



**Auditor of State
Betty Montgomery**

CITY OF PORTSMOUTH
SCIOTO COUNTY

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**CITY OF PORTSMOUTH
SCIOTO COUNTY**
**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2002**

| FEDERAL GRANTOR/ Pass Through Grantor Program Title | Pass Through Entity Number | Federal CFDA Number | Disbursements |
|---|---|------------------------------------|----------------------------|
| <u>U.S. DEPARTMENT OF AGRICULTURE</u> | | | |
| <i>Direct from Federal Government</i> | | | |
| Water and Waste Disposal Systems for Rural Communities-Franklin Furnace Water Tower | N/A | 10.760 | \$ 193,448 |
| Water and Waste Disposal Systems for Rural Communities Grant | N/A | 10.760 | <u>217,023</u> |
| Total Water and Waste Disposal Systems for Rural Communities Grants | | | <u>410,471</u> |
| Total U.S. Department of Agriculture | | | 410,471 |
| <u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u> | | | |
| <i>Passed Through Ohio Department of Development:</i> | | | |
| Community Development Block Grants | A-F-00-067-1 A-F-01-067-1 | 14.228 14.228 | 124,534 <u>178,647</u> |
| Total Community Development Block Grants | | | <u>303,181</u> |
| Total U.S. Department of Housing and Urban Development | | | 303,181 |
| <u>U.S. DEPARTMENT OF JUSTICE</u> | | | |
| <i>Passed through Governor's Office of Criminal Justice Services:</i> | | | |
| Local Law Enforcement Block Grants Program | 2000-LB-BX-2762 | 16.592 | <u>14,517</u> |
| Total U.S. Department of Justice | | | 14,517 |
| <u>U.S. DEPARTMENT OF TRANSPORTATION</u> | | | |
| <i>Passed Through Ohio Department of Public Safety:</i> | | | |
| State and Community Highway Safety Grant | GR-1-861-0 | 20.600 | <u>28,114</u> |
| Total U.S. Department of Transportation | | | 28,114 |
| <u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u> | | | |
| <i>Passed Through Ohio Environmental Protection Agency</i> | | | |
| Air Pollution Control Program Support Grant | N/A | 66.001 | <u>153,290</u> |
| Total U.S. Environmental Protection Agency | | | 153,290 |
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | | |
| <i>Passed Through Ohio Department of Health:</i> | | | |
| Childhood Lead Poisoning Prevention Projects Grant | 73-2-001-1-BD-02 | 93.197 | 10,043 |
| Immunization Grant | 73-2-001-2-AZ-02 | 93.268 | 15,117 |
| Centers for Disease Control and Prevention Investigations and Technical Assistance Grants | | | |
| Public Health Infrastructure | 73-2-001-BI-03 | 93.283 | 52,788 |
| Tobacco Prevention | 73-2-001-2-CJ-01 73-2-001-2-CJ-02 | 93.283 93.283 | 22,973 <u>21,512</u> |
| Total Tobacco Prevention | | | <u>44,485</u> |
| Total Centers for Disease Control and Prevention Investigations and Technical Assistance Grants | | | 97,273 |
| Preventive Health and Health Services Block Grant | | | |
| Cardiovascular Health | 73-2-001-2-ED-02 | 93.991 | 54,581 |
| Injury Prevention | 73-2-001-2-EE-02 | 93.991 | <u>28,000</u> |
| Total Preventive Health and Health Services Block Grant | | | 82,581 |
| Maternal and Child Health Services Block Grant | 73-2-001-1-AI-02 73-2-001-1-AI-03 | 93.994 93.994 | 230,791 <u>60,660</u> |
| Total Maternal and Child Health Services Block Grant | | | <u>291,451</u> |
| Total U.S. Department of Health and Human Services | | | <u>496,465</u> |
| Total Federal Award Expenditures | | | <u>\$ 1,406,038</u> |

The accompanying Notes to the Schedule of Federal Awards Expenditures are an integral part of this Schedule.

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2002**

NOTE A - BASIS OF ACCOUNTING

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

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

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

These loans are collateralized by mortgages on the property. At December 31, 2002, the gross amount of loans outstanding under this program was \$205,907.

NOTE C -- MATCHING REQUIREMENTS

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



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

To the Members of the Council:

We have audited the general-purpose financial statements of the City of Portsmouth, Scioto County, Ohio (the City), as of and for the year ended December 31, 2002, and have issued our report thereon dated June 24, 2003. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2002-001, 2002-002 and 2002-03. We also noted certain immaterial instances of noncompliance that we have reported to management of the City in a separate letter dated June 24, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2002-004.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we consider the reportable condition described above to be a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated June 24, 2003.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 24, 2003



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

To the Members of the Council:

Compliance

We have audited the compliance of the City of Portsmouth, Scioto County, Ohio (the City), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2002. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

As described in item 2002-005 in the accompanying Schedule of Findings, the City did not comply with requirements regarding cash management that are applicable to its Community Development Block Grant. Compliance with such requirements is necessary, in our opinion, for the City to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002.

Internal Control Over Compliance

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

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with applicable requirements of law, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings as item 2002-005.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of the City of Portsmouth as of and for the year ended December 31, 2002, and have issued our report thereon dated June 24, 2003. The accompanying Schedule of Federal Awards Expenditures is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements. In our opinion, it is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

June 24, 2003

CITY OF PORTSMOUTH
SCIOTO COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE YEAR ENDED DECEMBER 31, 2002

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|---|---|
| (d)(1)(i) | Type of Financial Statement Opinion | Unqualified |
| (d)(1)(ii) | Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | Yes |
| (d)(1)(ii) | Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)? | No |
| (d)(1)(iii) | Was there any reported material non-compliance at the financial statement level (GAGAS)? | Yes |
| (d)(1)(iv) | Were there any material internal control weakness conditions reported for major federal programs? | No |
| (d)(1)(iv) | Were there any other reportable internal control weakness conditions reported for major federal programs? | Yes |
| (d)(1)(v) | Type of Major Programs' Compliance Opinion | Qualified |
| (d)(1)(vi) | Are there any reportable findings under § .510? | Yes |
| (d)(1)(vii) | Major Programs (list): | Community Development Block Grant - CFDA #14.228 Water and Waste Disposal Systems for Rural Communities Grant – CFDA #10.760 |
| (d)(1)(viii) | Dollar Threshold: Type A/B Programs | Type A: > \$ 300,000 Type B: all others |
| (d)(1)(ix) | Low Risk Auditee? | No |

CITY OF PORTSMOUTH
SCIOTO COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE YEAR ENDED DECEMBER 31, 2002
(Continued)

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

FINDING NUMBER 2002-001

Noncompliance Citation

Ohio Rev. Code Section 5705.41(B) states that no subdivision is to expend money unless it has been appropriated.

We found that expenditures exceeded appropriations at June 30, 2002, in the Wastewater Surcharge Fund (603) by \$158,538 or 32%. We also found that expenditures exceeded appropriations at October 31, 2002, in the Capital Improvement Fund (301) by \$132,132 or 50% and in the Wastewater Surcharge Fund (603) by \$272,025 or 54%.

We recommend the City Auditor monitor the expenditures and the budget of the City to ensure that expenditures do not exceed appropriations. In addition, the City Auditor should deny payment requests exceeding appropriations. The City Auditor may request the City Council approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

FINDING NUMBER 2002-002

Noncompliance Citation

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

The following exceptions to this basic requirement are provided by statute:

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

Amounts of less than \$100 for counties, or less than \$1,000 (which was increased to \$3,000 on April 7, 2003) for other political subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

Sixty percent of expenditures tested were not properly certified.

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

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE YEAR ENDED DECEMBER 31, 2002
(Continued)**

**2. FINDINGS RELATED TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2002-03

Finding for Recovery

Ohio Rev. Code Section 5739.02 levies an excise tax on each retail sale made in this state and requires tax to be paid as set by schedules in Ohio Revised Code 5739.025. The tax does not apply to sales to the state or any of its political subdivisions.

