633,613	238,113	48,919
Accrued Wages and Benefits	2,855	2,719	329
Intergovernmental Payable	32,075	24,699	14,282
Claims Payable	0	0	0
Refundable Deposits	434,541	0	0
Accrued Interest Payable	38,258	75,941	0
OWDA Loans Payable - Current	516,428	273,112	0
OPWC Loans Payable - Current	46,510	86,064	0
Compensated Absences Payable - Current	181,857	80,226	0
Total Current Liabilities	1,886,137	780,874	63,530

CITY OF PORTSMOUTH, OHIO

Total	Governmental Activities - Internal Service Funds
\$ 8,060,809	\$ 5,241,238
3,215,362	0
400,000	0
33,294	0
17,894	20,932
<u>11,727,359</u>	<u>5,262,170</u>
434,541	0
6,991,318	0
23,943,234	0
<u>30,934,552</u>	<u>0</u>
<u>31,369,093</u>	<u>0</u>
<u>43,096,452</u>	<u>5,262,170</u>
2,850,085	0
399,717	0
<u>3,249,802</u>	<u>0</u>
920,645	0
5,903	0
71,056	0
0	1,004,801
434,541	0
114,199	0
789,540	0
132,574	0
262,083	0
<u>2,730,541</u>	<u>1,004,801</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2023**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Sanitation
Noncurrent Liabilities:			
OWDA Loans Payable	6,552,787	4,945,091	0
OPWC Loans Payable	1,209,261	939,868	0
Compensated Absences Payable	33,355	14,471	0
Net Pension Liability	3,114,127	2,361,840	1,230,184
Net OPEB Liability	62,650	47,515	24,749
Total Noncurrent Liabilities	10,972,180	8,308,785	1,254,933
Total Liabilities	12,858,317	9,089,659	1,318,463
Deferred Inflows of Resources:			
Pension	0	0	2,636
OPEB	20,663	15,671	8,162
Total Deferred Inflows of Resources	20,663	15,671	10,798
Net Position:			
Net Investment in Capital Assets	9,251,103	5,819,553	635,844
Unrestricted	6,054,131	1,187,410	84,642
Total Net Position	\$ 15,305,234	\$ 7,006,963	\$ 720,486

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

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

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
11,497,878	0
2,149,129	0
47,826	0
6,706,151	0
134,914	0
<u>20,535,898</u>	<u>0</u>
23,266,439	1,004,801
2,636	0
44,496	0
<u>47,132</u>	<u>0</u>
15,706,500	0
7,326,183	4,257,369
<u>\$ 23,032,683</u>	<u>\$ 4,257,369</u>
<u>1,388,608</u>	
<u>\$ 24,421,291</u>	

CITY OF PORTSMOUTH, OHIO

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Sanitation
Operating Revenues:			
Charges for Services	\$ 8,865,305	\$ 5,043,351	\$ 2,654,472
Other Operating Revenues	140,367	28,314	3,333
Total Operating Revenues	9,005,672	5,071,665	2,657,805
Operating Expenses:			
Personal Services	3,137,924	2,616,460	1,450,783
Contractual Services	1,793,612	1,357,605	133,461
Materials and Supplies	1,203,965	356,947	836,651
Depreciation	1,169,509	647,083	87,800
Total Operating Expenses	7,305,010	4,978,095	2,508,695
Operating Income (Loss)	1,700,662	93,570	149,110
Non-Operating Revenue (Expenses):			
Interest and Fiscal Charges	(78,935)	(154,932)	0
Total Non-Operating Revenues (Expenses)	(78,935)	(154,932)	0
Income (Loss) Before Contributions	1,621,727	(61,362)	149,110
Capital Contributions	749,138	206,031	0
Change in Net Position	2,370,865	144,669	149,110
Net Position Beginning of Year	12,934,369	6,862,294	571,376
Net Position End of Year	\$ 15,305,234	\$ 7,006,963	\$ 720,486

Change in Net Position - Total Enterprise Funds

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

Change in Net Position - Total Business-Type Activities

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

Total	Governmental Activities - Internal Service Funds
\$ 16,563,128	\$ 5,573,501
172,014	0
<u>16,735,142</u>	<u>5,573,501</u>
7,205,167	6,940,956
3,284,678	6,900
2,397,563	0
1,904,392	0
<u>14,791,800</u>	<u>6,947,856</u>
1,943,342	(1,374,355)
(233,867)	0
<u>(233,867)</u>	<u>0</u>
1,709,475	(1,374,355)
955,169	0
<u>2,664,644</u>	<u>(1,374,355)</u>
20,368,039	5,631,724
<u>\$ 23,032,683</u>	<u>\$ 4,257,369</u>
2,664,644	
(410,886)	
<u>\$ 2,253,758</u>	

CITY OF PORTSMOUTH, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023**

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Sanitation
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$9,171,544	\$5,350,935	\$2,599,686
Cash Received from Interfund Services	0	0	0
Cash Payments for Goods and Services	(3,132,665)	(1,902,456)	(967,012)
Cash Payments to Employees	(2,980,030)	(2,506,600)	(1,366,826)
Cash Payments for Claims	0	0	0
Customer Deposits Received	82,041	0	0
Customer Deposits Refunded	(56,936)	0	0
Net Cash Provided (Used) by Operating Activities	<u>3,083,954</u>	<u>941,879</u>	<u>265,848</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from Ohio Water Development Authority Loan	1,091,267	525,617	0
Proceeds from Intergovernmental Grants	349,138	206,031	0
Acquisition and Construction of Assets	(1,726,265)	(851,827)	0
Principal Paid on Ohio Public Works Commission Loan	(46,510)	(86,062)	0
Principal Paid on Ohio Water Development Authority Loan	(558,172)	(217,576)	0
Loan Payment	0	(99,341)	0
Interest Paid on All Debt	(83,735)	(157,082)	0
Net Cash Used by Capital and Related Financing Activities	<u>(974,277)</u>	<u>(680,240)</u>	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,109,677	261,639	265,848
Cash and Cash Equivalents at Beginning of Year	4,368,286	1,481,132	8,768
Cash and Cash Equivalents at End of Year	<u>\$6,477,963</u>	<u>\$1,742,771</u>	<u>\$274,616</u>
<u>Reconciliation of Cash and Cash Equivalent per the Statement of Net Position:</u>			
Cash and Cash Equivalents	\$6,043,422	\$1,742,771	\$274,616
Restricted Cash and Cash Equivalents	434,541	0	0
Cash and Cash Equivalents at End of Year	<u>\$6,477,963</u>	<u>\$1,742,771</u>	<u>\$274,616</u>

CITY OF PORTSMOUTH, OHIO

Total	Governmental Activities Internal Service Fund
\$17,122,165	\$0
0	5,573,501
(6,002,133)	(6,900)
(6,853,456)	0
0	(6,454,384)
82,041	0
(56,936)	0
<u>4,291,681</u>	<u>(887,783)</u>
1,616,884	0
555,169	0
(2,578,092)	0
(132,572)	0
(775,748)	0
(99,341)	0
(240,817)	0
<u>(1,654,517)</u>	<u>0</u>
2,637,164	(887,783)
5,858,186	6,129,021
<u>\$8,495,350</u>	<u>\$5,241,238</u>
\$8,060,809	\$5,241,238
434,541	0
<u>\$8,495,350</u>	<u>\$5,241,238</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023**

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Sanitation
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$1,700,662	\$93,570	\$149,110
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	1,169,509	647,083	87,800
Changes in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
(Increase) Decrease in Accounts Receivable	165,872	279,270	(58,119)
Increase in Inventory	0	0	(2,569)
(Increase) Decrease in Prepaid Items	30,400	20,847	11,216
Decrease in Net OPEB Asset	301,327	217,789	120,533
Increase in Deferred Outflows-Pension	(887,717)	(725,101)	(338,932)
Increase in Deferred Outflows-OPEB	(185,616)	(140,776)	(61,708)
Increase (Decrease) in Accounts Payable	(137,051)	(187,768)	5,958
Increase (Decrease) in Intergovernmental Payable	915	(437)	1,847
Increase (Decrease) in Accrued Wages and Benefits	(19,998)	(2,435)	134
Increase in Claims Payable	0	0	0
Increase in Customer Deposits	25,105	0	0
Increase (Decrease) in Compensated Absences	24,220	(8,693)	0
Increase in Net Pension Liability	2,230,731	1,723,353	876,819
Increase in Net OPEB Liability	62,650	47,515	24,749
Decrease in Deferred Inflows-Pension	(1,092,109)	(797,316)	(434,617)
Decrease in Deferred Inflows-OPEB	(304,946)	(225,022)	(116,373)
Total Adjustments	1,383,292	848,309	116,738
Net Cash Provide (Used) by Operating Activities	\$3,083,954	\$941,879	\$265,848

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2023 the Water Fund and Sewer Fund had outstanding liabilities of \$531,023 and \$127,908, respectively for certain capital assets.

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

Total	Governmental Activities Internal Service Fund
\$1,943,342	(\$1,374,355)
1,904,392	0
387,023	0
(2,569)	0
62,463	(20,932)
639,649	0
(1,951,750)	0
(388,100)	0
(318,861)	0
2,325	0
(22,299)	0
0	507,504
25,105	0
15,527	0
4,830,903	0
134,914	0
(2,324,042)	0
(646,341)	0
<u>2,348,339</u>	<u>486,572</u>
<u>\$4,291,681</u>	<u>(\$887,783)</u>

CITY OF PORTSMOUTH, OHIO

**Statement of Net Position
Fiduciary Funds
December 31, 2023**

	<u>Custodial</u>
Assets:	
Receivables:	
Accounts	\$ 420,545
Restricted Assets:	
Cash and Cash Equivalents	48,379
Total Assets	<u>468,924</u>
Liabilities:	
Intergovernmental Payable	18,220
Due to Others	450,704
Total Liabilities	<u>468,924</u>
Unrestricted	0
Total Net Position	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

**Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2023**

	<u>Custodial</u>
Additions:	
Fines and Forfeitures Collections for Others	\$ 926,594
Charges Collected for Others	2,425
Total Additions	<u>929,019</u>
Deductions:	
Distribution of Fines and Forfeitures to Others	926,594
Distribution of Charges Collected for Others	2,425
Total Deductions	<u>929,019</u>
Change in Net Position	0
Net Position at Beginning of Year	<u>0</u>
Net Position End of Year	<u>\$ 0</u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements are presented as of December 31, 2023 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

Based on the foregoing, the City's financial reporting entity includes the following services as authorized by its charter: police and fire protection, parks and recreation, planning, zoning, street maintenance and general administrative services. In addition, the City owns and operates a water treatment and distribution system, a wastewater treatment and collection system and a refuse collection service, each of which is reported as an enterprise fund.

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

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

B. Basis of Presentation - Fund Accounting

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

American Rescue Plan Act (ARPA) Fund – This fund is used to account for Coronavirus State and Local Fiscal Recovery funds received as part of the American Rescue Plan Act. The funds are to be used to support the response and recovery from the COVID-19 public health emergency.

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

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

Proprietary Funds

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

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds

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

Fiduciary Funds

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

C. Basis of Presentation – Financial Statements

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

services offered by the program and grants and contributions that are externally restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

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

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

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

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from property taxes is recognized in the year for which the taxes were levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenues considered susceptible to accrual at year end include income taxes, interest on investments, and state levied locally shared taxes, including motor vehicle license fees and local government assistance. Other revenues, including licenses, permits, certain charges for services, and miscellaneous revenues are recorded when received in cash, because generally these revenues are not measurable until received.

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

E. Budgetary Process

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

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

On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement as final budget reflect the amounts in the final amended official certificate of estimated resources issued during 2023.

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 2023. 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.

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, 2023**

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. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting. The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary cash basis statements for the General Fund and major special revenue funds:

	Net Change in Fund Balance		
	General Fund	Health Department Fund	ARPA Fund
GAAP Basis (as reported)	\$2,065,752	\$922,698	\$0
Increase (Decrease):			
Accrued Revenues at December 31, 2023 received during 2024	(2,473,799)	(245,655)	0
Accrued Revenues at December 31, 2022 received during 2023	2,403,580	64,133	0
Unearned Revenues at December 31, 2022 received during 2022	0	0	(1,677,023)
Unearned Revenues at December 31, 2023 received during 2023	0	0	1,421,854
Accrued Expenditures at December 31, 2023 paid during 2024	445,847	320,147	0
Accrued Expenditures at December 31, 2022 paid during 2023	(525,878)	(872,319)	0
2022 Prepays for 2023	276,519	48,415	0
2023 Prepays for 2024	(126,937)	(47,430)	0
Perspective Difference-			
Budgeted Special Revenue Funds reclassified as General Fund	23,041	0	0
Outstanding Encumbrances	(531,436)	0	(62,423)
Budget Basis	<u>\$1,556,689</u>	<u>\$189,989</u>	<u>(\$317,592)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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 consumption method is used to account for inventories. As such, inventories are recognized as expenditures when goods are used. Reported inventories in governmental funds are offset by a nonspendable fund balance.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

I. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets and Depreciation (Continued)

2. Property, Plant and Equipment – Business Type Activities

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

3. Depreciation

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

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

J. Long-Term Obligations

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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 vacation and compensatory time and one-third of all sick time.

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

L. Net Position

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

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

M. Pensions/Other Postemployment Benefits (OPEB)

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Interfund Activity

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

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

O. Fund Balances

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Balances (Continued)

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

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

P. Operating Revenues and Expenses

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

Q. Deferred Outflows/Inflows of Resources

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Restricted Assets

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

S. Fair Value

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

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2023.

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE

For 2023 the City implemented Governmental Accounting Standards Board (GASB) Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements,” and Statement No. 96, “Subscription-Based Information Technology Arrangements.”

GASB Statement No. 94 clarifies accounting and financial reporting requirements for public-private and public-public partnership arrangements and availability payment arrangements. GASB Statement No. 96 provides guidance on accounting and financial reporting for subscription-based information technology arrangements for government end users.

The implementation of these Statements had no effect on beginning net position/fund balance.

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 3 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General Fund	Health Department Fund	General Obligation Bond Retirement Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid Items	\$127,912	\$47,430	\$0	\$316	\$13,746	\$189,404
Supplies Inventory	57,050	779	0	0	24,260	82,089
Endowment	0	0	0	0	26,843	26,843
Total Nonspendable	184,962	48,209	0	316	64,849	298,336
Restricted:						
Transportation Projects	0	0	0	0	1,112,882	1,112,882
Court Projects	0	0	0	0	571,239	571,239
Public Safety	0	0	0	0	1,067,607	1,067,607
Health	0	1,830,967	0	0	0	1,830,967
Cemetery	0	0	0	0	209,509	209,509
Community Development	0	0	0	0	1,583,288	1,583,288
Debt Retirement	0	0	215,617	0	0	215,617
Capital Improvements	0	0	0	1,499,046	0	1,499,046
Parks and Recreation	0	0	0	0	33,060	33,060
Total Restricted	0	1,830,967	215,617	1,499,046	4,577,585	8,123,215
Committed:						
Parks and Recreation	0	0	0	0	22,177	22,177
Compensated Absences	186,820	0	0	0	0	186,820
Total Committed	186,820	0	0	0	22,177	208,997
Assigned:						
Projected Budgetary Deficit	1,083,914	0	0	0	0	1,083,914
Services and Supplies	525,521	0	0	0	0	525,521
Total Assigned	1,609,435	0	0	0	0	1,609,435
Unassigned:						
	15,233,609	0	0	0	0	15,233,609
Total Fund Balances	\$17,214,826	\$1,879,176	\$215,617	\$1,499,362	\$4,664,611	\$25,473,592

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

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

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

- * United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- * Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- * Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- * Time certificates of deposit or savings or deposit accounts including, but not limited to , passbook accounts;
- * Bonds and other obligations of the State of Ohio and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio if training requirements have been met;
- * No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

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

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

Deposits

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

At year end the carrying amount of the City’s deposits was \$38,757,667 and the bank balance was \$39,411,703. Federal depository insurance covered \$354,406 of the bank balance and \$39,057,297 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held in the Ohio Pooled Collateral System	<u>\$39,057,297</u>
Total Balance	<u><u>\$39,057,297</u></u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 5 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes collected during 2023 were levied after October 1, 2022 on assessed values as of January 1, 2022, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. Public utility tangible personal property is currently assessed at varying percentages of its true value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 2022. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder payable by June 20.

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

The full tax rate for all City operations for the year ended December 31, 2023 was \$11.75 per \$1,000 of assessed value. The assessed value upon which the 2023 tax collections were based was \$282,681,620. This amount constituted \$251,756,180 in real property assessed value and \$30,925,440 in public utility assessed.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .1175% (11.75 mills) of assessed value.

B. Income Tax

The City levies a tax of 2.5% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 50% of the tax paid to another municipality to a maximum of the total amount assessed.

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

NOTE 6 - RECEIVABLES

Receivables at December 31, 2023 consisted of taxes, intergovernmental, and accounts receivable. All receivables are expected to be collected with the next year.

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables balances at December 31, 2023 are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$227,210	\$24,453
Other Governmental Funds	24,453	227,210
Total Governmental Funds	<u>\$251,663</u>	<u>\$251,663</u>

	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$270,000	\$0
Health Department Fund	0	270,000
Total Governmental Funds	<u>\$270,000</u>	<u>\$270,000</u>

On the Statement of Net Position, the Business-Type Activities reported an internal balance at December 31, 2023 of \$1,388,608, which was offset in the Governmental Activities by the same amount. The Due from Other Funds in the Other Governmental Funds is for reimbursement of expenditures made by the Community Development Fund for the General Fund. The Interfund Loan is a short-term loan which will be paid back within the year. The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by December 31, 2023. All interfund receivables are expected to be collected within the next year.