A computer was purchased by former Service Director, Michael Blackburn, for personal use while using the City of Portsmouth's name to enter into the contract and the City's tax exemption form to avoid payment of the computer's sales tax. Michael Blackburn circumvented the intent of Ohio Rev. Code Section 5705.02 when he used the City's name to make a personal purchase in order to avoid paying sales tax.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code 117.28, a Finding for Recovery for public money due but not collected is hereby issued against Michael Blackburn, former Service Director, and the Specialty National Insurance Company, jointly and severally, in the amount of one hundred seventy-seven dollars (\$177), and in favor of the Ohio Department of Taxation.

FINDING NUMBER 2002-004

Material Weakness

Bank account reconciliations for the Civil and Criminal bank accounts should be performed monthly by the Clerk of the Municipal Court in order to detect errors or substantial misstatements. The Clerk did not prepare a formal reconciliation from the Court system cashbook and open items listing to the bank accounts each month. By not performing accurate reconciliations each month, errors could go undetected. There is also less control and accountability for accurate reconciliations to be performed, without an independent review of the process.

We recommend that the Clerk of the Municipal Court prepare monthly reconciliations between the Court system cashbook and open items listing to the bank accounts each month.

CITY OF PORTSMOUTH
SCIOTO COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE YEAR ENDED DECEMBER 31, 2002
(Continued)

3. FINDINGS FOR FEDERAL AWARDS

FINDING NUMBER 2002-005

Cash Management

| | |
|-----------------------------|--|
| Finding Number | 2002-005 |
| CFDA Title Number | Community Development Block Grant, CFDA, #14.228 |
| Federal Award Number / Year | AF-00-067-1 and AF-01-067-1 |
| Federal Agency | U.S. Department of Housing and Urban Development |
| Pass-Through Agency | Ohio Department of Development |

Noncompliance Citation and Reportable Condition

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

A comparison of the draws to the expenditures for each of the funds revealed the following:

Project #AF 00-067-1:

The City received a cash draw of \$4,000 on July 18, 2002, bringing the balance to \$8,249.28, but did not reduce its balance below \$5,000 until September 11, 2002. Therefore, funds were held on deposit exceeding \$5,000 for over 15 days.

Project #AF 01-067-1:

The City received \$15,700 on April 23, 2002, but did not reduce its balance below \$5,000 until July 4, 2002. The City received \$20,000 on July 18, 2002 and did not reduce its balance below \$5,000 until the next draw of \$143,300 on September 3, 2002, after which the City did not reduce its balance to below \$5,000 until December 31, 2002. Therefore, funds were held on deposit exceeding \$5,000 for over 15 days.

We recommend the City develop a cash management system to ensure compliance with the Fifteen Day Rule which relates to prompt disbursement of funds. We further recommend that the City Auditor disburse federal funds in a timelier manner in order to avoid this non-compliance.

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A-133 § .315 (b)
FOR THE YEAR ENDED DECEMBER 31, 2002**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain: |
|----------------|---|------------------|--|
| 2001-20773-001 | The Clerk of the Portsmouth Municipal Court has been unable to properly reconcile the Court's Criminal bank account with the Open Items List as maintained by the Clerk's Office. | No. | Not corrected. Repeated as Finding Number 2002-004. |

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A-133 §.315 (c)
FOR THE YEAR ENDED DECEMBER 31, 2002**

| Finding Number | Planned Corrective Action | Anticipated Completion Date | Responsible Contact Person |
|----------------|--|-----------------------------|--|
| 2002-001 | The City Auditor will continue to monitor expenditures and the City budget more closely to ensure that disbursements do not exceed appropriations. The City Auditor will ensure that all appropriations are posted to prevent expenditures from exceeding appropriations during the year. If necessary, the City Auditor will request, or recommend the appropriate department request, the City Council to approve increased expenditure by increasing appropriations and amending resources. | December 31, 2003 | Trent Williams, City Auditor |
| 2002-002 | Policies are in place to ensure that fiscal certification is received prior to purchases, contracts or other obligations of city funds. This policy will be reviewed with the Mayor and appropriate staff to regain compliance. | December 31, 2003 | Trent Williams, City Auditor |
| 2002-003 | The finding for recovery will be pursued, if not already completed at this time. If already completed, appropriate personnel will submit confirming documentation. | December 31, 2003 | Trent Williams, City Auditor |
| 2002-004 | The Clerk has worked with the Auditor of State this year to reconcile the system cashbook and open items listing with the bank accounts and maintain ongoing monthly reconciliation thereafter. | December 31, 2003 | Leroy Kegley, Municipal Court Clerk |
| 2002-005 | As this citation has been issued previously, the City Auditor's office and Community Development office have communicated closely this year with regard to compliance with the Fifteen Day Rule in order to eliminate further problems with disbursements under this rule. The offices will continue to monitor drawdowns and disbursements to ensure compliance with the Fifteen Day Rule. | December 31, 2003 | Trent Williams, City Auditor |

THE CITY OF PORTSMOUTH, OHIO

SCIOTO COUNTY



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2002

THE CITY OF PORTSMOUTH, OHIO

SCIOTO COUNTY

COMPREHENSIVE ANNUAL FINANCE REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2002

Prepared by:

M. TRENT WILLIAMS
City Auditor

Finance Department:

Constance J. Snipes
Deputy Auditor

Barbara A. Doyle
Finance Clerk II

Jennifer E. Spriggs
Finance Clerk I

Brenda D. Givens
Finance Clerk I

Income Tax Department:

John F. Queen
Tax Commissioner

David A. Lester
Deputy Tax Commissioner

Emily E. Conley
Finance Clerk I

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CITY OF PORTSMOUTH, OHIO SCIOTO COUNTY

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INTRODUCTORY SECTION

The City of Portsmouth

"Where the Ohio and Scioto Meet"

Department of Finance

Municipal Building, Room 3

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M. Trent Williams, City Auditor



June 24, 2003

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

As City Auditor, it is my pleasure to present the seventh Comprehensive Annual Financial Report (CAFR) of the City of Portsmouth, Ohio for the fiscal year ended December 31, 2002. This report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

INTRODUCTION

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

The Report

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

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

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

The Reporting Entity

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

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

Historical Information

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

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

Location

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

Form of Government

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

Municipal Services

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

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

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

Bases of Accounting

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

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

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

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

Water is provided by the City of Portsmouth to approximately 14,338 customers both within the City and in some areas of Scioto County. The City filtration plant has the capacity to produce 12 million gallons of treated water daily and is currently producing six to seven million gallons of water per day. There are approximately 25 million gallons of water stored in reservoirs and tanks located in and around the City.

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

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

Recreation and Cultural Facilities and Events

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

Another citizen sponsored project, which started in 1992 and has recently been completed, is the painting of murals on the flood wall on Front Street in the Boneyfiddle District. These murals tell the "story" of Portsmouth and are proving to be a great tourist attraction. The funds were raised for this project by the people of Portsmouth through donations and fund-raisers and a state grant. With the recent conclusion of the ten year project there are now 50 completed panels on the flood wall. Plans are in motion now to provide a visitors center to accommodate those viewing the 2000 feet of spectacular Portsmouth history.

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

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

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

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

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

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

Education

Portsmouth City Schools and Sciotoville Community Schools are comprised of four elementary schools, one middle school and two high schools, with a total combined enrollment of approximately 2,587 students. The pupil-teacher ratio is approximately thirteen to one. Adult education programs are offered by Portsmouth City Schools and Shawnee State University.

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

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

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

Employee Relations

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

MAJOR INITIATIVES

Present

The City's largest project during 2002 was the continuation of the major overhaul of the City's waterlines, storage tanks and treatment facilities. The City completed its US 52 waterline upgrade project by implementing Phase II, which replaced over three miles of existing lines with larger 24" lines from the Young Street Viaduct east to Clayport Street in New Boston, near the Filtration Plant. Several smaller 6" and 8" waterlines were upgraded or replaced in the New Boston, Sciotoville, Wheelersburg and Portsmouth areas. The largest water project item completed in 2002 was Phase III, the construction of a 24" trunk line east of the filtration plant to the Sciotoville overhead providing new water lines virtually from the east end of the city to the west. The improvement of these lines will also aid in extending the water system eastward outside the City to several industrial plants located at the eastern end of the county and meet the needs of the proposed industrial developments in that area.

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

The Public Service department has recently completed the construction of a recycling sorting building near the City garage and have recently completed new tennis court surfacing, fencing and facilities upgrades at Mound Park.

Future

The City continues its water line upgrade project by continuing replacement of various 6" lines throughout the City, systemwide meter replacements and various filtration plant enhancements. Planned improvements also include the construction of new water tanks on Sunrise Hill in the city and a water tank in the Wheelersburg area. A 12" water line extension from Franklin Furnace to the Haverhill industrial park and the additions of 750,000 gallon elevated water towers in both locations are also underway to assist with industrial park and future industrial development. The City's roads will undergo major resurfacing in all areas affected by waterline replacement in addition to all state routes within the City.

The Charles Street wastewater treatment plant will see continued pump, plant and storm gate upgrades, sewer linings and the creation and implementation of a Storm Water Utility Program, working with the City's Graphical Information System to utilize three-dimensional modeling capabilities. Plans are underway now for a total upgrade of the wastewater treatment plant itself.

Renovations to the new Municipal Building annex were completed in 2001 allowing for demolition of the former Griffin Hall. The demolition was necessary for the construction of a new U.S. Grant Bridge by the State of Ohio. The modern bridge, with wider lane capacity, spanning the Ohio River from Chillicothe Street in downtown Portsmouth to South Shore, Kentucky is projected to be open in June of 2004. As the replacement of the structure with a new, state-funded steel, cable-stayed bridge takes place, the Carl Perkins Bridge, erected in 1987, just two miles west of the Grant Bridge will keep Portsmouth connected to its southern neighbor.

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

FINANCIAL INFORMATION

Internal Control, Budgetary Control and the Accounting System

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

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

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

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

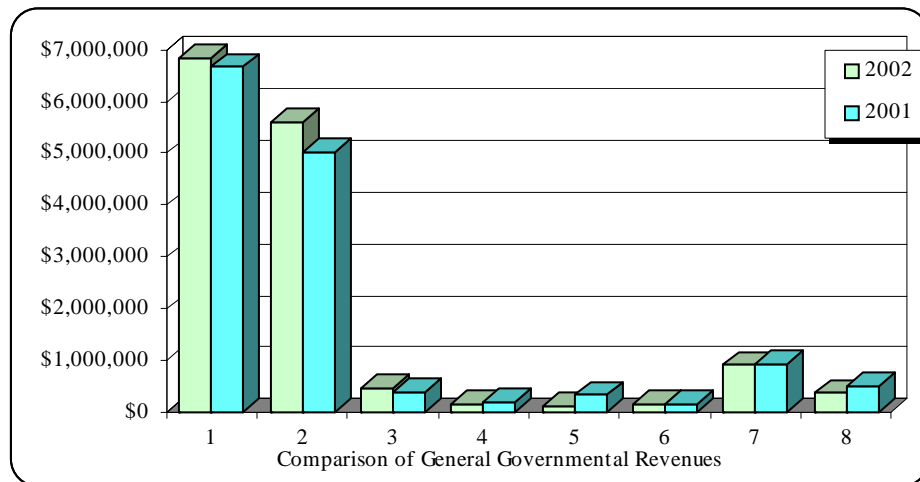
All internal control evaluations occur within this framework. It is the belief of the administrative and financial management personnel that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions. The Auditor's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

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

General Governmental Functions

The following schedule presents a summary of general governmental functions (including General, Special Revenue, and Debt Service funds), revenues for the years ended December 31, 2002 and 2001, the percentage of each revenue source to total revenues, and the amount of increase/(decrease) relative to prior year revenue.

| Revenue Source | 2002 Total | Percent of Total | 2001 Total | Increase (Decrease) over 2001 | Percent of Increase (Decrease) |
|----------------------------------|---------------------|------------------------|---------------------|-------------------------------------|--------------------------------------|
| 1. Tax Revenues | \$6,836,768 | 46.63% | \$6,660,757 | \$176,011 | 2.64% |
| 2. Intergovernmental Revenues | 5,593,175 | 38.15% | 5,015,661 | 577,514 | 11.51% |
| 3. Charges for Services | 471,528 | 3.22% | 402,186 | 69,342 | 17.24% |
| 4. Licenses and Permits | 177,004 | 1.21% | 193,154 | (16,150) | (8.36%) |
| 5. Investment Earnings | 136,409 | 0.93% | 339,097 | (202,688) | (59.77%) |
| 6. Special Assessments | 154,864 | 1.06% | 156,083 | (1,219) | (0.78%) |
| 7. Fines and Forfeitures | 917,757 | 6.26% | 933,608 | (15,851) | (1.70%) |
| 8. All Other Revenues | 374,085 | 2.54% | 505,475 | (131,390) | (25.99%) |
| Total | \$14,661,590 | 100.00% | \$14,206,021 | \$455,569 | |



Revenue Narrative

General government revenues totaled \$14,661,590 for 2002, an increase of \$455,569 from 2001. The City's income tax is the primary source of revenue for the City. This tax applies to all income earned within the City and to Portsmouth residents' earnings from outside the City. The tax also applies to net proceeds from the operation of a business, profession or other enterprise activity. This tax was originally voted in 1965 for 1/2 percent for a five year period, and was continued indefinitely in 1970. In 1972, the voters of Portsmouth increased the rate to one percent, also for an indefinite period. On November 3, 1987, the voters increased the tax by four tenths of one percent (.4%) indefinitely, raising the total tax

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

The increase in intergovernmental revenues was due to inheritance taxes increasing by \$170,000 and increased community development grants. In addition AIDS/HIV grant funding increased nearly \$130,000 in 2002.

Charges for services increased as a result of the City getting back special duty operations from the Fraternal Order of Police in mid 2002. In addition some Health Department charges were increased and the City entered into a new contract for soft drink supply services.

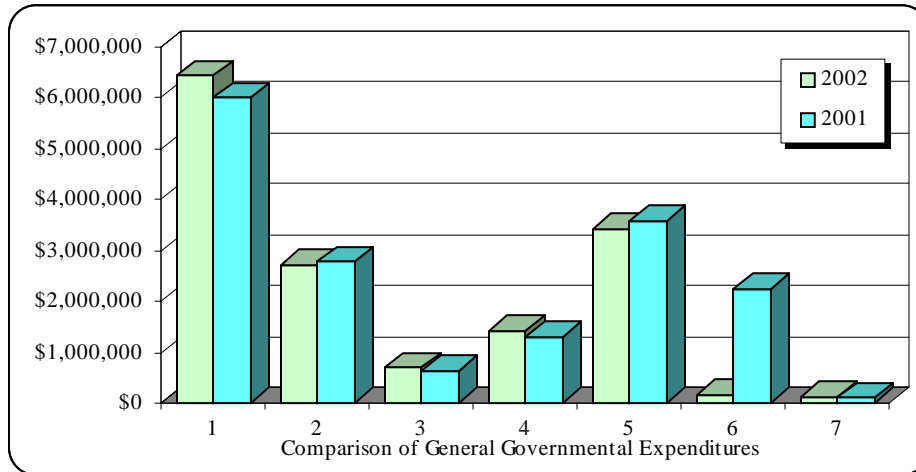
The decrease in licenses and permits is a result of a decrease in commercial construction in the city.

Investment earnings decreased compared to 2001 because the amount of funds invested during the year decreased and the interest rates decreased during 2002. The City's investment policies are discussed later in more detail under the topic of "Cash Management."

The decrease in other revenue is attributable to a refund of workers' compensation premiums from the State in 2001.