NOTE 8 - TRANSFERS

Following is a summary of Transfers in and out for all funds for 2023:

Fund	Transfer In	Transfer Out
Governmental Funds:		
General Fund	\$0	\$967,458
Health Department Fund	809,695	0
Other Governmental Funds	157,763	0
Total Governmental Funds	<u>967,458</u>	<u>967,458</u>
Totals	<u>\$967,458</u>	<u>\$967,458</u>

Transfers were used to provide additional resources for current operations in the Health Department and other governmental funds.

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 9 - CAPITAL ASSETS

A. Governmental Capital Assets

Summary by category of changes in Governmental Capital Assets:

Historical Cost:

Class	December 31, 2022	Additions	Deletions	December 31, 2023
<i>Capital assets not being depreciated:</i>				
Land	\$2,156,209	\$0	\$0	\$2,156,209
Construction in Progress	291,543	575,555	(246,124)	620,974
Subtotal	2,447,752	575,555	(246,124)	2,777,183
<i>Capital assets being depreciated:</i>				
Buildings	4,981,878	649,124	0	5,631,002
Improvements	3,932,577	359,792	0	4,292,369
Machinery and Equipment	15,726,232	767,448	(54,834)	16,438,846
Infrastructure	35,268,256	1,334,429	(234,124)	36,368,561
Subtotal	59,908,943	3,110,793	(288,958)	62,730,778
Total Cost	\$62,356,695	\$3,686,348	(\$535,082)	\$65,507,961

Accumulated Depreciation:

Class	December 31, 2022	Additions	Deletions	December 31, 2023
Buildings	(\$2,654,983)	(\$104,492)	\$0	(\$2,759,475)
Improvements	(2,134,112)	(144,521)	0	(2,278,633)
Machinery and Equipment	(10,478,380)	(1,129,222)	54,834	(11,552,768)
Infrastructure	(24,482,739)	(848,473)	201,099	(25,130,113)
Total Depreciation	(\$39,750,214)	(\$2,226,708) *	\$255,933	(\$41,720,989)
<i>Net Value:</i>	\$22,606,481			\$23,786,972

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$864,002
Public Health & Welfare Services	69,577
Leisure Time Activities	15,966
Community Environment	134,026
Transportation	892,942
General Government	250,195
Total Depreciation Expense	\$2,226,708

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 9 - CAPITAL ASSETS (Continued)

B. Business Type Capital Assets

Summary by Category at December 31, 2023:

Historical Cost:

Class	December 31, 2022	Additions	Deletions	December 31, 2023
<i>Capital assets not being depreciated:</i>				
Land	\$63,504	\$0	\$0	\$63,504
Construction in Progress	4,521,375	2,406,439	0	6,927,814
Subtotal	4,584,879	2,406,439	0	6,991,318
<i>Capital assets being depreciated:</i>				
Buildings	6,976,721	0	0	6,976,721
Improvements other than Buildings	41,308,519	93,710	0	41,402,229
Machinery and Equipment	17,554,433	266,169	(48,543)	17,772,059
Subtotal	65,839,673	359,879	(48,543)	66,151,009
Total Cost	\$70,424,552	\$2,766,318	(\$48,543)	\$73,142,327

Accumulated Depreciation:

Class	December 31, 2022	Additions	Deletions	December 31, 2023
Buildings	(\$2,171,115)	(\$159,541)	\$0	(\$2,330,656)
Improvements other than Buildings	(23,892,243)	(839,615)	0	(24,731,858)
Machinery and Equipment	(14,288,568)	(905,236)	48,543	(15,145,261)
Total Depreciation	(\$40,351,926)	(\$1,904,392)	\$48,543	(\$42,207,775)

Net Value:

\$30,072,626	\$30,934,552
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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. Effective January 1, 2022, the Combined Plan is no longer available for member selection. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member’s pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS’s Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit. For additional information, see the Plan Statement in the OPERS Annual Comprehensive Financial Report.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	<u>State and Local</u>
2023 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2023 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$1,243,025 for 2023. Of this amount, \$102,531 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit. (See OP&F Annual Comprehensive Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

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

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

Members who retired prior to July 24, 1986 or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2023 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25
2023 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$1,293,435 for 2023. Of this amount, \$108,851 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$16,623,660	\$19,782,976	\$36,406,636
Proportion of the Net Pension Liability-2023	0.056275%	0.208263%	
Proportion of the Net Pension Liability-2022	0.056268%	0.221847%	
Percentage Change	<u>0.000007%</u>	<u>(0.013584%)</u>	
Pension Expense	\$2,584,032	\$2,398,239	\$4,982,271

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$175,617	\$1,784,357	\$1,959,974
Differences between expected and actual experience	552,168	296,736	848,904
Net difference between projected and actual earnings on pension plan investments	4,738,266	2,880,160	7,618,426
Change in proportionate share	204,173	625,526	829,699
City contributions subsequent to the measurement date	<u>1,243,025</u>	<u>1,293,435</u>	<u>2,536,460</u>
Total Deferred Outflows of Resources	<u>\$6,913,249</u>	<u>\$6,880,214</u>	<u>\$13,793,463</u>
Deferred Inflows of Resources			
Changes in assumptions	\$0	\$385,763	\$385,763
Differences between expected and actual experience	0	450,714	450,714
Change in proportionate share	<u>123,150</u>	<u>976,113</u>	<u>1,099,263</u>
Total Deferred Inflows of Resources	<u>\$123,150</u>	<u>\$1,812,590</u>	<u>\$1,935,740</u>

\$2,536,460 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2024	\$724,099	\$343,077	\$1,067,176
2025	1,107,142	1,031,013	2,138,155
2026	1,394,700	1,069,050	2,463,750
2027	2,321,133	1,487,050	3,808,183
2028	0	(156,001)	(156,001)
Total	<u>\$5,547,074</u>	<u>\$3,774,189</u>	<u>\$9,321,263</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

The total pension liability in the December 31, 2022 and December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	December 31, 2022
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2023. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age
	December 31, 2021
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2022. 2.05 percent simple, thereafter
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1 percent for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real estate rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	22.00 %	2.62 %
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other Investments	5.00	3.27
Total	100.00 %	

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent. The discount rate for the prior year was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	\$24,901,688	\$16,623,660	\$9,737,826

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2022 is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2022, compared with January 1, 2021, are presented below.

	January 1, 2022	January 1, 2021
Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5	Inflation rate of 2.75 percent plus productivity increase rate of 0.5
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

For the January 1, 2022 valuation, mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2022 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.80
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds *	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

* levered 2.5x

Note: Assumptions are geometric

OPF’s Board of Trustees has incorporated the “risk parity” concept into OPF’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate For 2022, the total pension liability was calculated using the discount rate of 7.50 percent. The discount rate used for 2021 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 7.50 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$26,097,562	\$19,782,976	\$14,533,660

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have 20 or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2023. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2023 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2023.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75. OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

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 2023, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OP&F was \$30,592 for 2023. Of this amount, \$2,551 is reported as an intergovernmental payable.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability (Asset)	\$334,434	\$1,482,773	\$1,817,207
Proportion of the Net OPEB Liability (Asset) -2023	0.053041%	0.2082631%	
Proportion of the Net OPEB Liability (Asset) -2022	<u>0.053314%</u>	<u>0.2201847%</u>	
Percentage Change	<u>(0.000273%)</u>	<u>(0.0119216%)</u>	
OPEB Expense	(\$603,551)	\$63,643	(\$539,908)

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$326,648	\$738,933	\$1,065,581
Differences between expected and actual experience	0	88,482	88,482
Net difference between projected and actual earnings on OPEB plan investments	664,198	127,178	791,376
Change in proportionate share	8,571	437,573	446,144
City contributions subsequent to the measurement date	<u>0</u>	<u>30,592</u>	<u>30,592</u>
Total Deferred Outflows of Resources	<u>\$999,417</u>	<u>\$1,422,758</u>	<u>\$2,422,175</u>
Deferred Inflows of Resources			
Changes in assumptions	\$26,878	\$1,212,788	\$1,239,666
Differences between expected and actual experience	83,421	292,372	375,793
Change in proportionate share	<u>0</u>	<u>521,776</u>	<u>521,776</u>
Total Deferred Inflows of Resources	<u>\$110,299</u>	<u>\$2,026,936</u>	<u>\$2,137,235</u>

\$30,592 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2024	\$118,235	(\$79,972)	\$38,263
2025	242,909	(31,684)	211,225
2026	207,114	(47,193)	159,921
2027	320,860	(28,591)	292,269
2028	0	(121,902)	(121,902)
2029	0	(150,431)	(150,431)
2030	0	(168,263)	(168,263)
2031	<u>0</u>	<u>(6,734)</u>	<u>(6,734)</u>
Total	<u>\$889,118</u>	<u>(\$634,770)</u>	<u>\$254,348</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	5.22 percent
Prior measurement date	6.00 percent
Investment Rate of Return:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Municipal Bond Rate:	
Current measurement date	4.05 percent
Prior measurement date	1.84 percent
Health Care Cost Trend Rate:	
Current measurement date	5.5 percent initial, 3.5 percent ultimate in 2036
Prior measurement date	5.5 percent initial, 3.5 percent ultimate in 2034
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6 percent for 2022.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.56 %
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00 %	

Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022. A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index").

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2054, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 5.22 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
City's proportionate share of the net OPEB liability (asset)	\$1,138,260	\$334,434	(\$328,854)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability (asset)	\$313,472	\$334,434	\$358,027

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.5 percent	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate	4.27 percent	2.84 percent
Cost of Living Adjustments	2.2 percent simple	2.2 percent simple

For the January 1, 2022 valuation, mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

For the January 1, 2022 valuation, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

For the January 1, 2022 valuation, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

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

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

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2022 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	18.60	4.80
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

* levered 2.5x

Note: Assumptions are geometric

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2022, the total OPEB liability was calculated using the discount rate of 4.27 percent. For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.50 percent for 2022, and 7.50 percent for 2021. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.65 percent at December 31, 2022 and 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.50 percent, which resulted in a blended discount rate of 4.27 percent for 2022 and 2.84 percent for 2021. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2035. The long-term expected rate of return on health care investments was applied to projected costs through 2035, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 4.27 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
City's proportionate share of the net OPEB liability	\$1,825,896	\$1,482,773	\$1,193,089

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

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

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

Long-term debt and other long-term obligations of the City at December 31, 2023 were as follows:

				Balance			Balance	Amount due
				December 31,	Additions	(Deletions)	December 31,	Within
				2022			2023	One Year
Business-Type Activities:								
Ohio Public Works Commission Loans:*								
2008	0.0%	Wastewater-Sludge Digester	2029	\$262,500	\$0	(\$35,000)	\$227,500	\$35,000
2011	0.0%	Wastewater-Primary Clarifier	2028	341,813	0	(22,052)	319,761	22,053
2014	0.0%	Wastewater-Grandview Avenue	2035	507,681	0	(29,010)	478,671	29,011
2018	0.0%	Water - Sunrise Reservoir Water Main	2050	1,302,281	0	(46,510)	1,255,771	46,510
Total Ohio Public Works Commission Loans				2,414,275	0	(132,572)	2,281,703	132,574
Ohio Water Development Authority Loans:*								
2007	3.25%	Water MIEX Installation	2028	1,277,007	0	(215,664)	1,061,343	222,730
2008	4.11%	Wastewater-Sludge Digester	2038	340,092	0	(15,394)	324,698	16,033
2009	3.43%	Wastewater-Lawson Run	2031	870,557	0	(89,846)	780,711	92,955
2010	0.00%	Water-High Service Pumps	2029	15,762	0	(2,252)	13,510	2,252
2010	4.39%	Wastewater-Collection System	2016	537,408	0	(18,645)	518,763	19,159
2012	2.00%	Water-Filtration Filter Rebuild	2032	912,647	0	(88,147)	824,500	89,919
2014	3.30%	Wastewater-Sewer Improvements	2044	3,162,105	0	(93,691)	3,068,414	96,808
2016	2.90%	Water-Sunrise Reservoir	2039	1,019,108	0	(47,144)	971,964	48,521
2021	1.67-1.92%	Water-Water Treatment Plant Plan	2026	3,311,596	1,091,267	(204,965)	4,197,898	153,006
2023	3.86%	Sciotoville-Harding SSO Elimination	2029	0	525,617	0	525,617	48,157
Total Ohio Water Development Authority Loans				11,446,282	1,616,884	(775,748)	12,287,418	789,540
Compensated Absences				294,382	240,050	(224,523)	309,909	262,083
Installment Loans Payable*				97,155	0	(97,155)	0	0
Total Business-Type Long-Term Debt				\$14,252,094	\$1,856,934	(\$1,229,998)	\$14,879,030	\$1,184,197
Governmental Activities:								
General Obligation Bond								
2016	2.52%	Refunding General Obligation Bond-Police and Fireman's Disability/Pension	2025	\$410,000	\$0	(\$135,000)	\$275,000	\$135,000
2022	3.50%	General Obligation Bond-Fire Truck	2032	1,390,000	0	(120,000)	1,270,000	125,000
Total General Obligation Bonds				1,800,000	0	(255,000)	1,545,000	260,000
Compensated Absences				1,483,385	947,928	(806,908)	1,624,405	915,918
Installment Loans Payable*				576,329	0	(98,431)	477,898	185,298
Total Governmental Activities				\$3,859,714	\$947,928	(\$1,160,339)	\$3,647,303	\$1,361,216

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

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

				Original Issue
Business-Type Activities				
Ohio Public Works Commission Loans (OPWC):				
0.00%	Wastewater-Sludge Digester	2008-2029		\$700,000
0.00%	Wastewater-Primary Clarifier	2011-2028		441,049
0.00%	Wastewater-Grandview Avenue	2014-2035		580,207
0.00%	Water - Sunrise Reservoir Water Main	2018-2050		1,395,301
Total OPWC Loans				<u>\$3,116,557</u>
Ohio Water Development Authority Loans (OWDA):				
3.25%	Water MIEX Installation	2007-2028		\$3,734,915
4.11%	Wastewater-Sludge Digester	2008-2038		501,078
3.43%	Wastewater-Lawson Run	2009-2031		1,711,234
0.00%	Water-High Service Pumps	2010-2029		45,034
4.39%	Wastewater-Collection System	2010-2016		676,977
2.00%	Water Filtration Filter Rebuild	2012-2032		1,739,606
3.30%	Wastewater-Sewer Improvements	2014-2045		3,738,695
2.90%	Water-Sunrise Reservoir Improvements	2016-2039		1,152,663
1.67-1.92%	Water-Treatment Plant Plan	2021-2026		4,520,022 *
3.86%	Scioto-Harding SSO Elimination	2023-2029		525,617 *
Total OWDA Loans				<u>\$18,345,841</u>
* Amount Disbursed as of December 31, 2023				
Governmental Activities Long-Term Debt				
General Obligation Bonds:				
Police and Fireman's Disability and Pension				
2.52%	Refunding	2016-2025		\$1,250,000
3.50%	Fire Truck Acquisition	2022-2032		1,390,000
Total General Obligation Bonds				<u>\$2,640,000</u>
Installment Loans Payable:				
4.06%	Fire Pumper	2019-2023		\$594,698
0.00%	Building	2022-2031		418,000
3.32%	Ambulance	2022-2024		200,129
Total Installment Loans Payable				<u>\$1,212,827</u>

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2023**

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

A. Principal and Interest Requirements

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2023 follows:

Business-Type Activities:

Years	OPWC Loans		OWDA Loan	
	Principal	Interest	Principal	Interest
2024	\$132,574	\$0	\$789,540	\$312,025
2025	132,573	0	861,583	299,266
2026	132,573	0	4,617,202	274,700
2027	132,573	0	751,584	180,615
2028	132,573	0	647,982	157,587
2029-2033	540,364	0	1,827,654	578,679
2034-2038	476,837	0	1,324,412	355,635
2039-2043	276,066	0	1,072,269	156,675
2044-2048	232,550	0	395,192	15,978
2049-2050	93,020	0	0	0
Totals	<u>\$2,281,703</u>	<u>\$0</u>	<u>\$12,287,418</u>	<u>\$2,331,160</u>

Governmental Activities:

Years	General Obligation Bonds		Installment Loans	
	Principal	Interest	Principal	Interest
2024	\$260,000	\$51,380	\$185,298	\$3,376
2025	270,000	43,603	41,800	0
2026	130,000	35,525	41,800	0
2027	135,000	30,975	41,800	0
2028	140,000	26,250	41,800	0
2029-2032	610,000	54,250	125,400	0
Totals	<u>\$1,545,000</u>	<u>\$241,983</u>	<u>\$477,898</u>	<u>\$3,376</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 13 - INSURANCE AND RISK MANAGEMENT

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

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

The City has a self-insured health care plan which includes all healthcare costs. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program.

The liability for unpaid claims costs of \$1,004,801 reported in the fund at December 31, 2023 is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability is based on an estimate provided by the third party administrator.

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2022	\$43,684	\$5,297,124	(\$4,843,511)	\$497,297
2023	\$497,297	\$6,961,888	(\$6,454,384)	\$1,004,801

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 14 - CONTINGENCIES

A. Litigation

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

B. Federal and State Grants

For the period January 1, 2023 to December 31, 2023, the City received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. However, amounts are undeterminable at this time.