Expenditures for general governmental purposes (including General, Special Revenue, and Debt Service funds), totaled \$14,976,712, a decrease of \$1,643,656 compared to 2001. Expenditures for the major functions of the City, increases/(decreases) over 2001 and the percentage of the total are shown in the following table:

| Function | 2002 Total | Percent of Total | 2001 Total | Increase (Decrease) over 2001 | Percent of Increase (Decrease) |
|-------------------------------------|---------------------|------------------------|---------------------|-------------------------------------|--------------------------------------|
| 1. Security of Persons and Property | \$6,423,187 | 42.89% | \$5,991,355 | \$431,832 | 7.21% |
| 2. Public Health and Welfare | 2,708,280 | 18.08% | 2,769,406 | (61,126) | (2.21%) |
| 3. Community Environment | 695,134 | 4.64% | 626,376 | 68,758 | 10.98% |
| 4. Transportation | 1,417,750 | 9.47% | 1,307,038 | 110,712 | 8.47% |
| 5. General Government | 3,434,883 | 22.93% | 3,572,084 | (137,201) | (3.84%) |
| 6. Debt Service - Principal | 175,000 | 1.17% | 2,247,980 | (2,072,980) | (92.22%) |
| 7. Debt Service - Interest | 122,478 | 0.82% | 106,129 | 16,349 | 15.40% |
| Total | <u>\$14,976,712</u> | <u>100.00%</u> | <u>\$16,620,368</u> | <u>(\$1,643,656)</u> | |



Expenditure Narrative

The significant decrease in expenditures is a result of paying in full, the Police/Fire accrued pension liability of more than \$2,000,000 in 2001. The payoff was funded by issuing general obligation bonds.

Increases in security of persons and property, community environment and transportation expenditures were due to increases in health and liability insurance premiums as well as to routine increases in payroll, supplies and services. Community environment also increased because there were more grant funds available for projects this year.

Although general government also had increases in personnel costs, these were offset by a decrease in municipal court and garage expenditures. In 2001, the Court had chosen to spend some of the funds that had been accumulating over several years for drug and alcohol programs that were not repeated in 2002. The allocation of garage expenditures to other departments that use its services was increased.

Proprietary Operations

Enterprise Funds:

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

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

| | Total Assets | Net Income (Loss) | Return on Assets |
|------------|-----------------|----------------------|---------------------|
| Water | \$12,398,426 | \$1,000,190 | 8.07% |
| Sewer | 1,462,199 | 327,841 | 22.42% |
| Sanitation | 1,167,144 | (74,154) | (6.35%) |

Internal Service Funds:

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

Fiduciary Operations

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

The City also serves as an agent for the County Law Library in the collection of fines. The Portsmouth Municipal Court is also an agency fund of the City. Additional agency funds are maintained to account for the employees' share of health insurance premiums, Board of Building Standards fees, and construction project escrow money. The total assets and corresponding liabilities for the agency funds of the City amounted to \$2,702,426 as of December 31, 2002.

Debt Administration

The debt service fund accumulates resources for the payment of principal, interest and associated administrative costs on the City's general and special assessment long-term debt. Resources are derived from property taxes (real and personal) and special assessments. The City's bond credit rating is Baa1. The total bonded debt of the City reported in the General Long-Term Obligations Account Group as of December 31, 2002, consisted of the following:

| | |
|--|-----------|
| Special Assessment Bonds with Governmental Commitment | \$145,000 |
| General Obligation Bonds | 2,050,000 |

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

The City's debt position as of December 31, 2002 was as follows:

| | |
|--|--------------|
| Overall Legal Debt Margin | \$19,909,055 |
| Unvoted Legal Debt Margin | 9,596,652 |
| Net General Obligation Bonded Debt Payable from Property Taxes | 0 |
| Percentage of Assessed Value | 0% |
| Net General Obligation Bonded Debt per Capita | \$0.00 |

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

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

| | |
|--|-------------|
| General Obligation Bonds which are Self-Supporting | \$2,770,000 |
| Mortgage Revenue Bond | 594,400 |
| Ohio Water Development Authority Loan | 281,536 |
| Ohio Public Works Commission Loans | 562,747 |

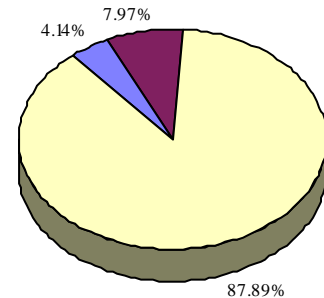
Cash Management

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

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

The City's cash was invested at December 31, 2002 as follows:

| Cash Resources | 2002 | % |
|---------------------------|--------------------|----------------|
| Cash and Cash Equivalents | \$327,544 | 4.14% |
| Certificates of Deposit | 629,500 | 7.97% |
| Repurchase Agreement | 6,946,141 | 87.89% |
| Total | <u>\$7,903,185</u> | <u>100.00%</u> |



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

Risk Management

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

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

OTHER INFORMATION

Independent Audit

The general purpose financial statements of the City of Portsmouth were audited by Betty Montgomery, Auditor of State. The auditor's unqualified opinion has been included in this report.

Awards

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

Public Disclosure

The publication of this Comprehensive Annual Financial Report is indicative of the City's commitment to provide significantly enhanced financial information and accountability to its citizens. In addition to the citizens of Portsmouth, the recipients of this report include City, state and federal officials, schools, libraries, newspapers, investment banking firms, banks and rating agencies. The report is made available to any person or organization requesting it. The extensive effort to prepare and distribute this report is indicative of the City Auditor's goal of full disclosure of the City's finances.

Acknowledgments

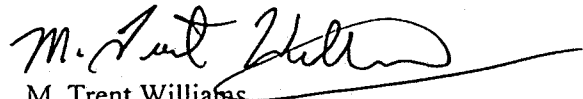
This report is the result of hard work and dedication on the part of many employees and individuals. Special thanks to David Green, Scioto County Auditor, and staff; Margaret Gordley, Scioto County Treasurer, and staff, the employees of the Portsmouth Auditor's office and all other City employees who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

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

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

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

Sincerely,


M. Trent Williams
City Auditor

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

**CITY OFFICIALS
DECEMBER 31, 2002**

| <u>Position</u> | <u>Name</u> | <u>Term of Office</u> | <u>Years with City</u> | |
|--|------------------------|-----------------------|------------------------|----|
| <u>Executive</u> (Elected) | | | | |
| Mayor | Gregory A. Bauer | 01/07/02 - 01/01/06 | 7 | |
| City Auditor | M. Trent Williams | 01/03/00 - 01/04/04 | 4 | |
| City Solicitor | David W. Kuhn | 01/03/00 - 01/04/04 | 14 | |
| <u>Legislative</u> (Elected) | | | | |
| | | <u>Ward</u> | | |
| President of Council | James D. Kalb | 4th | 01/03/00 - 01/04/04 | 7 |
| Vice-President of Council | Raymond E. Pyles | 2nd | 01/03/00 - 01/04/04 | 6 |
| Member of Council | Ann S. Sydnor | 1st | 01/07/02 - 01/01/06 | 15 |
| Member of Council | Maddeline C. Caudill | 3rd | 01/07/02 - 01/01/06 | 5 |
| Member of Council | Howard E. Baughman | 5th | 01/07/02 - 01/01/06 | 3 |
| Member of Council | Barbara E. Halcomb | 6th | 11/26/01 - 01/04/04 | 1 |
| <u>Judicial</u> (Elected) | | | | |
| Municipal Court Judge | William T. Marshall | | 01/01/00 - 12/31/05 | 14 |
| Municipal Court Judge | Richard T. Schisler | | 01/01/98 - 12/31/03 | 23 |
| <u>Administrative</u> (Appointed) | | | | |
| Police Chief | Charles H. Horner, Jr. | | Indefinite | 22 |
| Fire Chief | Robert A. Storey | | Indefinite | 29 |
| Public Service Director | Michael E. Blackburn | | Indefinite | 8 |
| Director of Water | Samuel Sutherland | | Indefinite | 14 |
| Director of Waste Water | Michael D. Shaw | | Indefinite | 26 |
| Community Development Director | Robert J. Burns | | Indefinite | 7 |
| City Clerk | Jo Ann Aeh | | Indefinite | 17 |
| Municipal Court Clerk | R. Leroy Kegley | | Indefinite | 24 |
| Health Commissioner | Donald J. Walden | | Indefinite | 23 |