C. Asset Retirement Obligations

GASB Statement No. 83 "Certain Asset Retirement Obligations" establishes criteria for determining the recognition of a liability for an Asset Retirement Obligation (ARO). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Recognition of the ARO occurs when the liability is both incurred and reasonably estimable. An ARO is incurred based on external laws, regulations, or contracts.

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage treatment system to the Ohio EPA for approval. Through this permitting process, the City would be responsible to address any public safety issues associated with their sewage treatment facilities and the permit would specify the procedures required to dispose of all or part of the sewage treatment plant. At this time, the City does not have an approved permit from the Ohio EPA to dispose of all or part of their sewage treatment plants. Due to the lack of specific legal requirements for retiring the sewage treatment plants, the City has determined that the amount of the Asset Retirement Obligation cannot be reasonably estimated.

CITY OF PORTSMOUTH, OHIO

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2023***

NOTE 15 – SIGNIFICANT COMMITMENTS

As of December 31, 2023, the City had the following commitments with respect to capital projects:

<u>Contractual Commitments</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
New Water Filtration Treatment Plant Design	\$69,627	2024

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

Governmental Funds:	
General Fund	\$531,436
Capital Improvement Fund	910,967
Other Governmental Funds	<u>98,191</u>
Total Governmental Funds	1,540,594
Enterprise Funds:	
Water Fund	91,479
Sewer Fund	<u>114,945</u>
Total Enterprise Funds	<u>206,424</u>
Total	<u>\$1,747,018</u>

NOTE 16 – FINANCIAL CONDITION

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PORTSMOUTH, OHIO

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

Ohio Public Employees Retirement System

Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
City's proportion of the net pension liability	0.055479%	0.055479%	0.053581%	0.051062%
City's proportionate share of the net pension liability	\$6,540,251	\$6,691,387	\$9,280,905	\$11,595,312
City's covered payroll	\$6,774,262	\$6,801,733	\$6,668,708	\$6,627,308
City's proportionate share of the net pension liability as a percentage of its covered payroll	96.55%	98.38%	139.17%	174.96%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%	77.25%

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

Ohio Police and Fire Pension Fund

Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
City's proportion of the net pension liability	0.1956245%	0.1956245%	0.195448%	0.229788%
City's proportionate share of the net pension liability	\$9,527,527	\$10,134,165	\$12,573,277	\$14,554,541
City's covered payroll	\$3,981,831	\$3,799,457	\$3,949,444	\$4,729,486
City's proportionate share of the net pension liability as a percentage of its covered payroll	239.28%	266.73%	318.36%	307.74%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%	68.36%

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

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

CITY OF PORTSMOUTH, OHIO

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.050855%	0.056051%	0.054956%	0.054006%	0.056268%	0.056275%
\$7,978,164	\$15,351,233	\$10,862,426	\$7,997,113	\$4,895,544	\$16,623,660
\$6,586,669	\$7,593,536	\$7,743,143	\$7,591,629	\$8,219,300	\$8,827,314
121.13%	202.16%	140.28%	105.34%	59.56%	188.32%
84.66%	74.70%	82.17%	86.88%	92.62%	75.74%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.191289%	0.214478%	0.201963%	0.2202556%	0.221847%	0.2082631%
\$11,740,270	\$17,507,072	\$13,605,320	\$15,015,022	\$13,755,866	\$19,782,976
\$4,158,486	\$4,802,572	\$4,753,888	\$5,367,099	\$5,553,986	\$5,635,209
282.32%	364.54%	286.19%	279.76%	247.68%	351.06%
70.91%	63.07%	69.89%	70.65%	75.03%	62.90%

CITY OF PORTSMOUTH, OHIO

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

Ohio Public Employees Retirement System

Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$816,208	\$800,245	\$795,277	\$856,267
Contributions in relation to the contractually required contribution	<u>816,208</u>	<u>800,245</u>	<u>795,277</u>	<u>856,267</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$6,801,733	\$6,668,708	\$6,627,308	\$6,586,669
Contributions as a percentage of covered payroll	12.00%	12.00%	12.00%	13.00%

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

Ohio Police and Fire Pension Fund

Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$819,318	\$840,603	\$1,031,501	\$884,510
Contributions in relation to the contractually required contribution	<u>819,318</u>	<u>840,603</u>	<u>1,031,501</u>	<u>884,510</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$3,799,457	\$3,949,444	\$4,729,486	\$4,158,486
Contributions as a percentage of covered payroll	21.56%	21.28%	21.81%	21.27%

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

CITY OF PORTSMOUTH, OHIO

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$1,063,095	\$1,084,040	\$1,062,828	\$1,150,702	\$1,235,824	\$1,243,025
<u>1,063,095</u>	<u>1,084,040</u>	<u>1,062,828</u>	<u>1,150,702</u>	<u>1,235,824</u>	<u>1,243,025</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$7,593,536	\$7,743,143	\$7,591,629	\$8,219,300	\$8,827,314	\$8,878,750
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$1,026,790	\$1,013,529	\$1,143,192	\$1,188,553	\$1,198,609	\$1,293,435
<u>1,026,790</u>	<u>1,013,529</u>	<u>1,143,192</u>	<u>1,188,553</u>	<u>1,198,609</u>	<u>1,293,435</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,802,572	\$4,753,888	\$5,367,099	\$5,553,986	\$5,635,209	\$6,118,425
21.38%	21.32%	21.30%	21.40%	21.27%	21.14%

CITY OF PORTSMOUTH, OHIO

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

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2017 is not available.

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

CITY OF PORTSMOUTH, OHIO

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.052220%	0.051395%	0.053314%	0.053041%
\$7,212,939	(\$915,643)	(\$1,669,876)	\$334,434
\$7,743,143	\$7,591,629	\$8,219,300	\$8,827,314
93.15%	(12.06%)	(20.32%)	3.79%
47.80%	115.57%	128.23%	94.79%

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.201963%	0.2202556%	0.2201847%	0.2082631%
\$1,994,938	\$2,333,644	\$2,413,414	\$1,482,773
\$4,753,888	\$5,367,099	\$5,553,986	\$5,635,209
41.96%	43.48%	43.45%	26.31%
47.08%	45.42%	46.86%	52.59%

CITY OF PORTSMOUTH, OHIO

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

Ohio Public Employees Retirement System

Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$136,035	\$133,374	\$132,546	\$65,866
Contributions in relation to the contractually required contribution	<u>136,035</u>	<u>133,374</u>	<u>132,546</u>	<u>65,866</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$6,801,733	\$6,668,708	\$6,627,308	\$6,586,669
Contributions as a percentage of covered payroll	2.00%	2.00%	2.00%	1.00%

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

Ohio Police and Fire Pension Fund

Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required contribution	\$18,997	\$19,747	\$23,645	\$20,796
Contributions in relation to the contractually required contribution	<u>18,997</u>	<u>19,747</u>	<u>23,645</u>	<u>20,796</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$3,799,457	\$3,949,444	\$4,729,486	\$4,158,486
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

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

CITY OF PORTSMOUTH, OHIO

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$0	\$0	\$0	\$0	\$0	\$0
<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>
\$7,593,536	\$7,743,143	\$7,591,629	\$8,219,300	\$8,827,314	\$8,878,750
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$24,011	\$23,769	\$26,835	\$27,768	\$28,179	\$30,592
<u>24,011</u>	<u>23,769</u>	<u>26,835</u>	<u>27,768</u>	<u>28,179</u>	<u>30,592</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,802,572	\$4,753,888	\$5,367,099	\$5,553,986	\$5,635,209	\$6,118,425
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2023.

Changes in assumptions:

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

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

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

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

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

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

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

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

2021: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 1.4% to 0.5% for post 1/7/13 retirees.

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Change in COLA from 0.5% to 3.00% for post 1/7/13 retirees.
- Reduction in actuarial assumed rate of return from 7.20% to 6.90%.
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET PENSION LIABILITY (Continued)

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2023.

Changes in assumptions:

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

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

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

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2022: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%

2023: The following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET OPEB LIABILITY (ASSET)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the periods 2018-2021, and 2023.

2022: Group plans for non-Medicare retirees and re-employed retirees replaced with individual medical plans. OPERS will provide a subsidy or allowance via an HRA.

Changes in assumptions:

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

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

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

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

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

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.16% to 6.00%.
- Change in health care cost trend rate from 10.5% to 8.5%
- The Municipal Bond Rate changed from 2.75% to 2.00%

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Change in health care cost trend rate from 8.5% to 5.5%
- The Municipal Bond Rate changed from 2.00% to 1.84%
- Pre-retirement mortality rates are based on Pub-2010 General Employee/Safety Employee mortality tables.
- Post-retirement mortality rates are based on PubG-2010 Retiree mortality tables.
- Post-retirement mortality rates for disabled retirees are based on PubNS-2010 Disabled Retiree mortality tables for all divisions.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET OPEB LIABILITY (ASSET) (Continued)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS) (Continued)

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The Municipal Bond Rate changed from 1.84% to 4.05%
- The single discount rate changed from 6.00% to 5.22%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms:

2018: There were no changes in benefit terms.

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

2020 - 2023: There were no changes in benefit terms.

Changes in assumptions:

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

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

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

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

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

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 3.56% to 2.96%.
- The payroll growth rate changed from 2.75% to 3.25%.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.96% to 2.84%.
- The investment rate of return changed from 8.0% to 7.5%.

***Notes to the Required Supplementary Information
For the Year Ended December 31, 2023***

NET OPEB LIABILITY (ASSET) (Continued)

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

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.84% to 4.27%.
- Mortality for non-disabled participants is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table
- Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table
- Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table
- Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table

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*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Municipal Court Grants Fund

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

Municipal Court Subsidy Fund

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

Municipal Court Special Projects Fund

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

Municipal Court Probation Services Fund

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

Municipal Court Programs Fund

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

Justice Reinvestment and Incentive Grant Fund

To account for grant monies to the probation department to adopt policies and practices for reducing the number of offenders on probation supervision who violate the conditions of the supervision. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

Municipal Court Computer Fund

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

Municipal Court Security Fund

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

Community Corrections Grant Fund

To account for grant monies used for community-based corrections programs.

(Continued)

Special Revenue Funds (continued)

Fire Donation Fund

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

Fire Pension Fund

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

Police Pension Fund

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

D.A.R.E. State Grant Fund

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

Police Donation Fund

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

Justice Assistance Grant (JAG) Grants Fund

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

Community Oriented Policing Services (COPS) Fast Grant Fund

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

Indigent Drivers Alcohol Treatment Fund

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

Indigent Drivers Alcohol Monitoring Fund

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

Enforcement and Education Fund

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

Mandatory Fines Fund

To account for mandatory fines for drug offenses.

Law Enforcement Fund

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

Federal Forfeitures Fund

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

(Continued)

Special Revenue Funds (continued)

Ohio Peace Officers Training (OPOTA) Fund

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

OneOhio Opioid Fund

To account for the monies obtained and distributed by the State of Ohio for opioid settlements from drug manufacturers and distributors. It is designated for resources to assist with community drug recovery, prevention and treatment.

Street Construction, Maintenance and Repair Fund

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

State Highway Improvement Fund

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

Community Development Fund

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

Tourism and Cultural Development Fund

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

Flood Defense Fund

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

Street Resurfacing Levy Fund

To account for property tax levy approved by the voters for street paving

RD Marting Foundation Grant Fund

To account for private foundation grant monies used for the development of City municipal offices and related facilities.

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

Performance Bond Fund

To account for funds placed in escrow for various construction projects. (The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there are no revenues or expenditures on a GAAP basis.) (This fund is not part of the City's appropriated budget; therefore no budgetary schedule is presented.)

(Continued)

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, 2023**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 4,347,163	\$ 0	\$ 4,347,163
Receivables (net of allowance for doubtful accounts):			
Taxes	840,295	0	840,295
Accounts	589,062	0	589,062
Intergovernmental	616,912	0	616,912
Due from Other Funds	24,453	0	24,453
Inventory of Supplies, at Cost	24,260	0	24,260
Prepaid Items	13,746	0	13,746
Restricted Assets:			
Cash and Cash Equivalents	0	236,352	236,352
Total Assets	\$ 6,455,891	\$ 236,352	\$ 6,692,243
Liabilities:			
Accounts Payable	\$ 84,431	\$ 0	\$ 84,431
Intergovernmental Payable	18,193	0	18,193
Due to Others	75,208	0	75,208
Due to Other Funds	227,210	0	227,210
Total Liabilities	405,042	0	405,042
Deferred Inflows of Resources			
Property Tax	679,000	0	679,000
Unavailable Revenue	943,590	0	943,590
Total Deferred Inflows of Resources	1,622,590	0	1,622,590
Fund Balances:			
Nonspendable	38,006	26,843	64,849
Restricted	4,368,076	209,509	4,577,585
Committed	22,177	0	22,177
Total Fund Balances	4,428,259	236,352	4,664,611
Total Liabilities, Deferred Inflows of Resources, and Funds Balances	\$ 6,455,891	\$ 236,352	\$ 6,692,243

CITY OF PORTSMOUTH, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2023***

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ 847,995	\$ 0	\$ 847,995
Intergovernmental Revenues	2,178,681	0	2,178,681
Charges for Services	64,815	26,700	91,515
Investment Earnings	14	0	14
Fines and Forfeitures	771,764	0	771,764
Donations	1,400,000	0	1,400,000
All Other Revenue	16,341	12	16,353
Total Revenue	5,279,610	26,712	5,306,322
Expenditures:			
Current:			
Security of Persons and Property	859,254	0	859,254
Leisure Time Activities	70,699	0	70,699
Community Environment	246,738	0	246,738
Transportation	1,401,792	0	1,401,792
General Government	969,364	0	969,364
Total Expenditures	3,547,847	0	3,547,847
Excess (Deficiency) of Revenues Over Expenditures	1,731,763	26,712	1,758,475
Other Financing Sources (Uses):			
Transfers In	157,763	0	157,763
Total Other Financing Sources (Uses)	157,763	0	157,763
Net Change in Fund Balances	1,889,526	26,712	1,916,238
Fund Balances at Beginning of Year	2,538,733	209,640	2,748,373
Fund Balances End of Year	\$ 4,428,259	\$ 236,352	\$ 4,664,611

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

	Municipal Court Grants	Municipal Court Special Project	Municipal Court Probation Services	Municipal Court Programs
Assets:				
Cash and Cash Equivalents	\$ 32	\$ 108,395	\$ 41,520	\$ 10,704
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	0
Accounts	0	190,674	336,035	25,099
Intergovernmental	0	0	0	9,020
Due from Other Funds	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	0	778	1,312	0
Total Assets	\$ 32	\$ 299,847	\$ 378,867	\$ 44,823
Liabilities:				
Accounts Payable	\$ 0	\$ 524	\$ 0	\$ 0
Intergovernmental Payable	0	2,471	2,388	2,413
Due to Others	0	0	0	0
Due to Other Funds	0	0	0	0
Total Liabilities	0	2,995	2,388	2,413
Deferred Inflows of Resources:				
Property Tax	0	0	0	0
Unavailable Revenue	0	131,927	232,503	17,366
Total Deferred Inflows of Resources	0	131,927	232,503	17,366
Fund Balances:				
Nonspendable	0	778	1,312	0
Restricted	32	164,147	142,664	25,044
Committed	0	0	0	0
Total Fund Balances	32	164,925	143,976	25,044
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 32	\$ 299,847	\$ 378,867	\$ 44,823

CITY OF PORTSMOUTH, OHIO

<u>Municipal Court Computer</u>	<u>Municipal Court Security</u>	<u>Community Corrections Grant</u>	<u>Fire Donation</u>	<u>Fire Pension</u>	<u>Police Pension</u>
\$ 26,905	\$ 64,487	\$ 4,724	\$ 503	\$ 0	\$ 0
0	0	0	0	86,475	86,475
16,423	0	0	0	0	0
0	0	0	0	4,115	4,115
0	0	0	0	0	0
0	0	0	0	0	0
4,031	0	0	0	0	0
<u>\$ 47,359</u>	<u>\$ 64,487</u>	<u>\$ 4,724</u>	<u>\$ 503</u>	<u>\$ 90,590</u>	<u>\$ 90,590</u>
\$ 525	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	1,418	3,023	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>525</u>	<u>1,418</u>	<u>3,023</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	72,000	72,000
11,363	0	0	0	18,590	18,590
<u>11,363</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>90,590</u>	<u>90,590</u>
4,031	0	0	0	0	0
31,440	63,069	1,701	503	0	0
0	0	0	0	0	0
<u>35,471</u>	<u>63,069</u>	<u>1,701</u>	<u>503</u>	<u>0</u>	<u>0</u>
<u>\$ 47,359</u>	<u>\$ 64,487</u>	<u>\$ 4,724</u>	<u>\$ 503</u>	<u>\$ 90,590</u>	<u>\$ 90,590</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

	D.A.R.E. State Grant	Police Donation	JAG Grants	COPS Fast Grant
Assets:				
Cash and Cash Equivalents	\$ 13,977	\$ 1,008	\$ 2,436	\$ 700,048
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Due from Other Funds	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$ 13,977	\$ 1,008	\$ 2,436	\$ 700,048
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Payable	0	0	0	786
Due to Others	0	0	0	0
Due to Other Funds	0	0	0	227,210
Total Liabilities	0	0	0	227,996
Deferred Inflows of Resources:				
Property Tax	0	0	0	0
Unavailable Revenue	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	13,977	1,008	2,436	472,052
Committed	0	0	0	0
Total Fund Balances	13,977	1,008	2,436	472,052
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,977	\$ 1,008	\$ 2,436	\$ 700,048

CITY OF PORTSMOUTH, OHIO

Indigent Drivers Alcohol Treatment	Indigent Drivers Alcohol Monitoring	Enforcement and Education	Mandatory Fines	Law Enforcement	Federal Forfeitures
\$ 62,785	\$ 59,456	\$ 2,505	\$ 14,517	\$ 103,175	\$ 69,406
0	0	0	0	0	0
6,357	3,838	814	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>\$ 69,142</u>	<u>\$ 63,294</u>	<u>\$ 3,319</u>	<u>\$ 14,517</u>	<u>\$ 103,175</u>	<u>\$ 69,406</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
3,911	2,656	563	0	0	0
<u>3,911</u>	<u>2,656</u>	<u>563</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
65,231	60,638	2,756	14,517	103,175	69,406
0	0	0	0	0	0
<u>65,231</u>	<u>60,638</u>	<u>2,756</u>	<u>14,517</u>	<u>103,175</u>	<u>69,406</u>
<u>\$ 69,142</u>	<u>\$ 63,294</u>	<u>\$ 3,319</u>	<u>\$ 14,517</u>	<u>\$ 103,175</u>	<u>\$ 69,406</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

	OPOTA Fund	OneOhio Opioid	Street Construction, Maintenance and Repair	State Highway Improvement
Assets:				
Cash and Cash Equivalents	\$ 54,341	\$ 105,900	\$ 468,990	\$ 494,401
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	548,871	34,871
Due from Other Funds	0	0	0	0
Inventory of Supplies, at Cost	0	0	24,260	0
Prepaid Items	4,300	0	2,573	0
Total Assets	\$ 58,641	\$ 105,900	\$ 1,044,694	\$ 529,272
Liabilities:				
Accounts Payable	\$ 0	\$ 0	\$ 58,378	\$ 0
Intergovernmental Payable	0	0	5,694	0
Due to Others	0	0	0	0
Due to Other Funds	0	0	0	0
Total Liabilities	0	0	64,072	0
Deferred Inflows of Resources:				
Property Tax	0	0	0	0
Unavailable Revenue	0	0	367,000	23,000
Total Deferred Inflows of Resources	0	0	367,000	23,000
Fund Balances:				
Nonspendable	4,300	0	26,833	0
Restricted	54,341	105,900	586,789	506,272
Committed	0	0	0	0
Total Fund Balances	58,641	105,900	613,622	506,272
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 58,641	\$ 105,900	\$ 1,044,694	\$ 529,272

CITY OF PORTSMOUTH, OHIO

Community Development	Tourism and Cultural Development	Flood Defense	Street Resurfacing Levy	RD Marting Foundation	Council Trust for Recreation
\$ 126,228	\$ 24,571	\$ 245,413	\$ 19,821	\$ 1,400,000	\$ 22,469
0	32,144	224,793	410,408	0	0
0	0	0	0	0	0
0	0	10,294	5,626	0	0
24,453	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	752
<u>\$ 150,681</u>	<u>\$ 56,715</u>	<u>\$ 480,500</u>	<u>\$ 435,855</u>	<u>\$ 1,400,000</u>	<u>\$ 23,221</u>
\$ 0	\$ 24,108	\$ 604	\$ 0	\$ 0	\$ 292
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>24,108</u>	<u>604</u>	<u>0</u>	<u>0</u>	<u>292</u>
0	0	188,000	347,000	0	0
0	0	47,087	69,034	0	0
<u>0</u>	<u>0</u>	<u>235,087</u>	<u>416,034</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	752
150,681	32,607	244,809	19,821	1,400,000	0
0	0	0	0	0	22,177
<u>150,681</u>	<u>32,607</u>	<u>244,809</u>	<u>19,821</u>	<u>1,400,000</u>	<u>22,929</u>
<u>\$ 150,681</u>	<u>\$ 56,715</u>	<u>\$ 480,500</u>	<u>\$ 435,855</u>	<u>\$ 1,400,000</u>	<u>\$ 23,221</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2023**

	Playground Trust	Performance Bonds	Total Nonmajor Special Revenue Funds
Assets:			
Cash and Cash Equivalents	\$ 33,060	\$ 65,386	\$ 4,347,163
Receivables (net of allowance for doubtful accounts):			
Taxes	0	0	840,295
Accounts	0	9,822	589,062
Intergovernmental	0	0	616,912
Due from Other Funds	0	0	24,453
Inventory of Supplies, at Cost	0	0	24,260
Prepaid Items	0	0	13,746
Total Assets	\$ 33,060	\$ 75,208	\$ 6,455,891
Liabilities:			
Accounts Payable	\$ 0	\$ 0	\$ 84,431
Intergovernmental Payable	0	0	18,193
Due to Others	0	75,208	75,208
Due to Other Funds	0	0	227,210
Total Liabilities	0	75,208	405,042
Deferred Inflows of Resources:			
Property Tax	0	0	679,000
Unavailable Revenue	0	0	943,590
Total Deferred Inflows of Resources	0	0	1,622,590
Fund Balances:			
Nonspendable	0	0	38,006
Restricted	33,060	0	4,368,076
Committed	0	0	22,177
Total Fund Balances	33,060	0	4,428,259
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 33,060	\$ 75,208	\$ 6,455,891

CITY OF PORTSMOUTH, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

	Municipal Court Grants	Municipal Court Special Project	Municipal Court Probation Services	Municipal Court Programs
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	37,776	0	0	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	248,500	257,636	119,013
Donations	0	0	0	0
All Other Revenue	0	11,104	0	0
Total Revenue	<u>37,776</u>	<u>259,604</u>	<u>257,636</u>	<u>119,013</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	114,907	238,826	211,034	138,296
Total Expenditures	<u>114,907</u>	<u>238,826</u>	<u>211,034</u>	<u>138,296</u>
Excess (Deficiency) of Revenues Over Expenditures	(77,131)	20,778	46,602	(19,283)
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(77,131)	20,778	46,602	(19,283)
Fund Balances at Beginning of Year	<u>77,163</u>	<u>144,147</u>	<u>97,374</u>	<u>44,327</u>
Fund Balances End of Year	<u>\$ 32</u>	<u>\$ 164,925</u>	<u>\$ 143,976</u>	<u>\$ 25,044</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, 2023**

	Justice Reinvestment and Incentive Grant	Municipal Court Computer	Municipal Court Security	Community Corrections Grant
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	8,849	0	0	96,357
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	25,634	0	0
Donations	0	0	0	0
All Other Revenue	0	0	0	0
Total Revenue	<u>8,849</u>	<u>25,634</u>	<u>0</u>	<u>96,357</u>
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	17,681	22,420	123,393	94,656
Total Expenditures	<u>17,681</u>	<u>22,420</u>	<u>123,393</u>	<u>94,656</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,832)	3,214	(123,393)	1,701
Other Financing Sources (Uses):				
Transfers In	0	0	126,000	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>126,000</u>	<u>0</u>
Net Change in Fund Balances	(8,832)	3,214	2,607	1,701
Fund Balances at Beginning of Year	<u>8,832</u>	<u>32,257</u>	<u>60,462</u>	<u>0</u>
Fund Balances End of Year	<u>\$ 0</u>	<u>\$ 35,471</u>	<u>\$ 63,069</u>	<u>\$ 1,701</u>

CITY OF PORTSMOUTH, OHIO

<u>Fire Donation</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>D.A.R.E. State Grant</u>	<u>Police Donation</u>	<u>JAG Grants</u>
\$ 0	\$ 76,574	\$ 76,574	\$ 0	\$ 0	\$ 0
0	8,213	8,213	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	230	0
<u>0</u>	<u>84,787</u>	<u>84,787</u>	<u>0</u>	<u>230</u>	<u>0</u>
0	84,787	84,787	7,781	835	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>84,787</u>	<u>84,787</u>	<u>7,781</u>	<u>835</u>	<u>0</u>
0	0	0	(7,781)	(605)	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	(7,781)	(605)	0
503	0	0	21,758	1,613	2,436
<u>\$ 503</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,977</u>	<u>\$ 1,008</u>	<u>\$ 2,436</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, 2023***

	COPS Fast Grant	Indigent Drivers Alcohol Treatment	Indigent Drivers Alcohol Monitoring	Enforcement and Education
Revenues:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	522,881	0	0	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	12,284	11,465	537
Donations	0	0	0	0
All Other Revenue	0	0	0	0
Total Revenue	522,881	12,284	11,465	537
Expenditures:				
Current:				
Security of Persons and Property	422,466	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	0	20	8,131	0
Total Expenditures	422,466	20	8,131	0
Excess (Deficiency) of Revenues Over Expenditures	100,415	12,264	3,334	537
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	100,415	12,264	3,334	537
Fund Balances at Beginning of Year	371,637	52,967	57,304	2,219
Fund Balances End of Year	\$ 472,052	\$ 65,231	\$ 60,638	\$ 2,756

CITY OF PORTSMOUTH, OHIO

Mandatory Fines	Law Enforcement	Federal Forfeitures	OPOTA Fund	OneOhio Opioid	Street Construction, Maintenance and Repair
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	22,902	86,596	1,136,273
0	0	0	0	0	0
0	0	0	0	0	0
165	96,530	0	0	0	0
0	0	0	0	0	0
0	350	0	0	0	3,157
<u>165</u>	<u>96,880</u>	<u>0</u>	<u>22,902</u>	<u>86,596</u>	<u>1,139,430</u>
0	83,919	5,744	2,600	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	1,048,667
0	0	0	0	0	0
<u>0</u>	<u>83,919</u>	<u>5,744</u>	<u>2,600</u>	<u>0</u>	<u>1,048,667</u>
165	12,961	(5,744)	20,302	86,596	90,763
0	0	0	12,459	19,304	0
0	0	0	12,459	19,304	0
165	12,961	(5,744)	32,761	105,900	90,763
14,352	90,214	75,150	25,880	0	522,859
<u>\$ 14,517</u>	<u>\$ 103,175</u>	<u>\$ 69,406</u>	<u>\$ 58,641</u>	<u>\$ 105,900</u>	<u>\$ 613,622</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, 2023**

	State Highway Improvement	Community Development	Tourism and Cultural Development	Flood Defense
Revenues:				
Taxes	\$ 0	\$ 0	\$ 130,426	\$ 202,522
Intergovernmental Revenues	73,531	145,500	0	20,543
Charges for Services	0	0	0	0
Investment Earnings	0	14	0	0
Fines and Forfeitures	0	0	0	0
Donations	0	0	0	0
All Other Revenue	0	0	0	0
Total Revenue	73,531	145,514	130,426	223,065
Expenditures:				
Current:				
Security of Persons and Property	0	0	0	166,335
Leisure Time Activities	0	0	0	0
Community Environment	0	95,500	151,238	0
Transportation	0	0	0	0
General Government	0	0	0	0
Total Expenditures	0	95,500	151,238	166,335
Excess (Deficiency) of Revenues Over Expenditures	73,531	50,014	(20,812)	56,730
Other Financing Sources (Uses):				
Transfers In	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	73,531	50,014	(20,812)	56,730
Fund Balances at Beginning of Year	432,741	100,667	53,419	188,079
Fund Balances End of Year	\$ 506,272	\$ 150,681	\$ 32,607	\$ 244,809

CITY OF PORTSMOUTH, OHIO

Street Resurfacing Levy	RD Marting Foundation	Council Trust for Recreation	Playground Trust	Total Nonmajor Special Revenue Funds
\$ 361,899	\$ 0	\$ 0	\$ 0	\$ 847,995
11,047	0	0	0	2,178,681
0	0	64,815	0	64,815
0	0	0	0	14
0	0	0	0	771,764
0	1,400,000	0	0	1,400,000
0	0	1,500	0	16,341
<u>372,946</u>	<u>1,400,000</u>	<u>66,315</u>	<u>0</u>	<u>5,279,610</u>
0	0	0	0	859,254
0	0	70,699	0	70,699
0	0	0	0	246,738
353,125	0	0	0	1,401,792
0	0	0	0	969,364
<u>353,125</u>	<u>0</u>	<u>70,699</u>	<u>0</u>	<u>3,547,847</u>
19,821	1,400,000	(4,384)	0	1,731,763
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>157,763</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>157,763</u>
19,821	1,400,000	(4,384)	0	1,889,526
0	0	27,313	33,060	2,538,733
<u>\$ 19,821</u>	<u>\$ 1,400,000</u>	<u>\$ 22,929</u>	<u>\$ 33,060</u>	<u>\$ 4,428,259</u>

CITY OF PORTSMOUTH, OHIO

***Combining Balance Sheet
Nonmajor Permanent Funds
December 31, 2023***

	<u>Cemetery Trust</u>	<u>Mausoleum Trust</u>	<u>Total Nonmajor Permanent Funds</u>
Assets:			
Restricted Assets:			
Cash and Cash Equivalents	\$ 231,500	\$ 4,852	\$ 236,352
Total Assets	<u>\$ 231,500</u>	<u>\$ 4,852</u>	<u>\$ 236,352</u>
Fund Balances:			
Nonspendable	\$ 22,339	\$ 4,504	\$ 26,843
Restricted	209,161	348	209,509
Total Fund Balances	<u>231,500</u>	<u>4,852</u>	<u>236,352</u>
Total Liabilities and Fund Balances	<u>\$ 231,500</u>	<u>\$ 4,852</u>	<u>\$ 236,352</u>

CITY OF PORTSMOUTH, OHIO

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Permanent Funds
For the Year Ended December 31, 2023***

	Cemetery Trust	Mausoleum Trust	Total Nonmajor Permanent Funds
Revenues:			
Charges for Services	\$ 26,700	\$ 0	\$ 26,700
All Other Revenue	12	0	12
Total Revenue	<u>26,712</u>	<u>0</u>	<u>26,712</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	26,712	0	26,712
Fund Balances at Beginning of Year	204,788	4,852	209,640
Fund Balances End of Year	<u>\$ 231,500</u>	<u>\$ 4,852</u>	<u>\$ 236,352</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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 16,330,000	\$ 17,258,000	\$ 17,470,380	\$ 212,380
Intergovernmental Revenues	1,111,000	1,221,000	1,225,388	4,388
Charges for Services	758,000	890,000	889,475	(525)
Licenses and Permits	205,000	198,000	198,770	770
Investment Earnings	3,000	51,000	50,937	(63)
Fines and Forfeitures	500,000	424,000	426,331	2,331
All Other Revenues	106,000	384,000	383,532	(468)
Total Revenues	<u>19,013,000</u>	<u>20,426,000</u>	<u>20,644,813</u>	<u>218,813</u>
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	5,285,222	4,933,832	4,933,832	0
Materials and Supplies	232,000	238,052	238,052	0
Contractual Services	415,059	387,847	387,847	0
Capital Outlay	11,500	11,691	11,691	0
Total Police	<u>5,943,781</u>	<u>5,571,422</u>	<u>5,571,422</u>	<u>0</u>
Fire:				
Personal Services	5,078,189	4,760,004	4,760,004	0
Materials and Supplies	182,180	156,643	156,643	0
Contractual Services	441,100	444,518	444,518	0
Capital Outlay	6,000	2,662	2,662	0
Total Fire	<u>5,707,469</u>	<u>5,363,827</u>	<u>5,363,827</u>	<u>0</u>
Police Dispatch:				
Personal Services	662,317	600,998	600,998	0
Contractual Services	20,500	375	375	0
Total Police Dispatch	<u>682,817</u>	<u>601,373</u>	<u>601,373</u>	<u>0</u>
Street Lighting:				
Contractual Services	240,000	240,611	240,611	0
Total Street Lighting	<u>240,000</u>	<u>240,611</u>	<u>240,611</u>	<u>0</u>
Total Security of Persons and Property	<u>12,574,067</u>	<u>11,777,233</u>	<u>11,777,233</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, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Community Environment:				
Building Inspection:				
Personal Services	141,226	148,906	148,906	0
Materials and Supplies	2,100	613	613	0
Contractual Services	<u>92,350</u>	<u>71,762</u>	<u>71,762</u>	<u>0</u>
Total Building Inspection	<u>235,676</u>	<u>221,281</u>	<u>221,281</u>	<u>0</u>
Administration:				
Personal Services	104,974	106,954	106,954	0
Materials and Supplies	1,350	1,442	1,442	0
Contractual Services	<u>70,974</u>	<u>73,945</u>	<u>73,945</u>	<u>0</u>
Total Administration	<u>177,298</u>	<u>182,341</u>	<u>182,341</u>	<u>0</u>
Total Community Environment	<u>412,974</u>	<u>403,622</u>	<u>403,622</u>	<u>0</u>
Transportation:				
Traffic Lights:				
Personal Services	265,435	310,136	310,136	0
Materials and Supplies	31,700	23,752	23,752	0
Contractual Services	<u>30,250</u>	<u>60,579</u>	<u>60,579</u>	<u>0</u>
Total Traffic Lights	<u>327,385</u>	<u>394,467</u>	<u>394,467</u>	<u>0</u>
Cemetery Grounds:				
Personal Services	226,673	286,628	286,628	0
Materials and Supplies	11,300	10,034	10,034	0
Contractual Services	12,100	38,766	38,766	0
Capital Outlay	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Total Cemetery Grounds	<u>252,073</u>	<u>337,428</u>	<u>337,428</u>	<u>0</u>
Recreational Grounds:				
Personal Services	90,693	34,506	34,506	0
Materials and Supplies	3,000	0	0	0
Contractual Services	<u>4,500</u>	<u>13,014</u>	<u>13,014</u>	<u>0</u>
Total Recreational Grounds	<u>98,193</u>	<u>47,520</u>	<u>47,520</u>	<u>0</u>
Total Transportation	<u>677,651</u>	<u>779,415</u>	<u>779,415</u>	<u>0</u>
General Government:				
City Council:				
Personal Services	125,218	124,069	124,069	0
Materials and Supplies	800	316	316	0
Contractual Services	<u>17,050</u>	<u>15,475</u>	<u>15,475</u>	<u>0</u>
Total City Council	<u>143,068</u>	<u>139,860</u>	<u>139,860</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, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Executive:				
Personal Services	34,245	28,588	28,588	0
Materials and Supplies	5,500	7,220	7,220	0
Contractual Services	<u>17,900</u>	<u>10,238</u>	<u>10,238</u>	<u>0</u>
Total Executive	57,645	46,046	46,046	0
Legal:				
Personal Services	313,157	273,554	273,554	0
Materials and Supplies	4,500	3,408	3,408	0
Contractual Services	<u>7,300</u>	<u>2,033</u>	<u>2,033</u>	<u>0</u>
Total Legal	324,957	278,995	278,995	0
Finance:				
Personal Services	228,625	231,333	231,333	0
Materials and Supplies	4,075	5,461	5,461	0
Contractual Services	<u>72,850</u>	<u>45,813</u>	<u>45,813</u>	<u>0</u>
Total Finance	305,550	282,607	282,607	0
Civil Service:				
Personal Services	17,680	19,431	19,431	0
Materials and Supplies	250	0	0	0
Contractual Services	<u>15,500</u>	<u>11,246</u>	<u>11,246</u>	<u>0</u>
Total Civil Service	33,430	30,677	30,677	0
Income Tax:				
Personal Services	145,199	144,812	144,812	0
Materials and Supplies	5,650	2,783	2,783	0
Contractual Services	<u>28,795</u>	<u>14,745</u>	<u>14,745</u>	<u>0</u>
Total Income Tax	179,644	162,340	162,340	0
Engineering:				
Personal Services	307,097	303,379	303,379	0
Materials and Supplies	8,650	7,019	7,019	0
Contractual Services	<u>268,632</u>	<u>421,771</u>	<u>421,771</u>	<u>0</u>
Total Engineering	584,379	732,169	732,169	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, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Service:				
Personal Services	26,371	13,661	13,661	0
Materials and Supplies	1,050	25	25	0
Contractual Services	32,952	70,113	70,113	0
Capital Outlay	500	0	0	0
Total Public Service	60,873	83,799	83,799	0
City Building:				
Personal Services	79,902	78,683	78,683	0
Materials and Supplies	3,500	3,461	3,461	0
Contractual Services	158,172	225,413	225,413	0
Total City Building	241,574	307,557	307,557	0
Drainage Projects:				
Capital Outlay	124,500	105,821	105,821	0
Total Drainage Projects	124,500	105,821	105,821	0
Garage:				
Personal Services	16,226	3,222	3,222	0
Materials and Supplies	246,051	285,570	285,570	0
Contractual Services	29,050	2,110	2,110	0
Capital Outlay	5,000	0	0	0
Total Garage	296,327	290,902	290,902	0
Economic Development:				
Materials and Supplies	55,000	55,000	55,000	0
Total Economic Development	55,000	55,000	55,000	0
Non-Departmental:				
Personal Services	183,000	18,130	18,130	0
Materials and Supplies	5,000	3,670	3,670	0
Contractual Services	1,187,182	1,108,054	1,108,054	0
Capital Outlay	2,425,346	670,769	670,769	0
Total Non-Departmental	3,800,528	1,800,623	1,800,623	0
Total General Government	6,207,475	4,316,396	4,316,396	0
Total Expenditures	19,872,167	17,276,666	17,276,666	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(859,167)	3,149,334	3,368,147	218,813