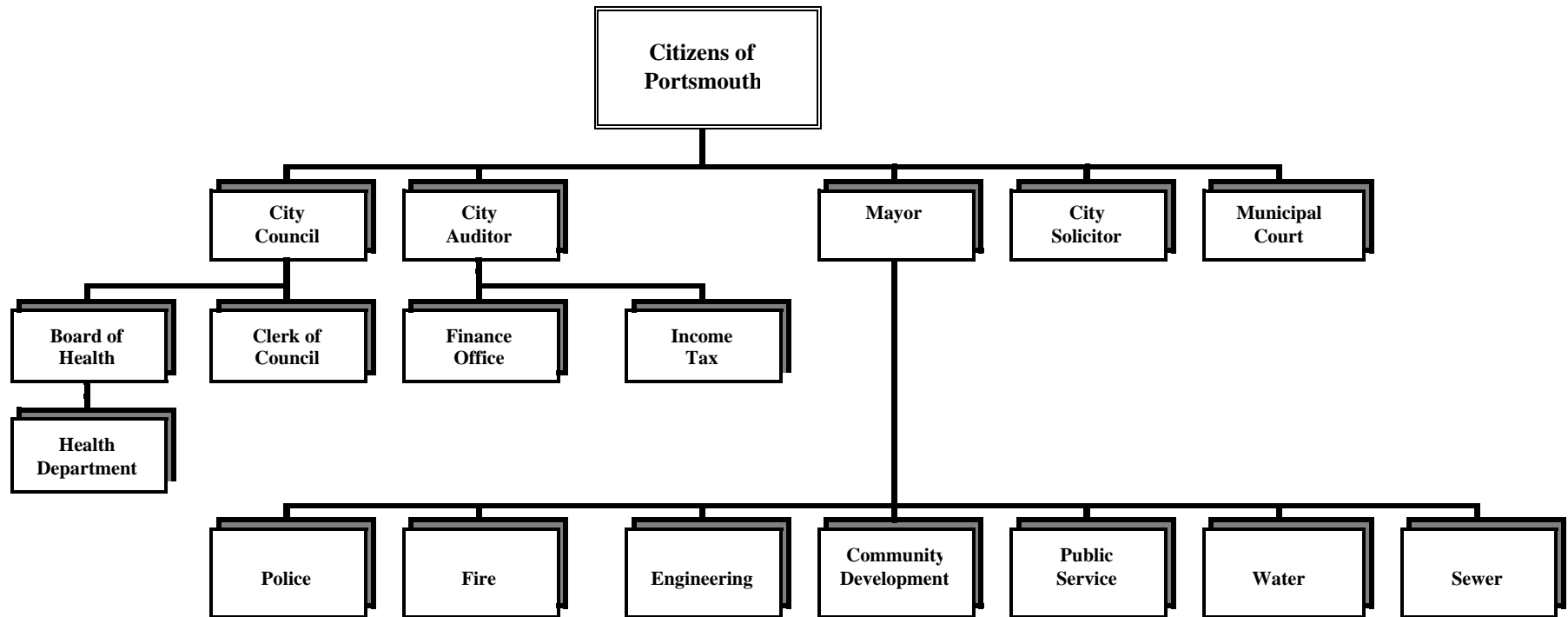
Executive Offices:

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

M. Trent Williams, Auditor
City of Portsmouth
728 Second Street, Room 3
Portsmouth, Ohio 45662
Ph: 740-354-7751 Fax: 740-353-4583
Email: cityauditor@mail.com

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

The City of Portsmouth, Ohio Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Portsmouth,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

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



William Robert Vasta

President

Jeffrey R. Emmer

Executive Director

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FINANCIAL SECTION

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Members of the Council:

We have audited the accompanying general-purpose financial statements of the City of Portsmouth, Scioto County, Ohio (the City), as of and for the year ended December 31, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above presents fairly, in all material respects, the financial position of the City of Portsmouth, Scioto County, as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements. In our opinion, it is fairly stated in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 24, 2003

GENERAL PURPOSE FINANCIAL STATEMENTS

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

THE CITY OF PORTSMOUTH, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2002

| | <i>Governmental</i> | | | |
|--|---------------------|-----------------------------|-------------------------|-----------------------------|
| | <i>Fund Types</i> | | | |
| | General Fund | Special Revenue Funds | Debt Service Fund | Capital Projects Fund |
| <u>Assets and Other Debits:</u> | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$57,236 | \$1,915,904 | \$2,303,009 | \$469,809 |
| Receivables (net of allowance for doubtful accounts): | | | | |
| Taxes | 2,406,797 | 278,863 | 3,985 | 260,901 |
| Accounts | 425 | 0 | 0 | 0 |
| Special Assessments | 0 | 0 | 147,051 | 0 |
| Loans | 175 | 205,969 | 0 | 0 |
| Interest | 0 | 510 | 0 | 0 |
| Due from Other Funds | 64,658 | 43,689 | 0 | 0 |
| Intergovernmental Receivables | 965,282 | 1,633,936 | 0 | 0 |
| Inventory of Supplies at Cost | 19,346 | 38,122 | 0 | 0 |
| Prepaid Items | 34,822 | 4,728 | 0 | 1,712 |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | 0 | 0 | 0 | 0 |
| Fixed Assets (net of accumulated depreciation) | 0 | 0 | 0 | 0 |
| Other Debits: | | | | |
| Amount Available in Debt Service Fund | 0 | 0 | 0 | 0 |
| Amount to be Provided for General Long-Term Obligations | 0 | 0 | 0 | 0 |
| Total Assets and Other Debits | <u>\$3,548,741</u> | <u>\$4,121,721</u> | <u>\$2,454,045</u> | <u>\$732,422</u> |

THE CITY OF PORTSMOUTH, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2002

| <i>Proprietary Fund Types</i> | <i>Fiduciary Fund Types</i> | <i>Account Groups</i> | | Totals (Memorandum Only) |
|-----------------------------------|---------------------------------|------------------------------|----------------------------|-------------------------------------|
| Enterprise Funds | Internal Service Funds | Trust and Agency Funds | General Fixed Assets | General Long-Term Obligations |
| \$2,153,327 | \$63,672 | \$244,038 | \$0 | \$0 |
| 0 | 0 | 0 | 0 | 0 |
| 1,640,904 | 0 | 2,393,965 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 219 | 0 | 0 |
| 0 | 0 | 3,212 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 380,227 | 0 | 0 | 0 | 0 |
| 16,398 | 0 | 128 | 0 | 0 |
| 203,520 | 0 | 492,670 | 0 | 0 |
| 10,633,393 | 0 | 0 | 15,159,144 | 0 |
| 0 | 0 | 0 | 0 | 2,303,009 |
| 0 | 0 | 0 | 0 | 661,465 |
| <u>\$15,027,769</u> | <u>\$63,672</u> | <u>\$3,134,232</u> | <u>\$15,159,144</u> | <u>\$2,964,474</u> |
| | | | | <u>\$47,206,220</u> |

(Continued)