(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, 2023***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers Out	(2,502,695)	(2,234,458)	(2,234,458)	0
Advances In	0	700,000	693,000	(7,000)
Advances Out	<u>(662,000)</u>	<u>(270,000)</u>	<u>(270,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(3,164,695)</u>	<u>(1,804,458)</u>	<u>(1,811,458)</u>	<u>(7,000)</u>
Net Change in Fund Balance	(4,023,862)	1,344,876	1,556,689	211,813
Fund Balance at Beginning of Year	12,392,068	12,392,068	12,392,068	0
Prior Year Encumbrances	<u>527,823</u>	<u>527,823</u>	<u>527,823</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,896,029</u>	<u>\$ 14,264,767</u>	<u>\$ 14,476,580</u>	<u>\$ 211,813</u>

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund
For the Year Ended December 31, 2023***

HEALTH DEPARTMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental Revenues	\$ 1,664,000	\$ 3,305,000	\$ 3,252,221	\$ (52,779)
Charges for Services	1,165,000	561,000	538,242	(22,758)
All Other Revenues	153,000	125,000	126,804	1,804
Total Revenues	<u>2,982,000</u>	<u>3,991,000</u>	<u>3,917,267</u>	<u>(73,733)</u>
Expenditures:				
Public Health and Welfare Services:				
Health Department Operating:				
Personal Services	649,528	571,529	571,529	0
Materials and Supplies	7,055	353,206	353,206	0
Contractual Services	390,154	303,420	303,420	0
Total Health Department Operating	<u>1,046,737</u>	<u>1,228,155</u>	<u>1,228,155</u>	<u>0</u>
Environmental State Grants:				
Personal Services	480,810	446,219	446,219	0
Materials and Supplies	25,941	11,590	11,590	0
Contractual Services	81,717	60,190	60,190	0
Capital Outlay	159,515	58,163	58,163	0
Total Environmental State Grants	<u>747,983</u>	<u>576,162</u>	<u>576,162</u>	<u>0</u>
Safety State Grant:				
Personal Services	0	1,137	1,137	0
Materials and Supplies	0	1,867	1,867	0
Total Safety State Grant	<u>0</u>	<u>3,004</u>	<u>3,004</u>	<u>0</u>
Rural AIDS State Grant:				
Personal Services	230,279	205,169	205,169	0
Materials and Supplies	27,000	110,775	110,775	0
Contractual Services	42,900	113,301	113,301	0
Capital Outlay	1,000	0	0	0
Total Rural AIDS State Grant	<u>301,179</u>	<u>429,245</u>	<u>429,245</u>	<u>0</u>
Drug Free Communities Grant:				
Personal Services	0	49,707	49,707	0
Materials and Supplies	0	1,037	1,037	0
Capital Outlay	0	3,694	3,694	0
Total Drug Free Communities Grant	<u>0</u>	<u>54,438</u>	<u>54,438</u>	<u>0</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund
For the Year Ended December 31, 2023***

HEALTH DEPARTMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Injury Prevention Grant:				
Personal Services	63,780	49,249	49,249	0
Materials and Supplies	7,742	327	327	0
Contractual Services	0	450	450	0
Total Injury Prevention Grant	<u>71,522</u>	<u>50,026</u>	<u>50,026</u>	<u>0</u>
Family Planning Grant:				
Personal Services	196,355	164,084	164,084	0
Materials and Supplies	47,000	33,812	33,812	0
Contractual Services	6,000	12,500	12,500	0
Total Family Planning Grant	<u>249,355</u>	<u>210,396</u>	<u>210,396</u>	<u>0</u>
Rural Health Opioid Program:				
Materials and Supplies	3,781	0	0	0
Contractual Services	0	270	270	0
Total Rural Health Opioid Program	<u>3,781</u>	<u>270</u>	<u>270</u>	<u>0</u>
Rural Community Opioid Response Program:				
Personal Services	213,365	161,190	161,190	0
Materials and Supplies	10,739	75,628	75,628	0
Contractual Services	112,000	118,674	118,674	0
Total Rural Community Opioid Response Program	<u>336,104</u>	<u>355,492</u>	<u>355,492</u>	<u>0</u>
Public Health Emergency Preparedness:				
Personal Services	66,341	64,126	64,126	0
Materials and Supplies	5,834	147	147	0
Contractual Services	10,000	26,247	26,247	0
Capital Outlay	0	1,356	1,356	0
Total Public Health Emergency Preparedness	<u>82,175</u>	<u>91,876</u>	<u>91,876</u>	<u>0</u>
Federal HIV Prevention Grant:				
Personal Services	167,815	163,028	163,028	0
Materials and Supplies	30,000	2,893	2,893	0
Contractual Services	23,700	67,649	67,649	0
Total Federal HIV Prevention Grant	<u>221,515</u>	<u>233,570</u>	<u>233,570</u>	<u>0</u>
State HIV Prevention Grant:				
Personal Services	0	19	19	0
Materials and Supplies	13,000	0	0	0
Contractual Services	4,000	1,000	1,000	0
Total State HIV Prevention Grant	<u>17,000</u>	<u>1,019</u>	<u>1,019</u>	<u>0</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund
For the Year Ended December 31, 2023***

HEALTH DEPARTMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Land Reutilization:				
Contractual Services	23,000	22,206	22,206	0
Total Land Reutilization	23,000	22,206	22,206	0
Primary Care:				
Personal Services	635,448	329,388	329,388	0
Materials and Supplies	502,000	345,380	345,380	0
Contractual Services	0	24,044	24,044	0
Total Primary Care	1,137,448	698,812	698,812	0
Workforce Development:				
Personal Services	10,175	53,691	53,691	0
Materials and Supplies	0	1,722	1,722	0
Contractual Services	0	13,113	13,113	0
Total Workforce Development	10,175	68,526	68,526	0
Rural Response Opioid Epidemic:				
Personal Services	604,311	1,379	1,379	0
Contractual Services	0	89,397	89,397	0
Total Rural Response Opioid Epidemic	604,311	90,776	90,776	0
Total Expenditures	4,852,285	4,113,973	4,113,973	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,870,285)	(122,973)	(196,706)	(73,733)
Other Financing Sources (Uses):				
Transfers In	793,000	1,183,000	809,695	(373,305)
Transfers Out	0	(363,274)	0	363,274
Advances In	300,000	220,000	270,000	50,000
Advances Out	0	(693,000)	(693,000)	0
Total Other Financing Sources (Uses)	1,093,000	346,726	386,695	39,969
Net Change in Fund Balance	(777,285)	223,753	189,989	(33,764)
Fund Balance at Beginning of Year	1,692,656	1,692,656	1,692,656	0
Prior Year Encumbrances	22,885	22,885	22,885	0
Fund Balance at End of Year	<u>\$ 938,256</u>	<u>\$ 1,939,294</u>	<u>\$ 1,905,530</u>	<u>\$ (33,764)</u>

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Special Revenue Fund
For the Year Ended December 31, 2023***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 2,000,000	\$ 70,000	\$ 69,174	\$ (826)
Total Revenues	<u>2,000,000</u>	<u>70,000</u>	<u>69,174</u>	<u>(826)</u>
Expenditures:				
General Government:				
Capital Outlay	<u>1,677,185</u>	<u>386,766</u>	<u>386,766</u>	<u>0</u>
Total Expenditures	<u>1,677,185</u>	<u>386,766</u>	<u>386,766</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	322,815	(316,766)	(317,592)	(826)
Fund Balance at Beginning of Year	<u>1,677,023</u>	<u>1,677,023</u>	<u>1,677,023</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,999,838</u>	<u>\$ 1,360,257</u>	<u>\$ 1,359,431</u>	<u>\$ (826)</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, 2023***

GENERAL OBLIGATION BOND RETIREMENT FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 178,000	\$ 178,669	\$ 669
Intergovernmental Revenues	20,000	19,164	(836)
Total Revenues	<u>198,000</u>	<u>197,833</u>	<u>(167)</u>
Expenditures:			
Debt Service:			
Principal Retirement	135,000	135,000	0
Interest and Fiscal Charges	50,550	50,550	0
Total Expenditures	<u>185,550</u>	<u>185,550</u>	<u>0</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	12,450	12,283	(167)
Fund Balance at Beginning of Year	<u>203,334</u>	<u>203,334</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 215,784</u>	<u>\$ 215,617</u>	<u>\$ (167)</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, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 2,105,000	\$ 2,075,916	\$ (29,084)
Intergovernmental Revenues	25,000	25,000	0
Investment Earnings	0	4	4
All Other Revenues	170,000	165,935	(4,065)
Total Revenues	<u>2,300,000</u>	<u>2,266,855</u>	<u>(33,145)</u>
Expenditures:			
Capital Outlay	3,041,806	3,041,806	0
Debt Service:			
Principal Retirement	218,431	218,431	0
Interest and Fiscal Charges	11,427	11,427	0
Total Expenditures	<u>3,271,664</u>	<u>3,271,664</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(971,664)	(1,004,809)	(33,145)
Fund Balance at Beginning of Year	757,889	757,889	0
Prior Year Encumbrances	1,023,901	1,023,901	0
Fund Balance at End of Year	<u>\$ 810,126</u>	<u>\$ 776,981</u>	<u>\$ (33,145)</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, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 76,000	\$ 75,552	\$ (448)
Total Revenues	76,000	75,552	(448)
Expenditures:			
General Government:			
Personal Services	115,968	115,968	0
Total Expenditures	115,968	115,968	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(39,968)	(40,416)	(448)
Fund Balance at Beginning of Year	40,448	40,448	0
Fund Balance at End of Year	\$ 480	\$ 32	\$ (448)

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, 2023***

MUNICIPAL COURT SUBSIDY FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 0	\$ 922	\$ 922
Total Revenues	<u>0</u>	<u>922</u>	<u>922</u>
Expenditures:			
General Government:			
Personal Services	1,163,277	1,163,277	0
Materials and Supplies	50,926	50,926	0
Contractual Services	67,460	67,460	0
Total Expenditures	<u>1,281,663</u>	<u>1,281,663</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,281,663)	(1,280,741)	922
Other Financing Sources (Uses):			
Transfers In	1,270,000	1,267,000	(3,000)
Total Other Financing Sources (Uses)	<u>1,270,000</u>	<u>1,267,000</u>	<u>(3,000)</u>
Net Change in Fund Balance	(11,663)	(13,741)	(2,078)
Fund Balance at Beginning of Year	28,395	28,395	0
Fund Balance at End of Year	<u>\$ 16,732</u>	<u>\$ 14,654</u>	<u>\$ (2,078)</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, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 233,000	\$ 230,922	\$ (2,078)
All Other Revenues	12,000	11,104	(896)
Total Revenues	<u>245,000</u>	<u>242,026</u>	<u>(2,974)</u>
Expenditures:			
General Government:			
Personal Services	166,285	166,285	0
Materials and Supplies	49,790	49,790	0
Contractual Services	20,000	20,000	0
Capital Outlay	4,395	4,395	0
Total Expenditures	<u>240,470</u>	<u>240,470</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,530	1,556	(2,974)
Fund Balance at Beginning of Year	<u>93,244</u>	<u>93,244</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 97,774</u>	<u>\$ 94,800</u>	<u>\$ (2,974)</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, 2023**

MUNICIPAL COURT PROBATION SERVICES FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 235,000	\$ 230,585	\$ (4,415)
Total Revenues	<u>235,000</u>	<u>230,585</u>	<u>(4,415)</u>
Expenditures:			
General Government:			
Personal Services	205,760	205,760	0
Materials and Supplies	<u>4,367</u>	<u>4,367</u>	<u>0</u>
Total Expenditures	<u>210,127</u>	<u>210,127</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	24,873	20,458	(4,415)
Fund Balance at Beginning of Year	<u>5,509</u>	<u>5,509</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 30,382</u>	<u>\$ 25,967</u>	<u>\$ (4,415)</u>

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 140,000	\$ 136,646	\$ (3,354)
Total Revenues	<u>140,000</u>	<u>136,646</u>	<u>(3,354)</u>
Expenditures:			
General Government:			
Personal Services	103,838	103,838	0
Contractual Services	<u>38,989</u>	<u>38,989</u>	<u>0</u>
Total Expenditures	<u>142,827</u>	<u>142,827</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,827)	(6,181)	(3,354)
Fund Balance at Beginning of Year	<u>15,806</u>	<u>15,806</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,979</u>	<u>\$ 9,625</u>	<u>\$ (3,354)</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, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 20,000	\$ 17,698	\$ (2,302)
Total Revenues	20,000	17,698	(2,302)
Expenditures:			
General Government:			
Personal Services	17,698	17,698	0
Total Expenditures	17,698	17,698	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,302	0	(2,302)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$ 2,302	\$ 0	\$ (2,302)

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, 2023***

MUNICIPAL COURT COMPUTER FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	<u>\$ 25,000</u>	<u>\$ 24,518</u>	<u>\$ (482)</u>
Total Revenues	<u>25,000</u>	<u>24,518</u>	<u>(482)</u>
Expenditures:			
General Government:			
Contractual Services	<u>25,926</u>	<u>25,926</u>	<u>0</u>
Total Expenditures	<u>25,926</u>	<u>25,926</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(926)	(1,408)	(482)
Fund Balance at Beginning of Year	<u>26,947</u>	<u>26,947</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 26,021</u>	<u>\$ 25,539</u>	<u>\$ (482)</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, 2023***

MUNICIPAL COURT SECURITY FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
General Government:			
Personal Services	122,170	122,170	0
Total Expenditures	122,170	122,170	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(122,170)	(122,170)	0
Other Financing Sources (Uses):			
Transfers In	130,000	126,000	(4,000)
Total Other Financing Sources (Uses)	130,000	126,000	(4,000)
Net Change in Fund Balance	7,830	3,830	(4,000)
Fund Balance at Beginning of Year	60,657	60,657	0
Fund Balance at End of Year	<u>\$ 68,487</u>	<u>\$ 64,487</u>	<u>\$ (4,000)</u>

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

COMMUNITY CORRECTIONS GRANT FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	<u>\$ 100,000</u>	<u>\$ 96,357</u>	<u>\$ (3,643)</u>
Total Revenues	<u>100,000</u>	<u>96,357</u>	<u>(3,643)</u>
Expenditures:			
General Government:			
Personal Services	<u>91,633</u>	<u>91,633</u>	<u>0</u>
Total Expenditures	<u>91,633</u>	<u>91,633</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,367	4,724	(3,643)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,367</u>	<u>\$ 4,724</u>	<u>\$ (3,643)</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, 2023***

	FIRE DONATION FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>503</u>	<u>503</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 503</u>	<u>\$ 503</u>	<u>\$ 0</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, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 75,000	\$ 76,574	\$ 1,574
Intergovernmental Revenues	10,000	8,213	(1,787)
Total Revenues	<u>85,000</u>	<u>84,787</u>	<u>(213)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	84,787	84,787	0
Total Expenditures	<u>84,787</u>	<u>84,787</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	213	0	(213)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 213</u>	<u>\$ 0</u>	<u>\$ (213)</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, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 75,000	\$ 76,574	\$ 1,574
Intergovernmental Revenues	10,000	8,213	(1,787)
Total Revenues	85,000	84,787	(213)
Expenditures:			
Security of Persons and Property:			
Personal Services	84,787	84,787	0
Total Expenditures	84,787	84,787	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	213	0	(213)
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$ 213	\$ 0	\$ (213)

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, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Security of Persons and Property:			
Materials and Supplies	7,781	7,781	0
Total Expenditures	7,781	7,781	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,781)	(7,781)	0
Fund Balance at Beginning of Year	21,758	21,758	0
Fund Balance at End of Year	\$ 13,977	\$ 13,977	\$ 0

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

POLICE DONATION FUND			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
All Other Revenues	\$ 0	\$ 230	\$ 230
Total Revenues	<u>0</u>	<u>230</u>	<u>230</u>
Expenditures:			
Security of Persons and Property:			
Contractual Services	<u>835</u>	<u>835</u>	<u>0</u>
Total Expenditures	<u>835</u>	<u>835</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(835)	(605)	230
Fund Balance at Beginning of Year	<u>1,613</u>	<u>1,613</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 778</u>	<u>\$ 1,008</u>	<u>\$ 230</u>

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

JAG GRANTS FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	2,436	2,436	0
Fund Balance at End of Year	\$ 2,436	\$ 2,436	\$ 0

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 525,000	\$ 522,881	\$ (2,119)
Total Revenues	<u>525,000</u>	<u>522,881</u>	<u>(2,119)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	161,750	161,750	0
Contractual Services	20,860	20,860	0
Capital Outlay	<u>37,232</u>	<u>37,232</u>	<u>0</u>
Total Expenditures	<u>219,842</u>	<u>219,842</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	305,158	303,039	(2,119)
Fund Balance at Beginning of Year	<u>371,637</u>	<u>371,637</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 676,795</u>	<u>\$ 674,676</u>	<u>\$ (2,119)</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, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 12,000	\$ 11,300	\$ (700)
Total Revenues	<u>12,000</u>	<u>11,300</u>	<u>(700)</u>
Expenditures:			
General Government:			
Contractual Services	<u>20</u>	<u>20</u>	<u>0</u>
Total Expenditures	<u>20</u>	<u>20</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,980	11,280	(700)
Fund Balance at Beginning of Year	<u>51,262</u>	<u>51,262</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 63,242</u>	<u>\$ 62,542</u>	<u>\$ (700)</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, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 12,000	\$ 10,946	\$ (1,054)
Total Revenues	<u>12,000</u>	<u>10,946</u>	<u>(1,054)</u>
Expenditures:			
General Government:			
Contractual Services	<u>8,131</u>	<u>8,131</u>	<u>0</u>
Total Expenditures	<u>8,131</u>	<u>8,131</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,869	2,815	(1,054)
Fund Balance at Beginning of Year	<u>56,476</u>	<u>56,476</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 60,345</u>	<u>\$ 59,291</u>	<u>\$ (1,054)</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, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 0	\$ 558	\$ 558
Total Revenues	<u>0</u>	<u>558</u>	<u>558</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	558	558
Fund Balance at Beginning of Year	<u>1,912</u>	<u>1,912</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,912</u>	<u>\$ 2,470</u>	<u>\$ 558</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, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 0	\$ 165	\$ 165
Total Revenues	<u>0</u>	<u>165</u>	<u>165</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	165	165
Fund Balance at Beginning of Year	<u>14,352</u>	<u>14,352</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,352</u>	<u>\$ 14,517</u>	<u>\$ 165</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, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$ 100,000	\$ 96,530	\$ (3,470)
All Other Revenues	0	350	350
Total Revenues	<u>100,000</u>	<u>96,880</u>	<u>(3,120)</u>
Expenditures:			
Security of Persons and Property:			
Materials and Supplies	27,044	27,044	0
Contractual Services	40,875	40,875	0
Capital Outlay	<u>16,000</u>	<u>16,000</u>	<u>0</u>
Total Expenditures	<u>83,919</u>	<u>83,919</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,081	12,961	(3,120)
Fund Balance at Beginning of Year	<u>90,214</u>	<u>90,214</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 106,295</u>	<u>\$ 103,175</u>	<u>\$ (3,120)</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, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Security of Persons and Property:			
Materials and Supplies	5,744	5,744	0
Total Expenditures	5,744	5,744	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,744)	(5,744)	0
Fund Balance at Beginning of Year	75,150	75,150	0
Fund Balance at End of Year	\$ 69,406	\$ 69,406	\$ 0

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023***

OHIO PEACE OFFICERS TRAINING FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 23,000	\$ 22,902	\$ (98)
Total Revenues	<u>23,000</u>	<u>22,902</u>	<u>(98)</u>
Expenditures:			
Security of Persons and Property:			
Contractual Services	6,900	6,900	0
Total Expenditures	<u>6,900</u>	<u>6,900</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,100	16,002	(98)
Other Financing Sources (Uses):			
Transfers In	12,000	12,459	459
Total Other Financing Sources (Uses)	<u>12,000</u>	<u>12,459</u>	<u>459</u>
Net Change in Fund Balance	28,100	28,461	361
Fund Balance at Beginning of Year	<u>25,880</u>	<u>25,880</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 53,980</u>	<u>\$ 54,341</u>	<u>\$ 361</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, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 86,596	\$ 86,596	\$ 0
Total Revenues	<u>86,596</u>	<u>86,596</u>	<u>0</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	86,596	86,596	0
Other Financing Sources (Uses):			
Transfers In	<u>19,304</u>	<u>19,304</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>19,304</u>	<u>19,304</u>	<u>0</u>
Net Change in Fund Balance	105,900	105,900	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 105,900</u>	<u>\$ 105,900</u>	<u>\$ 0</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, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 1,200,000	\$ 1,139,911	\$ (60,089)
All Other Revenues	0	3,157	3,157
Total Revenues	<u>1,200,000</u>	<u>1,143,068</u>	<u>(56,932)</u>
Expenditures:			
Transportation:			
Personal Services	786,914	786,914	0
Materials and Supplies	31,273	31,273	0
Contractual Services	<u>245,951</u>	<u>245,951</u>	<u>0</u>
Total Expenditures	<u>1,064,138</u>	<u>1,064,138</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	135,862	78,930	(56,932)
Fund Balance at Beginning of Year	<u>318,560</u>	<u>318,560</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 454,422</u>	<u>\$ 397,490</u>	<u>\$ (56,932)</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, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 70,000	\$ 73,776	\$ 3,776
Total Revenues	<u>70,000</u>	<u>73,776</u>	<u>3,776</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	70,000	73,776	3,776
Fund Balance at Beginning of Year	<u>420,625</u>	<u>420,625</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 490,625</u>	<u>\$ 494,401</u>	<u>\$ 3,776</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, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental Revenues	\$ 150,000	\$ 145,500	\$ (4,500)
Investment Earnings	0	14	14
Total Revenues	<u>150,000</u>	<u>145,514</u>	<u>(4,486)</u>
Expenditures:			
Community Environment:			
Personal Services	4,000	4,000	0
Contractual Services	<u>91,500</u>	<u>91,500</u>	<u>0</u>
Total Expenditures	<u>95,500</u>	<u>95,500</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	54,500	50,014	(4,486)
Fund Balance at Beginning of Year	<u>76,214</u>	<u>76,214</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 130,714</u>	<u>\$ 126,228</u>	<u>\$ (4,486)</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, 2023**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 130,000	\$ 129,944	\$ (56)
Total Revenues	<u>130,000</u>	<u>129,944</u>	<u>(56)</u>
Expenditures:			
Community Environment:			
Contractual Services	<u>127,130</u>	<u>127,130</u>	<u>0</u>
Total Expenditures	<u>127,130</u>	<u>127,130</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,870	2,814	(56)
Fund Balance at Beginning of Year	<u>21,757</u>	<u>21,757</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 24,627</u>	<u>\$ 24,571</u>	<u>\$ (56)</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, 2023**

	FLOOD DEFENSE FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Taxes	\$ 204,000	\$ 202,522	\$ (1,478)
Intergovernmental Revenues	21,000	20,543	(457)
Total Revenues	<u>225,000</u>	<u>223,065</u>	<u>(1,935)</u>
Expenditures:			
Security of Persons and Property:			
Personal Services	6,363	6,363	0
Materials and Supplies	18,334	18,334	0
Contractual Services	13,426	13,426	0
Capital Outlay	148,348	148,348	0
Total Expenditures	<u>186,471</u>	<u>186,471</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,529	36,594	(1,935)
Fund Balance at Beginning of Year	156,411	156,411	0
Prior Year Encumbrances	52,408	52,408	0
Fund Balance at End of Year	<u>\$ 247,348</u>	<u>\$ 245,413</u>	<u>\$ (1,935)</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, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 363,000	\$ 361,899	\$ (1,101)
Intergovernmental Revenues	11,000	11,047	47
Total Revenues	<u>374,000</u>	<u>372,946</u>	<u>(1,054)</u>
Expenditures:			
Transportation:			
Capital Outlay	353,125	353,125	0
Total Expenditures	<u>353,125</u>	<u>353,125</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,875	19,821	(1,054)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 20,875</u>	<u>\$ 19,821</u>	<u>\$ (1,054)</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, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Donations	\$ 1,400,000	\$ 1,400,000	\$ 0
Total Revenues	<u>1,400,000</u>	<u>1,400,000</u>	<u>0</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,400,000	1,400,000	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,400,000</u>	<u>\$ 1,400,000</u>	<u>\$ 0</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, 2023***

COUNCIL TRUST FOR RECREATION FUND

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 68,000	\$ 64,815	\$ (3,185)
All Other Revenues	<u>2,000</u>	<u>1,500</u>	<u>(500)</u>
Total Revenues	<u>70,000</u>	<u>66,315</u>	<u>(3,685)</u>
Expenditures:			
Leisure Time Activities:			
Personal Services	22,046	22,046	0
Materials and Supplies	15,424	15,424	0
Contractual Services	<u>34,771</u>	<u>34,771</u>	<u>0</u>
Total Expenditures	<u>72,241</u>	<u>72,241</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,241)	(5,926)	(3,685)
Fund Balance at Beginning of Year	25,757	25,757	0
Prior Year Encumbrances	<u>1,319</u>	<u>1,319</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 24,835</u>	<u>\$ 21,150</u>	<u>\$ (3,685)</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, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>33,060</u>	<u>33,060</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 33,060</u>	<u>\$ 33,060</u>	<u>\$ 0</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, 2023***

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$ 25,000	\$ 26,700	\$ 1,700
All Other Revenues	0	12	12
Total Revenues	<u>25,000</u>	<u>26,712</u>	<u>1,712</u>
Expenditures:			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,000	26,712	1,712
Fund Balance at Beginning of Year	<u>204,788</u>	<u>204,788</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 229,788</u>	<u>\$ 231,500</u>	<u>\$ 1,712</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, 2023***

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

Custodial Funds

Law Library Fund

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

Ohio Board of Building Standards Fund

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

Municipal Court Fund

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

CITY OF PORTSMOUTH, OHIO

**Statement of Net Position
Fiduciary Funds
December 31, 2023**

	Law Library	Ohio Board of Building Standards	Municipal Court	Total Custodial Funds
Assets:				
Receivables:				
Accounts	\$ 21,098	\$ 0	\$ 399,447	\$ 420,545
Restricted Assets:				
Cash and Cash Equivalents	907	18,721	28,751	48,379
Total Assets	<u>22,005</u>	<u>18,721</u>	<u>428,198</u>	<u>468,924</u>
Liabilities:				
Intergovernmental Payable	0	0	18,220	18,220
Due to Others	22,005	18,721	409,978	450,704
Total Liabilities	<u>22,005</u>	<u>18,721</u>	<u>428,198</u>	<u>468,924</u>
Unrestricted	0	0	0	0
Total Net Position	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF PORTSMOUTH, OHIO

**Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2023**

	Law Library	Ohio Board of Building Standards	Municipal Court	Total Custodial Funds
Additions:				
Fines and Forfeiture Collections for Others	\$ 19,991	\$ 0	\$ 906,603	\$ 926,594
Charges Collected for Others	0	2,425	0	2,425
Total Additions	<u>19,991</u>	<u>2,425</u>	<u>906,603</u>	<u>929,019</u>
Deductions:				
Distribution of Fines and Forfeitures to Others	19,991	0	906,603	926,594
Distribution of Charges Collected for Others	0	2,425	0	2,425
Total Deductions	<u>19,991</u>	<u>2,425</u>	<u>906,603</u>	<u>929,019</u>
Change in Net Position	0	0	0	0
Net Position at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Position End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



STATISTICAL SECTION





STATISTICAL TABLES

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

Contents

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

City of Portsmouth, Ohio

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

	2014	2015	2016	2017
Governmental Activities:	(1)			(1)
Net Investment in Capital Assets	\$19,585,820	\$18,924,619	\$18,518,783	\$19,448,701
Restricted	5,561,675	5,578,284	5,525,394	5,736,295
Unrestricted	<u>(11,796,128)</u>	<u>(10,850,195)</u>	<u>(8,842,212)</u>	<u>(21,893,895)</u>
Total Governmental Activities Net Position	<u>\$13,351,367</u>	<u>\$13,652,708</u>	<u>\$15,201,965</u>	<u>\$3,291,101</u>
Business-type Activities:				
Net Investment in Capital Assets	\$15,436,290	\$15,753,500	\$16,163,417	\$16,482,329
Restricted	557,025	0	0	0
Unrestricted	<u>163,750</u>	<u>820,725</u>	<u>352,414</u>	<u>(1,322,632)</u>
Total Business-type Activities Net Position	<u>\$16,157,065</u>	<u>\$16,574,225</u>	<u>\$16,515,831</u>	<u>\$15,159,697</u>
Primary Government:				
Net Investment in Capital Assets	\$35,022,110	\$34,678,119	\$34,682,200	\$35,931,030
Restricted	6,118,700	5,578,284	5,525,394	5,736,295
Unrestricted	<u>(11,632,378)</u>	<u>(10,029,470)</u>	<u>(8,489,798)</u>	<u>(23,216,527)</u>
Total Primary Government Net Position	<u>\$29,508,432</u>	<u>\$30,226,933</u>	<u>\$31,717,796</u>	<u>\$18,450,798</u>

Source: City Auditor's Office

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

City of Portsmouth, Ohio

2018	2019	2020	2021	2022	2023
(1)					
\$19,371,039	\$19,736,920	\$20,275,746	\$20,361,528	\$20,201,082	\$21,630,424
5,987,081	6,146,334	6,404,322	5,510,254	6,117,367	9,054,291
<u>(21,889,402)</u>	<u>(13,834,622)</u>	<u>(12,311,310)</u>	<u>(6,095,946)</u>	<u>(1,857,689)</u>	<u>(2,452,110)</u>
<u>\$3,468,718</u>	<u>\$12,048,632</u>	<u>\$14,368,758</u>	<u>\$19,775,836</u>	<u>\$24,460,760</u>	<u>\$28,232,605</u>
\$16,842,545	\$17,300,233	\$16,614,216	\$15,883,356	\$15,669,414	\$15,706,500
0	0	0	0	0	0
<u>(1,006,253)</u>	<u>(801,964)</u>	<u>377,100</u>	<u>4,016,287</u>	<u>6,498,119</u>	<u>8,714,791</u>
<u>\$15,836,292</u>	<u>\$16,498,269</u>	<u>\$16,991,316</u>	<u>\$19,899,643</u>	<u>\$22,167,533</u>	<u>\$24,421,291</u>
\$36,213,584	\$37,037,153	\$36,889,962	\$36,244,884	\$35,870,496	\$37,336,924
5,987,081	6,146,334	6,404,322	5,510,254	6,117,367	9,054,291
<u>(22,895,655)</u>	<u>(14,636,586)</u>	<u>(11,934,210)</u>	<u>(2,079,659)</u>	<u>4,640,430</u>	<u>6,262,681</u>
<u>\$19,305,010</u>	<u>\$28,546,901</u>	<u>\$31,360,074</u>	<u>\$39,675,479</u>	<u>\$46,628,293</u>	<u>\$52,653,896</u>