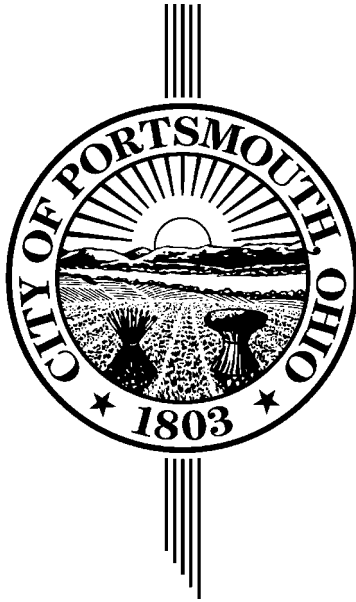
THE CITY OF PORTSMOUTH, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2002

| | <i>Governmental</i> | | | |
|---|---------------------|-----------------------------|-------------------------|-----------------------------|
| | <i>Fund Types</i> | | | |
| | General Fund | Special Revenue Funds | Debt Service Fund | Capital Projects Fund |
| Liabilities, Equity and Other Credits: | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$13,524 | \$35,268 | \$0 | \$2,287 |
| Accrued Wages and Benefits | 355,018 | 102,556 | 0 | 0 |
| Contracts Payable | 0 | 0 | 0 | 113,722 |
| Due to Other Funds | 24,453 | 28,807 | 0 | 0 |
| Intergovernmental Payables | 2,059 | 11,873 | 0 | 0 |
| Due to Others | 0 | 0 | 0 | 0 |
| Accrued Interest Payable | 0 | 0 | 0 | 36,997 |
| Retainage Payable | 0 | 0 | 0 | 72,429 |
| Customer Deposits | 0 | 0 | 0 | 0 |
| Deferred Revenue | 2,122,937 | 1,386,113 | 151,036 | 11,039 |
| Claimant Liability | 0 | 0 | 0 | 0 |
| General Obligation Notes Payable | 0 | 0 | 0 | 2,000,000 |
| Compensated Absences Payable | 0 | 0 | 0 | 0 |
| Capital Leases Payable | 0 | 0 | 0 | 0 |
| Mortgage Revenue Bond Payable | 0 | 0 | 0 | 0 |
| General Obligation Bonds Payable | 0 | 0 | 0 | 0 |
| Special Assessment Bond Payable with Governmental Commitment | 0 | 0 | 0 | 0 |
| Ohio Public Works Commission Loans Payable | 0 | 0 | 0 | 0 |
| Ohio Water Development Authority Loan Payable | 0 | 0 | 0 | 0 |
| Total Liabilities | 2,517,991 | 1,564,617 | 151,036 | 2,236,474 |
| Equity and Other Credits: | | | | |
| Investment in General Fixed Assets | 0 | 0 | 0 | 0 |
| Contributed Capital | 0 | 0 | 0 | 0 |
| Retained Earnings - Unreserved | 0 | 0 | 0 | 0 |
| Fund Balances: | | | | |
| Reserved for Encumbrances | 43,545 | 44,664 | 0 | 205,403 |
| Reserved for Supplies Inventory | 19,346 | 38,122 | 0 | 0 |
| Reserved for Prepaid Items | 34,822 | 4,728 | 0 | 1,712 |
| Reserved for Debt Service | 0 | 0 | 2,303,009 | 0 |
| Reserved for Endowments | 0 | 0 | 0 | 0 |
| Unreserved: | | | | |
| Designated for Employee Benefits | 15,578 | 0 | 0 | 0 |
| Undesignated | 917,459 | 2,469,590 | 0 | (1,711,167) |
| Total Equity and Other Credits | 1,030,750 | 2,557,104 | 2,303,009 | (1,504,052) |
| Total Liabilities, Equity and Other Credits | \$3,548,741 | \$4,121,721 | \$2,454,045 | \$732,422 |

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

THE CITY OF PORTSMOUTH, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2002

| <i>Proprietary Fund Types</i> | | <i>Fiduciary Fund Types</i> | <i>Account Groups</i> | | Totals (Memorandum Only) |
|-----------------------------------|------------------------------|---------------------------------|----------------------------|-------------------------------------|--------------------------------|
| Enterprise Funds | Internal Service Funds | Trust and Agency Funds | General Fixed Assets | General Long-Term Obligations | |
| \$35,165 | \$3,250 | \$700 | \$0 | \$0 | \$90,194 |
| 152,515 | 0 | 887 | 0 | 0 | 610,976 |
| 0 | 0 | 0 | 0 | 0 | 113,722 |
| 0 | 0 | 58,299 | 0 | 0 | 111,559 |
| 0 | 0 | 38,453 | 0 | 0 | 52,385 |
| 0 | 0 | 2,605,674 | 0 | 0 | 2,605,674 |
| 63,343 | 0 | 0 | 0 | 0 | 100,340 |
| 0 | 0 | 0 | 0 | 0 | 72,429 |
| 203,520 | 0 | 0 | 0 | 0 | 203,520 |
| 0 | 0 | 0 | 0 | 0 | 3,671,125 |
| 0 | 0 | 71,290 | 0 | 0 | 71,290 |
| 0 | 0 | 0 | 0 | 0 | 2,000,000 |
| 139,062 | 0 | 0 | 0 | 605,427 | 744,489 |
| 286,477 | 0 | 0 | 0 | 164,047 | 450,524 |
| 594,400 | 0 | 0 | 0 | 0 | 594,400 |
| 2,770,000 | 0 | 0 | 0 | 2,050,000 | 4,820,000 |
| 0 | 0 | 0 | 0 | 145,000 | 145,000 |
| 562,747 | 0 | 0 | 0 | 0 | 562,747 |
| 281,536 | 0 | 0 | 0 | 0 | 281,536 |
| <u>5,088,765</u> | <u>3,250</u> | <u>2,775,303</u> | <u>0</u> | <u>2,964,474</u> | <u>17,301,910</u> |
| 0 | 0 | 0 | 15,159,144 | 0 | 15,159,144 |
| 8,650,816 | 0 | 0 | 0 | 0 | 8,650,816 |
| 1,288,188 | 60,422 | 0 | 0 | 0 | 1,348,610 |
| 0 | 0 | 0 | 0 | 0 | 293,612 |
| 0 | 0 | 0 | 0 | 0 | 57,468 |
| 0 | 0 | 128 | 0 | 0 | 41,390 |
| 0 | 0 | 0 | 0 | 0 | 2,303,009 |
| 0 | 0 | 26,843 | 0 | 0 | 26,843 |
| 0 | 0 | 0 | 0 | 0 | 15,578 |
| 0 | 0 | 331,958 | 0 | 0 | 2,007,840 |
| <u>9,939,004</u> | <u>60,422</u> | <u>358,929</u> | <u>15,159,144</u> | <u>0</u> | <u>29,904,310</u> |
| <u>\$15,027,769</u> | <u>\$63,672</u> | <u>\$3,134,232</u> | <u>\$15,159,144</u> | <u>\$2,964,474</u> | <u>\$47,206,220</u> |