City of Portsmouth, Ohio

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

	2014	2015	2016
Expenses			
Governmental Activities:			
Security of Persons and Property	\$9,047,187	\$9,277,034	\$10,060,825
Public Health and Welfare Services	2,959,083	2,646,659	2,993,466
Leisure Time Activities	68,933	74,438	71,114
Community Environment	1,236,218	750,567	624,103
Transportation	2,431,358	2,048,345	2,597,717
General Government	4,037,247	4,194,086	4,089,277
Interest and Fiscal Charges	100,934	89,558	50,031
<i>Total Governmental Activities Expenses</i>	<u>19,880,960</u>	<u>19,080,687</u>	<u>20,486,533</u>
Business-type Activities:			
Water	5,939,858	5,549,162	6,456,104
Sewer	3,538,609	3,303,902	3,976,485
Sanitation	1,858,980	1,739,108	1,904,954
Primary Care (1)	111,594	41,722	201,008
<i>Total Business-type Activities Expenses</i>	<u>11,449,041</u>	<u>10,633,894</u>	<u>12,538,551</u>
<i>Total Primary Government Expenses</i>	<u>\$31,330,001</u>	<u>\$29,714,581</u>	<u>\$33,025,084</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$755,818	\$778,082	\$708,802
Public Health and Welfare Services	351,480	279,450	237,720
Leisure Time Activities	76,153	76,955	82,455
Community Environment	93,865	112,766	116,083
Transportation	39,790	31,081	35,198
General Government	497,485	448,460	391,251
Operating Grants and Contributions	3,108,213	3,201,644	3,191,459
Capital Grants and Contributions	0	0	124,695
<i>Total Governmental Activities Program Revenues</i>	<u>4,922,804</u>	<u>4,928,438</u>	<u>4,887,663</u>

City of Portsmouth, Ohio

2017	2018	2019	2020	2021	2022	2023
\$11,246,084	\$12,000,917	\$3,416,830	\$13,563,806	\$11,990,922	\$12,366,917	\$15,002,256
2,593,327	3,373,410	4,247,598	3,999,162	2,765,917	3,315,496	4,272,238
90,138	82,158	91,374	61,331	49,139	83,214	86,421
508,146	453,197	646,488	833,460	516,196	686,227	604,580
2,042,145	2,414,383	2,548,051	2,744,888	2,303,955	2,513,783	3,178,878
5,242,442	5,562,132	6,301,546	6,604,638	3,677,060	5,500,036	6,530,556
31,788	25,752	43,889	47,806	31,510	30,245	63,891
<u>21,754,070</u>	<u>23,911,949</u>	<u>17,295,776</u>	<u>27,855,091</u>	<u>21,334,699</u>	<u>24,495,918</u>	<u>29,738,820</u>
6,144,431	6,853,813	7,058,219	6,736,112	5,501,582	7,023,094	7,584,521
3,990,481	4,471,089	4,718,402	4,994,544	4,204,937	4,547,534	5,265,785
2,061,479	2,177,201	2,297,236	1,988,648	1,786,676	2,068,219	2,586,247
366,654	523,175	0	0	0	0	0
<u>12,563,045</u>	<u>14,025,278</u>	<u>14,073,857</u>	<u>13,719,304</u>	<u>11,493,195</u>	<u>13,638,847</u>	<u>15,436,553</u>
<u>\$34,317,115</u>	<u>\$37,937,227</u>	<u>\$31,369,633</u>	<u>\$41,574,395</u>	<u>\$32,827,894</u>	<u>\$38,134,765</u>	<u>\$45,175,373</u>
\$847,879	\$1,103,638	\$1,202,860	\$1,145,441	\$1,335,233	\$1,190,775	\$1,389,575
264,343	635,500	1,448,954	1,370,987	1,460,410	1,031,876	767,766
80,821	118,063	77,172	68,265	94,790	92,751	103,871
75,345	73,153	126,420	191,498	93,111	110,293	108,064
35,831	36,931	42,197	42,244	43,430	34,562	9,095
527,275	527,493	564,266	434,225	442,893	696,953	690,685
3,199,010	3,733,198	3,490,624	6,907,230	3,127,249	4,641,577	7,183,107
790,795	0	0	0	0	1,379,753	794,332
<u>5,821,299</u>	<u>6,227,976</u>	<u>6,952,493</u>	<u>10,159,890</u>	<u>6,597,116</u>	<u>9,178,540</u>	<u>11,046,495</u>

(Continued)

City of Portsmouth, Ohio

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

	2014	2015	2016
Business-type Activities:			
Charges for Services			
Water	6,260,916	5,693,192	6,174,408
Sewer	3,350,865	3,074,800	3,703,214
Sanitation	1,957,495	2,181,292	2,042,592
Primary Care (1)	80,164	66,219	253,339
Operating Grants and Contributions	0	0	0
Capital Grants and Contributions	0	35,551	306,604
<i>Total Business-type Activities Program Revenues</i>	<u>11,649,440</u>	<u>11,051,054</u>	<u>12,480,157</u>
<i>Total Primary Government Program Revenues</i>	<u>16,572,244</u>	<u>15,979,492</u>	<u>17,367,820</u>
Net (Expense)/Revenue			
Governmental Activities	(14,958,156)	(14,152,249)	(15,598,870)
Business-type Activities	200,399	417,160	(58,394)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$14,757,757)</u>	<u>(\$13,735,089)</u>	<u>(\$15,657,264)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	\$1,397,123	\$1,575,946	\$1,602,080
Special Purposes	303,136	306,374	307,312
Debt Service	136,218	138,622	140,242
Income Taxes	10,165,799	10,605,852	13,263,572
Other Local Taxes	311,926	313,388	320,904
Grants and Entitlements not			
Restricted to Specific Programs	917,790	1,069,435	919,894
Investment Earnings	182	30	14
Miscellaneous	544,864	443,943	594,109
Special Item			
Loss on Disposal of Capital Assets	0	0	0
Transfers	(47,325)	0	0
<i>Total Governmental Activities</i>	<u>13,729,713</u>	<u>14,453,590</u>	<u>17,148,127</u>
Business-type Activities:			
Transfers	47,325	0	0
<i>Total Business-type Activities</i>	<u>47,325</u>	<u>0</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$13,777,038</u>	<u>\$14,453,590</u>	<u>\$17,148,127</u>
Change in Net Position			
Governmental Activities	(\$1,228,443)	\$301,341	\$1,549,257
Business-type Activities	247,724	417,160	(58,394)
<i>Total Primary Government Change in Net Position</i>	<u>(\$980,719)</u>	<u>\$718,501</u>	<u>\$1,490,863</u>

Source: City Auditor's Office

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

City of Portsmouth, Ohio

2017	2018	2019	2020	2021	2022	2023
6,372,974	6,431,274	6,670,304	7,390,021	7,042,946	8,062,410	9,005,672
4,314,536	4,520,067	5,751,751	4,741,197	5,142,103	5,372,475	5,071,665
2,105,509	2,110,316	2,190,481	1,856,133	2,012,753	2,224,722	2,657,805
264,293	446,652	0	0	0	0	0
0	0	0	225,000	0	0	0
269,624	907,178	123,298	0	203,720	239,258	955,169
<u>13,326,936</u>	<u>14,415,487</u>	<u>14,735,834</u>	<u>14,212,351</u>	<u>14,401,522</u>	<u>15,898,865</u>	<u>17,690,311</u>
19,148,235	20,643,463	21,688,327	24,372,241	20,998,638	25,077,405	28,736,806
(15,932,771)	(17,683,973)	(10,343,283)	(17,695,201)	(14,737,583)	(15,317,378)	(18,692,325)
763,891	390,209	661,977	493,047	2,908,327	2,260,018	2,253,758
<u>(\$15,168,880)</u>	<u>(\$17,293,764)</u>	<u>(\$9,681,306)</u>	<u>(\$17,202,154)</u>	<u>(\$11,829,256)</u>	<u>(\$13,057,360)</u>	<u>(\$16,438,567)</u>
\$1,631,039	\$1,645,052	\$1,671,710	\$1,706,366	\$1,697,434	\$1,753,174	\$2,054,005
306,846	306,076	316,727	320,492	319,298	381,099	725,317
143,409	141,949	146,962	150,062	157,133	144,592	180,554
13,789,556	14,305,157	14,710,992	15,050,130	16,118,525	16,897,668	17,398,629
349,724	241,947	280,159	319,955	343,704	349,118	345,866
962,843	991,191	1,096,085	1,031,751	1,242,995	1,301,467	1,260,499
1,259	9,001	8,484	2,808	1,742	4,618	50,955
425,618	507,603	692,078	1,433,763	263,830	472,643	448,345
0	0	0	0	0	(1,294,205)	0
0	(23,519)	0	0	0	(7,872)	0
<u>17,610,294</u>	<u>18,124,457</u>	<u>18,923,197</u>	<u>20,015,327</u>	<u>20,144,661</u>	<u>20,002,302</u>	<u>22,464,170</u>
0	23,519	0	0	0	7,872	0
0	23,519	0	0	0	7,872	0
<u>\$17,610,294</u>	<u>\$18,147,976</u>	<u>\$18,923,197</u>	<u>\$20,015,327</u>	<u>\$20,144,661</u>	<u>\$20,010,174</u>	<u>\$22,464,170</u>
\$1,677,523	\$440,484	\$8,579,914	\$2,320,126	\$5,407,078	\$4,684,924	\$3,771,845
763,891	413,728	661,977	493,047	2,908,327	2,267,890	2,253,758
<u>\$2,441,414</u>	<u>\$854,212</u>	<u>\$9,241,891</u>	<u>\$2,813,173</u>	<u>\$8,315,405</u>	<u>\$6,952,814</u>	<u>\$6,025,603</u>

City of Portsmouth, Ohio

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

	2014	2015	2016	2017
General Fund				
Nonspendable	\$72,839	\$58,906	\$56,728	\$97,898
Committed	0	52,556	319,965	358,947
Assigned	373,351	62,043	0	289,028
Unassigned	887,753	1,601,983	3,352,833	5,182,566
<i>Total General Fund</i>	<u>1,333,943</u>	<u>1,775,488</u>	<u>3,729,526</u>	<u>5,928,439</u>
All Other Governmental Funds				
Nonspendable	\$86,495	\$61,360	\$70,874	\$53,953
Restricted	4,723,099	4,636,197	4,676,483	4,622,731
Committed	74,273	58,919	49,934	35,957
Unassigned	(75,571)	(18,382)	(76,160)	(51,773)
<i>Total All Other Governmental Funds</i>	<u>4,808,296</u>	<u>4,738,094</u>	<u>4,721,131</u>	<u>4,660,868</u>
<i>Total Governmental Funds</i>	<u><u>\$6,142,239</u></u>	<u><u>\$6,513,582</u></u>	<u><u>\$8,450,657</u></u>	<u><u>\$10,589,307</u></u>

Source: City Auditor's Office

City of Portsmouth, Ohio

2018	2019	2020	2021	2022	2023
\$75,438	\$241,201	\$182,095	\$191,623	\$337,895	\$184,962
175,198	154,832	218,643	172,561	209,861	186,820
358,000	143,170	382,873	1,518,814	3,732,583	1,609,435
<u>6,547,594</u>	<u>8,146,844</u>	<u>11,105,873</u>	<u>11,770,687</u>	<u>10,868,735</u>	<u>15,233,609</u>
<u>7,156,230</u>	<u>8,686,047</u>	<u>11,889,484</u>	<u>13,653,685</u>	<u>15,149,074</u>	<u>17,214,826</u>
\$35,548	\$78,768	\$76,163	\$60,537	\$112,324	\$113,374
4,901,593	5,102,321	5,760,151	4,865,543	5,246,795	8,123,215
30,474	14,337	10,689	44,439	26,707	22,177
<u>(3,448)</u>	<u>(1,880)</u>	<u>0</u>	<u>(1,221)</u>	<u>0</u>	<u>0</u>
<u>4,964,167</u>	<u>5,193,546</u>	<u>5,847,003</u>	<u>4,969,298</u>	<u>5,385,826</u>	<u>8,258,766</u>
<u>\$12,120,397</u>	<u>\$13,879,593</u>	<u>\$17,736,487</u>	<u>\$18,622,983</u>	<u>\$20,534,900</u>	<u>\$25,473,592</u>

City of Portsmouth, Ohio

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

	2014	2015	2016	2017
Revenues:				
Taxes	\$12,500,502	\$12,749,590	\$15,506,101	\$16,193,330
Intergovernmental Revenues	4,414,477	4,056,009	4,366,694	3,823,990
Charges for Services	403,816	414,356	496,119	521,577
Licenses and Permits	238,668	210,454	213,680	165,177
Investment Earnings	182	30	14	1,259
Fines and Forfeitures	1,109,375	1,093,935	882,641	1,030,819
Donations	0	0	0	0
All Other Revenue	574,018	525,638	683,141	557,477
Total Revenue	19,241,038	19,050,012	22,148,390	22,293,629
Expenditures:				
Current:				
Security of Persons and Property	8,560,561	8,937,793	9,257,240	9,711,886
Public Health and Welfare Services	2,939,025	2,626,098	2,988,836	2,344,996
Leisure Time Activities	56,452	62,191	57,121	73,178
Community Environment	904,167	588,429	538,514	419,810
Transportation	1,297,001	1,148,978	1,288,165	1,165,108
General Government	3,672,978	3,685,862	3,945,141	4,691,647
Capital Outlay	1,161,110	1,323,226	1,739,556	1,512,327
Debt Service:				
Principal Retirement	255,331	238,079	333,781	216,618
Interest and Fiscal Charges	102,147	90,883	64,184	32,756
Total Expenditures	18,948,772	18,701,539	20,212,538	20,168,326
Excess (Deficiency) of Revenues Over Expenditures	292,266	348,473	1,935,852	2,125,303
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	0	57,067	0	0
Other Financing Sources - Capital Leases	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
Refunding General Obligation Bonds	0	0	1,250,000	0
Payment to Refunded Bond Escrow Agent	0	0	(1,250,000)	0
Installment Loans	0	0	0	0
Transfers In	178,410	389,427	536,408	231,852
Transfers Out	225,735	(389,427)	(536,408)	(231,852)
Total Other Financing Sources (Uses)	404,145	57,067	0	0
Net Change in Fund Balance	\$696,411	\$405,540	\$1,935,852	\$2,125,303
Debt Service as a Percentage of Noncapital Expenditures	1.92%	1.87%	2.07%	1.35%

City of Portsmouth, Ohio

2018	2019	2020	2021	2022	2023
\$16,705,620	\$17,170,801	\$17,393,784	\$18,695,292	\$19,475,137	\$20,758,069
4,738,922	4,397,656	8,130,514	4,097,111	5,793,239	7,055,332
1,221,514	2,079,630	1,942,705	2,293,034	1,779,250	1,527,623
173,262	230,122	283,014	206,329	218,936	198,770
9,001	8,484	2,808	1,742	4,618	50,955
1,065,652	1,173,221	984,183	997,685	1,110,765	1,198,856
0	0	0	0	0	1,400,000
521,348	926,477	1,639,345	358,153	580,847	541,016
24,435,319	25,986,391	30,376,353	26,649,346	28,962,792	32,730,621
10,784,563	11,049,426	12,043,334	11,723,144	11,903,074	12,433,889
3,253,449	3,604,297	3,632,766	3,872,018	3,954,994	3,985,786
67,786	70,942	48,392	44,011	74,734	70,699
368,753	522,096	711,089	516,632	621,298	650,483
1,286,596	1,475,285	1,721,902	2,087,045	1,976,235	2,188,858
4,941,114	4,866,161	5,779,563	5,139,290	5,867,067	6,151,626
1,954,631	2,988,375	2,112,078	2,105,585	4,337,205	1,895,180
163,575	231,273	352,098	248,163	299,964	353,431
26,763	44,900	54,418	26,962	18,811	61,977
22,847,230	24,852,755	26,455,640	25,762,850	29,053,382	27,791,929
1,588,089	1,133,636	3,920,713	886,496	(90,590)	4,938,692
0	0	0	0	2,250	0
0	594,698	0	0	0	0
0	0	0	0	1,390,000	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	618,129	0
456,548	1,261,376	919,382	890,698	920,990	967,458
(480,067)	(1,261,376)	(919,382)	(890,698)	(928,862)	(967,458)
(23,519)	594,698	0	0	2,002,507	0
\$1,564,570	\$1,728,334	\$3,920,713	\$886,496	\$1,911,917	\$4,938,692
0.89%	1.24%	1.67%	1.15%	1.36%	1.71%

City of Portsmouth, Ohio

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

Tax year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Income Tax Rate	2.00%	2.00%	2.50%	2.50%
Estimated Personal Income (in thousands)	\$639,688	\$663,939	\$674,315	\$737,561
Total Tax Collected	\$10,151,503	\$10,282,891	\$12,978,301	\$14,085,123
Income Tax Receipts				
Withholding	8,921,883	9,013,520	11,475,951	12,336,088
Percentage	87.89%	87.66%	88.42%	87.58%
Corporate	891,858	887,742	1,081,816	1,212,293
Percentage	8.79%	8.63%	8.34%	8.61%
Individuals	337,762	381,629	420,534	536,742
Percentage	3.32%	3.71%	3.24%	3.81%

Source: City Income Tax Department

City of Portsmouth, Ohio

2018	2019	2020	2021	2022	2023
2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
\$790,432	\$811,953	\$886,303	\$856,858	\$845,414	\$845,414
\$14,275,245	\$14,613,408	\$14,776,724	\$16,084,379	\$16,893,777	\$17,301,346
12,655,154	12,922,222	13,121,874	13,991,213	15,170,718	15,549,108
88.65%	88.43%	88.80%	86.99%	89.80%	89.87%
1,031,434	1,133,570	1,086,273	1,607,199	1,245,229	1,285,941
7.23%	7.76%	7.35%	9.99%	7.37%	7.43%
588,657	557,616	568,577	485,967	477,830	466,297
4.12%	3.81%	3.85%	3.02%	2.83%	2.70%