THE CITY OF PORTSMOUTH, OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

| | <i>Governmental Fund Types</i> | | | <i>Fiduciary Fund Type</i> | | Totals (Memorandum Only) |
|--|------------------------------------|-----------------------------|-------------------------|--------------------------------|------------------------------|--------------------------------|
| | General Fund | Special Revenue Funds | Debt Service Fund | Capital Projects Fund | Expendable Trust Funds | |
| Revenues: | | | | | | |
| Taxes | \$6,070,703 | \$313,938 | \$452,127 | \$1,192,266 | \$0 | \$8,029,034 |
| Intergovernmental Revenues | 2,107,163 | 3,425,585 | 60,427 | 401,241 | 0 | 5,994,416 |
| Charges for Services | 313,837 | 157,691 | 0 | 0 | 33,864 | 505,392 |
| Licenses and Permits | 177,004 | 0 | 0 | 125 | 0 | 177,129 |
| Investment Earnings | 127,460 | 8,949 | 0 | 0 | 50 | 136,459 |
| Special Assessments | 0 | 0 | 154,864 | 0 | 0 | 154,864 |
| Fines and Forfeitures | 519,459 | 398,298 | 0 | 0 | 0 | 917,757 |
| All Other Revenues | 147,424 | 226,661 | 0 | 0 | 11,732 | 385,817 |
| Total Revenues | 9,463,050 | 4,531,122 | 667,418 | 1,593,632 | 45,646 | 16,300,868 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Security of Persons and Property | 6,053,062 | 370,125 | 0 | 0 | 0 | 6,423,187 |
| Public Health and Welfare Services | 532,519 | 2,175,761 | 0 | 0 | 0 | 2,708,280 |
| Leisure Time Activities | 0 | 0 | 0 | 0 | 48,624 | 48,624 |
| Community Environment | 182,586 | 512,548 | 0 | 0 | 0 | 695,134 |
| Transportation | 531,345 | 886,405 | 0 | 0 | 0 | 1,417,750 |
| General Government | 2,984,302 | 450,581 | 0 | 0 | 241,069 | 3,675,952 |
| Capital Outlay | 0 | 0 | 0 | 4,007,499 | 0 | 4,007,499 |
| Debt Service: | | | | | | |
| Principal Retirement | 0 | 0 | 175,000 | 0 | 0 | 175,000 |
| Interest and Fiscal Charges | 0 | 0 | 122,478 | 37,260 | 0 | 159,738 |
| Total Expenditures | 10,283,814 | 4,395,420 | 297,478 | 4,044,759 | 289,693 | 19,311,164 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (820,764) | 135,702 | 369,940 | (2,451,127) | (244,047) | (3,010,296) |
| Other Financing Sources (Uses): | | | | | | |
| Proceeds from Sale of Fixed Assets | 16,930 | 0 | 0 | 0 | 0 | 16,930 |
| Operating Transfers In | 16,540 | 172,493 | 0 | 175,263 | 96,151 | 460,447 |
| Operating Transfers Out | (266,707) | (1,937) | (175,263) | 0 | 0 | (443,907) |
| Total Other Financing Sources (Uses) | (233,237) | 170,556 | (175,263) | 175,263 | 96,151 | 33,470 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (1,054,001) | 306,258 | 194,677 | (2,275,864) | (147,896) | (2,976,826) |
| Fund Balance Beginning of Year | 2,082,586 | 2,285,600 | 2,108,332 | 771,812 | 319,185 | 7,567,515 |
| Increase (Decrease) in Inventory Reserve | 2,165 | (34,754) | 0 | 0 | 0 | (32,589) |
| Fund Balance End of Year | \$1,030,750 | \$2,557,104 | \$2,303,009 | (\$1,504,052) | \$171,289 | \$4,558,100 |

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

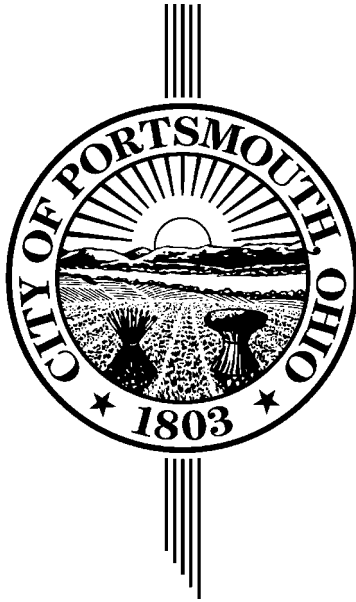
THE CITY OF PORTSMOUTH, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002

| | <i>General Fund</i> | | | <i>Special Revenue Funds</i> | | |
|--|---------------------|-------------------|---|------------------------------|--------------------|---|
| | Revised Budget | Actual | Variance: Favorable (Unfavorable) | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
| Revenues: | | | | | | |
| Taxes | \$6,076,088 | \$6,076,088 | \$0 | \$319,227 | \$319,227 | \$0 |
| Intergovernmental Revenues | 2,137,124 | 2,137,124 | 0 | 3,345,329 | 3,345,329 | 0 |
| Charges for Services | 313,987 | 313,987 | 0 | 157,691 | 157,691 | 0 |
| Licenses and Permits | 176,779 | 176,779 | 0 | 0 | 0 | 0 |
| Investment Earnings | 127,503 | 127,503 | 0 | 8,439 | 8,439 | 0 |
| Special Assessments | 0 | 0 | 0 | 0 | 0 | 0 |
| Fines and Forfeitures | 516,134 | 516,134 | 0 | 380,344 | 380,344 | 0 |
| All Other Revenues | 150,659 | 150,659 | 0 | 226,234 | 226,234 | 0 |
| Total Revenues | <u>9,498,274</u> | <u>9,498,274</u> | <u>0</u> | <u>4,437,264</u> | <u>4,437,264</u> | <u>0</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Security of Persons and Property | 6,014,417 | 6,007,035 | 7,382 | 705,526 | 385,786 | 319,740 |
| Public Health and Welfare Services | 512,252 | 509,041 | 3,211 | 2,467,015 | 2,212,878 | 254,137 |
| Community Environment | 189,465 | 184,929 | 4,536 | 686,376 | 673,569 | 12,807 |
| Transportation | 531,424 | 530,380 | 1,044 | 881,086 | 874,690 | 6,396 |
| General Government | 3,063,006 | 3,062,903 | 103 | 511,301 | 465,569 | 45,732 |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 | 0 |
| Debt Service: | | | | | | |
| Principal Retirement | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | <u>10,310,564</u> | <u>10,294,288</u> | <u>16,276</u> | <u>5,251,304</u> | <u>4,612,492</u> | <u>638,812</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (812,290) | (796,014) | 16,276 | (814,040) | (175,228) | 638,812 |
| Other Financing Sources (Uses): | | | | | | |
| Proceeds from Sale of Fixed Assets | 16,930 | 16,930 | 0 | 0 | 0 | 0 |
| Proceeds from General Obligation Notes | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating Transfers In | 0 | 0 | 0 | 172,493 | 172,493 | 0 |
| Operating Transfers Out | (270,636) | (270,636) | 0 | (1,937) | (1,937) | 0 |
| Total Other Financing Sources (Uses) | <u>(253,706)</u> | <u>(253,706)</u> | <u>0</u> | <u>170,556</u> | <u>170,556</u> | <u>0</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (1,065,996) | (1,049,720) | 16,276 | (643,484) | (4,672) | 638,812 |
| Fund Balance at Beginning of Year | 981,293 | 981,293 | 0 | 1,812,263 | 1,812,263 | 0 |
| Prior Year Encumbrances | 108,595 | 108,595 | 0 | 29,111 | 29,111 | 0 |
| Fund Balance at End of Year | <u>\$23,892</u> | <u>\$40,168</u> | <u>\$16,276</u> | <u>\$1,197,890</u> | <u>\$1,836,702</u> | <u>\$638,812</u> |

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

THE CITY OF PORTSMOUTH, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002

| <i>Debt Service Fund</i> | | | <i>Capital Projects Fund</i> | | | <i>Totals (Memorandum Only)</i> | | |
|--------------------------|-------------|-----------------------------------|------------------------------|-------------|-----------------------------------|---------------------------------|-------------|-----------------------------------|
| Revised Budget | Actual | Variance: Favorable (Unfavorable) | Revised Budget | Actual | Variance: Favorable (Unfavorable) | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
| \$459,879 | \$459,879 | \$0 | \$1,185,905 | \$1,185,905 | \$0 | \$8,041,099 | \$8,041,099 | \$0 |
| 60,427 | 60,427 | 0 | 401,241 | 401,241 | 0 | 5,944,121 | 5,944,121 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 471,678 | 471,678 | 0 |
| 0 | 0 | 0 | 125 | 125 | 0 | 176,904 | 176,904 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 135,942 | 135,942 | 0 |
| 154,864 | 154,864 | 0 | 0 | 0 | 0 | 154,864 | 154,864 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 896,478 | 896,478 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 376,893 | 376,893 | 0 |
| 675,170 | 675,170 | 0 | 1,587,271 | 1,587,271 | 0 | 16,197,979 | 16,197,979 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 6,719,943 | 6,392,821 | 327,122 |
| 0 | 0 | 0 | 0 | 0 | 0 | 2,979,267 | 2,721,919 | 257,348 |
| 0 | 0 | 0 | 0 | 0 | 0 | 875,841 | 858,498 | 17,343 |
| 0 | 0 | 0 | 0 | 0 | 0 | 1,412,510 | 1,405,070 | 7,440 |
| 0 | 0 | 0 | 0 | 0 | 0 | 3,574,307 | 3,528,472 | 45,835 |
| 0 | 0 | 0 | 4,208,659 | 4,031,812 | 176,847 | 4,208,659 | 4,031,812 | 176,847 |
| 350,000 | 350,000 | 0 | 0 | 0 | 0 | 350,000 | 350,000 | 0 |
| 133,263 | 122,741 | 10,522 | 0 | 0 | 0 | 133,263 | 122,741 | 10,522 |
| 483,263 | 472,741 | 10,522 | 4,208,659 | 4,031,812 | 176,847 | 20,253,790 | 19,411,333 | 842,457 |
| 191,907 | 202,429 | 10,522 | (2,621,388) | (2,444,541) | 176,847 | (4,055,811) | (3,213,354) | 842,457 |
| 0 | 0 | 0 | 0 | 0 | 0 | 16,930 | 16,930 | 0 |
| 0 | 0 | 0 | 2,175,000 | 2,175,000 | 0 | 2,175,000 | 2,175,000 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 172,493 | 172,493 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | (272,573) | (272,573) | 0 |
| 0 | 0 | 0 | 2,175,000 | 2,175,000 | 0 | 2,091,850 | 2,091,850 | 0 |
| 191,907 | 202,429 | 10,522 | (446,388) | (269,541) | 176,847 | (1,963,961) | (1,121,504) | 842,457 |
| 2,100,580 | 2,100,580 | 0 | 66,664 | 66,664 | 0 | 4,960,800 | 4,960,800 | 0 |
| 0 | 0 | 0 | 464,995 | 464,995 | 0 | 602,701 | 602,701 | 0 |
| \$2,292,487 | \$2,303,009 | \$10,522 | \$85,271 | \$262,118 | \$176,847 | \$3,599,540 | \$4,441,997 | \$842,457 |



THE CITY OF PORTSMOUTH, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

| | <i>Proprietary Fund Types</i> | | <i>Fiduciary Fund Type</i> | Totals (Memorandum Only) |
|---|-----------------------------------|------------------------------|--------------------------------------|--------------------------------|
| | Enterprise Funds | Internal Service Funds | Non- Expendable Trust Funds | |
| <u>Operating Revenues:</u> | | | | |
| Charges for Services | \$7,555,325 | \$8,787 | \$900 | \$7,565,012 |
| Investment Earnings | 0 | 0 | 1,243 | 1,243 |
| Other Operating Revenues | 41,070 | 0 | 0 | 41,070 |
| Total Operating Revenues | <u>7,596,395</u> | <u>8,787</u> | <u>2,143</u> | <u>7,607,325</u> |
| <u>Operating Expenses:</u> | | | | |
| Personal Services | 4,212,034 | 0 | 0 | 4,212,034 |
| Materials and Supplies | 697,177 | 3,250 | 0 | 700,427 |
| Contractual Services | 1,463,111 | 35 | 0 | 1,463,146 |
| Depreciation | 433,517 | 0 | 0 | 433,517 |
| Total Operating Expenses | <u>6,805,839</u> | <u>3,285</u> | <u>0</u> | <u>6,809,124</u> |
| Operating Income | 790,556 | 5,502 | 2,143 | 798,201 |
| <u>Non-Operating Revenues (Expenses):</u> | | | | |
| Intergovernmental Grant | 528,319 | 0 | 0 | 528,319 |
| Capital Contributions | 149,947 | 0 | 0 | 149,947 |
| Investment Earnings | 3,275 | 0 | 0 | 3,275 |
| Interest and Fiscal Charges | (228,211) | 0 | 0 | (228,211) |
| Gain on Sale of Fixed Asset | 16,651 | 0 | 0 | 16,651 |
| Loss on Disposal of Fixed Asset | (6,660) | 0 | 0 | (6,660) |
| Total Non-Operating Revenues (Expenses) | <u>463,321</u> | <u>0</u> | <u>0</u> | <u>463,321</u> |
| Income Before Operating Transfers | 1,253,877 | 5,502 | 2,143 | 1,261,522 |
| <u>Operating Transfers:</u> | | | | |
| Operating Transfers In | 50,000 | 0 | 0 | 50,000 |
| Operating Transfers Out | (50,000) | 0 | (16,540) | (66,540) |
| Total Operating Transfers | <u>0</u> | <u>0</u> | <u>(16,540)</u> | <u>(16,540)</u> |
| Net Income (Loss) | 1,253,877 | 5,502 | (14,397) | 1,244,982 |
| <u>Retained Earnings/</u> | | | | |
| Fund Balance at Beginning of Year | 34,311 | 54,920 | 202,037 | 291,268 |
| Retained Earnings/Fund Balance at End of Year | <u>\$1,288,188</u> | <u>\$60,422</u> | <u>\$187,640</u> | <u>\$1,536,250</u> |

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

THE CITY OF PORTSMOUTH, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

| | <i>Proprietary Fund Types</i> | | <i>Fiduciary Fund Type</i> | Totals (Memorandum Only) |
|--|-----------------------------------|------------------------------|--------------------------------------|--------------------------------|
| | Enterprise Funds | Internal Service Funds | Non- Expendable Trust Funds | |
| <u>Cash Flows from Operating Activities:</u> | | | | |
| Cash Received from Customers | \$7,483,859 | \$18,958 | \$900 | \$7,503,717 |
| Cash Payments for Goods and Services | (2,341,923) | (10,206) | 0 | (2,352,129) |
| Cash Payments to Employees | (4,162,732) | 0 | 0 | (4,162,732) |
| Customer Deposits Received | 83,150 | 0 | 0 | 83,150 |
| Customer Deposits Refunded | (73,740) | 0 | 0 | (73,740) |
| Net Cash Provided by Operating Activities | <u>988,614</u> | <u>8,752</u> | <u>900</u> | <u>998,266</u> |
| <u>Cash Flows from Noncapital Financing Activities:</u> | | | | |
| Transfers In from Other Funds | 50,000 | 0 | 3,929 | 53,929 |
| Transfers Out to Other Funds | (50,000) | 0 | (16,540) | (66,540) |
| Proceeds from Intergovernmental Grants | 4,000 | 0 | 0 | 4,000 |
| Principal Paid on Ohio Public Works Commission Loan | (30,000) | 0 | 0 | (30,000) |
| Net Cash Used for Noncapital Financing Activities | <u>(26,000)</u> | <u>0</u> | <u>(12,611)</u> | <u>(38,611)</u> |
| <u>Cash Flows from Capital and Related Financing Activities:</u> | | | | |
| Proceeds from Intergovernmental Grants | 573,527 | 0 | 0 | 573,527 |
| Acquisition and Construction of Assets | (1,070,476) | 0 | 0 | (1,070,476) |
| Principal Paid on General Obligation Note | (600,000) | 0 | 0 | (600,000) |
| Principal Paid on General Obligation Bond | (270,000) | 0 | 0 | (270,000) |
| Principal Paid on Mortgage Revenue Bond | (5,600) | 0 | 0 | (5,600) |
| Principal Paid on Ohio Public Works Commission Loan | (7,519) | 0 | 0 | (7,519) |
| Principal Paid on Ohio Water Development Authority Loan | (130,681) | 0 | 0 | (130,681) |
| Capital Lease Payment | (36,961) | 0 | 0 | (36,961) |
| Interest Paid on All Debt | (241,510) | 0 | 0 | (241,510) |
| Net Cash Used for Capital and Related Financing Activities | <u>(1,789,220)</u> | <u>0</u> | <u>0</u> | <u>(1,789,220)</u> |
| <u>Cash Flows from Investing Activities:</u> | | | | |
| Receipt of Interest | 12,533 | 0 | 1,024 | 13,557 |
| Sale of Investment | 600,000 | 0 | 0 | 600,000 |
| Net Cash Provided by Investing Activities | <u>612,533</u> | <u>0</u> | <u>1,024</u> | <u>613,557</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (214,073) | 8,752 | (10,687) | (216,008) |
| Cash and Cash Equivalents at Beginning of Year | <u>2,570,920</u> | <u>54,920</u> | <u>198,108</u> | <u>2,823,948</u> |
| Cash and Cash Equivalents at End of Year | <u>\$2,356,847</u> | <u>\$63,672</u> | <u>\$187,421</u> | <u>\$2,607,940</u> |