City of Portsmouth, Ohio

*Income Tax Collections
Current Year and Nine Years Ago*

Calendar Year 2023

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.09%	\$303,933,080	43.92%	\$7,598,327	43.92%
All Others	11,289	99.91%	388,120,760	56.08%	9,703,019	56.08%
Total	<u>11,299</u>	<u>100.00%</u>	<u>\$692,053,840</u>	<u>100.00%</u>	<u>\$17,301,346</u>	<u>100.00%</u>

Calendar Year 2014

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.10%	\$233,945,250	46.09%	\$4,678,905	46.09%
All Others	10,098	99.90%	273,629,900	53.91%	5,472,598	53.91%
Total	<u>10,108</u>	<u>100.00%</u>	<u>\$507,575,150</u>	<u>100.00%</u>	<u>\$10,151,503</u>	<u>100.00%</u>

Source: City Income Tax Department

City of Portsmouth, Ohio

*Ratio of Outstanding Debt By Type
Last Ten Years*

	2014	2015	2016	2017
Governmental Activities ⁽¹⁾				
General Obligation Bonds Payable	\$1,380,000	\$1,305,000	\$1,140,000	\$1,025,000
Installment Loan Payable	477,053	313,974	145,193	43,575
Business-type Activities ⁽¹⁾				
OWDA Loan Payable	\$8,289,564	\$9,933,465	\$9,764,232	\$9,433,247
OPWC Loan Payable	1,366,722	1,626,817	1,626,256	1,561,256
Water Refunding Revenue Bonds Payable	555,000	0	0	0
Installment Loan Payable	2,983,048	2,145,492	1,272,725	363,255
Total Primary Government	<u>\$15,051,387</u>	<u>\$15,324,748</u>	<u>\$13,948,406</u>	<u>\$12,426,333</u>
Population ⁽²⁾				
City of Portsmouth	20,226	20,226	20,226	20,226
Outstanding Debt Per Capita	\$744	\$758	\$690	\$614
Income ⁽³⁾				
Personal (in thousands)	639,688	663,939	674,315	737,561
Percentage of Personal Income	2.35%	2.31%	2.07%	1.68%

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, Ohio

2018	2019	2020	2021	2022	2023
\$905,000	\$785,000	\$665,000	\$540,000	\$1,800,000	\$1,545,000
0	483,425	251,327	128,164	576,329	477,898
\$9,445,440	\$9,488,183	\$9,225,620	\$9,627,865	\$11,446,282	\$12,287,418
2,071,959	2,782,452	2,724,421	2,561,847	2,414,275	2,281,703
0	0	0	0	0	0
0	0	285,708	192,171	97,155	0
<u>\$12,422,399</u>	<u>\$13,539,060</u>	<u>\$13,152,076</u>	<u>\$13,050,047</u>	<u>\$16,334,041</u>	<u>\$16,592,019</u>

20,226	20,226	20,226	18,252	18,252	18,252
\$614	\$669	\$650	\$715	\$895	\$909

790,432	811,953	886,303	856,858	845,414	845,414
1.57%	1.67%	1.48%	1.52%	1.93%	1.96%

City of Portsmouth, Ohio

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

Year	2014	2015	2016	2017
Population (1)	20,226	20,226	20,226	20,226
Assessed Value (2)	\$216,860,000	\$215,872,520	\$224,323,360	\$233,969,550
General Bonded Debt (3)				
General Obligation Bonds-Governmental	\$1,380,000	\$1,305,000	\$1,140,000	\$1,025,000
Resources Available to Pay Principal (4)	\$124,831	\$123,719	\$60,382	\$78,413
Net General Bonded Debt	\$1,255,169	\$1,181,281	\$1,079,618	\$946,587
Ratio of Net Bonded Debt to Assessed Value	0.58%	0.55%	0.48%	0.40%
Net Bonded Debt per Capita	\$62.06	\$58.40	\$53.38	\$46.80

Source:

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

City of Portsmouth, Ohio

2018	2019	2020	2021	2022	2023
20,226	20,226	20,226	18,252	18,252	18,252
\$232,591,780	\$232,837,810	\$235,397,690	\$236,499,440	\$241,175,550	\$282,681,620
\$905,000	\$785,000	\$665,000	\$540,000	\$1,800,000	\$1,545,000
\$95,381	\$118,040	\$148,415	\$175,549	\$203,334	\$215,617
\$809,619	\$666,960	\$516,585	\$364,451	\$1,596,666	\$1,329,383
0.35%	0.29%	0.22%	0.15%	0.66%	0.47%
\$40.03	\$32.98	\$25.54	\$19.97	\$87.48	\$72.83



City of Portsmouth, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2023*

<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	\$2,022,898	100.00%	\$2,022,898
Overlapping:			
Scioto County	21,187,370	20.18%	4,275,611
Portsmouth City School District	9,339,906	92.35%	<u>8,625,403</u>
		Subtotal	<u>12,901,014</u>
		Total	<u><u>\$14,923,912</u></u>

Source: Scioto County Auditor
Portsmouth City School District

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

City of Portsmouth, Ohio

*Debt Limitations
Last Ten Years*

Collection Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Total Debt</u>				
Net Assessed Valuation	\$216,860,000	\$215,872,520	\$224,323,360	\$233,969,550
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	22,770,300	22,666,615	23,553,953	24,566,803
City Debt Outstanding (2)	1,380,000	1,305,000	1,140,000	1,025,000
Less: Applicable Debt Service Fund Amounts	(124,831)	(123,719)	(60,382)	(78,413)
Net Indebtedness Subject to Limitation	<u>1,255,169</u>	<u>1,181,281</u>	<u>1,079,618</u>	<u>946,587</u>
Overall Legal Debt Margin	<u>\$21,515,131</u>	<u>\$21,485,334</u>	<u>\$22,474,335</u>	<u>\$23,620,216</u>
<u>Unvoted Debt</u>				
Net Assessed Valuation	\$216,860,000	\$215,872,520	\$224,323,360	\$233,969,550
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	11,927,300	11,872,989	12,337,785	12,868,325
City Debt Outstanding (2)	1,380,000	1,305,000	1,140,000	1,025,000
Less: Applicable Debt Service Fund Amounts	(124,831)	(123,719)	(60,382)	(78,413)
Net Indebtedness Subject to Limitation	<u>1,255,169</u>	<u>1,181,281</u>	<u>1,079,618</u>	<u>946,587</u>
Overall Legal Debt Margin	<u>\$10,672,131</u>	<u>\$10,691,708</u>	<u>\$11,258,167</u>	<u>\$11,921,738</u>

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

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

Source: City Auditor's Office

City of Portsmouth, Ohio

2018	2019	2020	2021	2022	2023
\$232,591,780	\$232,837,810	\$235,397,690	\$236,499,440	\$241,175,550	\$282,681,620
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
24,422,137	24,447,970	24,716,757	24,832,441	25,323,433	29,681,570
905,000	785,000	665,000	540,000	1,800,000	1,545,000
(95,381)	(118,040)	(148,415)	(175,549)	(203,334)	(215,617)
809,619	666,960	516,585	364,451	1,596,666	1,329,383
\$23,612,518	\$23,781,010	\$24,200,172	\$24,467,990	\$23,726,767	\$28,352,187
\$232,591,780	\$232,837,810	\$235,397,690	\$236,499,440	\$241,175,550	\$282,681,620
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
12,792,548	12,806,080	12,946,873	13,007,469	13,264,655	15,547,489
905,000	785,000	665,000	540,000	1,800,000	1,545,000
(95,381)	(118,040)	(148,415)	(175,549)	(203,334)	(215,617)
809,619	666,960	516,585	364,451	1,596,666	1,329,383
\$11,982,929	\$12,139,120	\$12,430,288	\$12,643,018	\$11,667,989	\$14,218,106

City of Portsmouth, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	2014	2015	2016	2017
Water Mortgage Bonds (1)				
Gross Revenues (2)	\$6,260,916	\$5,693,192	N/A	N/A
Direct Operating Expenses (3)	4,509,207	4,276,206	N/A	N/A
Net Revenue Available for Debt Service	1,751,709	1,416,986	N/A	N/A
Annual Debt Service Requirement	569,134	566,516	N/A	N/A
Coverage	3.08	2.50	N/A	N/A

N/A - Not Applicable

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

Source: City Auditor's Office

City of Portsmouth, Ohio

2018	2019	2020	2021	2022	2023
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

City of Portsmouth, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2014	2015	2016	2017	2018
Population ⁽¹⁾					
City of Portsmouth	20,226	20,226	20,226	20,226	20,226
Scioto County	77,258	76,825	76,088	75,929	75,502
Income ^{(2) (a)}					
Total Personal (in thousands)	639,688	663,939	674,315	737,561	790,432
Per Capita	31,627	32,826	33,339	36,466	39,080
Unemployment Rate ⁽³⁾					
Federal	6.2%	5.3%	4.9%	4.4%	3.9%
State	5.7%	4.9%	4.9%	5.0%	4.6%
Scioto County	8.7%	7.7%	7.6%	7.1%	6.8%
Civilian Work Force Estimates ⁽³⁾					
State	5,719,500	5,700,300	5,713,100	5,780,000	5,754,900
Scioto County	29,900	29,600	29,900	29,700	29,000

Sources:

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2022.
For the presentation of 2023 statistics, the City is using the latest information available.
- (a) Per Capita Income is only available by County, Total Personal Income is a calculation
- (3) State Department of Labor Statistics

City of Portsmouth, Ohio

2019	2020	2021	2022	2023
20,226	20,226	18,252	18,252	18,252
75,314	74,347	73,346	72,194	72,194
811,953	886,303	856,858	845,414	845,414
40,144	43,820	46,946	46,319	46,319
3.7%	8.1%	5.3%	3.6%	3.6%
4.1%	8.1%	5.1%	4.0%	3.5%
6.3%	8.7%	6.2%	5.1%	4.8%
5,802,300	5,754,300	5,736,900	5,741,300	5,787,000
28,900	29,400	29,300	29,200	29,600



City of Portsmouth, Ohio

*Principal Employers
Current Year and Nine Years Ago*

Employer	Nature of Business	2023	
		Number of Employees	Rank
Southern Ohio Medical Center	Health Care Services	2,519	1
Shawnee State University	Education	1,154	2
Scioto County Offices	Government	739	3
Scioto County Counseling Center	Health Care Services	477	4
Portsmouth City Schools	Education	394	5
City of Portsmouth	Government	303	6
OSCO Industries	Manufacturing	246	7
Portsmouth Hospital Corp	Medical	213	8
State of Ohio	Government	176	9
SOMC Medical Care Foundation	Medical	152	10
Total		<u>6,373</u>	

Employer	Nature of Business	2014	
		Number of Employees	Rank
Southern Ohio Medical Center	Health Care Services	2,651	1
Shawnee State University	Education	1,489	2
Scioto County Offices	Government	697	3
Portsmouth City Schools	Education	420	4
City of Portsmouth	Government	256	5
OSCO Industries	Manufacturing	256	6
Norfolk and Southern Railway	Railroad	254	7
State of Ohio	Government	186	8
Portsmouth Hospital Corporation	Health Care Services	185	9
SOMC Medical Care Foundation	Medical	110	10
Total		<u>6,504</u>	

Sources: City Auditor's Office

Total employment within the City is not available.

City of Portsmouth, Ohio

Full Time Equivalent Employees by Function Last Ten Years

	2014	2015	2016	2017
Governmental Activities				
Security of Persons and Property				
Police	47.0	50.0	51.0	52.0
Fire	38.0	39.0	39.0	39.0
Public Health and Welfare Services				
Health	25.5	26.0	27.0	27.0
General Government				
Legislative	7.0	7.0	7.0	7.0
Mayor	2.0	2.0	2.0	3.0
Finance	5.0	5.0	5.0	5.0
Legal	5.0	5.0	5.0	5.0
Court	26.0	26.5	24.5	27.5
Income Tax	2.0	2.0	2.0	2.0
Engineering	3.0	1.0	2.0	1.0
Administration	3.0	3.0	3.0	2.0
Garage	3.0	3.0	3.0	2.0
Transportation				
Streets	11.0	9.0	9.0	9.0
Cemetery Grounds	2.0	2.0	2.0	2.0
Recreational Grounds	0.0	0.0	0.0	0.0
Community Environment				
Building Inspection	1.0	1.0	1.0	2.0
Community Development	1.0	1.0	1.0	1.0
Business-Type Activities				
Utilities				
Water	38.0	35.0	29.0	32.0
Sewer	24.0	24.0	24.0	23.0
Sanitation	12.0	13.0	13.0	13.0
<i>Total Employees</i>	<u>255.5</u>	<u>254.5</u>	<u>249.5</u>	<u>254.5</u>

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

Source: City Auditor's Office

City of Portsmouth, Ohio

2018	2019	2020	2021	2022	2023
53.0	52.0	53.0	55.0	53.0	54.50
39.0	39.0	39.0	38.0	38.0	38.00
29.5	29.5	27.0	32.0	31.0	27.00
7.0	7.0	7.0	7.0	7.0	7.00
1.5	2.0	2.0	3.0	2.3	1.00
5.0	5.0	5.0	5.0	5.0	5.00
5.0	5.0	5.0	5.0	5.0	5.00
27.0	27.5	27.0	24.0	24.0	24.00
2.0	2.0	2.0	2.0	2.0	2.00
1.0	1.0	2.0	2.0	4.0	4.00
2.0	2.0	2.0	2.0	2.0	2.00
2.0	3.0	3.0	3.0	3.0	3.00
9.0	7.5	11.0	9.0	9.0	11.00
2.0	3.0	5.0	3.0	2.0	3.25
0.0	0.0	0.0	1.0	0.3	0.00
2.0	2.0	2.0	2.0	2.0	2.00
1.0	1.0	1.0	1.0	1.0	1.00
32.5	32.0	32.0	34.0	33.0	34.00
24.0	22.0	23.0	23.0	24.0	24.00
14.0	14.0	15.0	15.0	15.0	17.00
<u>258.5</u>	<u>256.5</u>	<u>263.0</u>	<u>266.0</u>	<u>262.5</u>	<u>264.75</u>

City of Portsmouth, Ohio

*Operating Indicators by Function
Last Ten Years*

	2014	2015	2016	2017
Governmental Activities				
General Government				
Licenses and Permits				
Number of Building Permits	463	404	377	458
Security of Persons and Property				
Police				
Number of Patrol Units	29	29	29	34
Criminal/Juvenile Citations and Charges	1,795	2,024	1,647	1,809
Traffice Citations Issued	619	637	640	561
Parking Tickets Written	325	410	416	308
Fire				
Number of Calls Answered	962	1,235	2,230	2,851
Number of Fire Inspections	99	98	128	77
Number of Investigations	61	104	5	10
Number of EMS Transports	0	0	0	152
Business-Type Activities				
Water				
Number of Service Connections	13,398	13,400	13,400	13,288
Average Daily Consumption (thousands of gallons)	6M	6M	6M	6M
Maximum Daily Capacity (thousands of gallons)	12M	12M	12M	12M
Sewer				
Number of Service Connections	7,843	7,850	7,850	7,695
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	6,371	6,375	6,375	6,179

Source: City Auditor's Office

City of Portsmouth, Ohio

2018	2019	2020	2021	2022	2023
352	351	312	364	336	464
33	26	26	26	28	27
1,620	1,914	1,441	1,412	1,104	1,098
960	772	467	991	848	712
223	311	301	778	170	223
3,579	3,919	2,375	3,939	4,698	4,420
72	69	62	86	88	73
32	55	62	74	67	35
1,594	1,698	1,363	1,687	2,100	1,859
13,236	13,216	13,215	13,168	13,209	13,080
6M	6M	6M	6M	6M	6M
12M	12M	12M	12M	12M	12M
7,664	7,633	7,639	7,595	7,539	7,524
5	5	5	5	5	5
10	10	10	10	10	10
6,148	6,136	6,156	6,134	6,186	6,072

City of Portsmouth, Ohio

*Capital Asset Statistics by Function
Last Ten Years*

	2014	2015	2016	2017
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	29	29	29	34
Fire				
Stations	3	3	3	3
Vehicles	17	17	17	19
Transportation				
Street				
Streets (lane miles)	220	220	220	220
Street Lights	1,476	1,476	1,476	1,476
Leisure Time Activities				
Recreation/Seniors				
Land (acres)	223	223	223	223
Parks	17	17	17	17
Number of Ball Fields (Lighted)	7	7	7	7
Number of Ball Fields (Unlighted)	4	4	4	4
Number of Tennis Courts (Lighted)	0	0	0	0
Number of Tennis Courts (Unlighted)	11	11	11	7
Number of Pickleball Courts (Unlighted)	0	0	0	0
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

City of Portsmouth, Ohio

2018	2019	2020	2021	2022	2023
7,680	7,680	7,680	7,680	7,680	7,680
1	1	1	1	1	1
33	51	50	51	58	58
3	3	3	3	3	3
17	17	16	16	18	18
220	220	220	220	220	220
1,476	1,476	1,476	1,476	1,476	1,476
223	233	233	233	233	233
17	17	17	17	17	17
7	7	7	7	7	7
4	4	4	4	4	0
0	0	0	0	0	0
7	7	7	7	7	4
8	8	8	8	8	18
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



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OHIO AUDITOR OF STATE KEITH FABER



CITY OF PORTSMOUTH

SCIOTO COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/3/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov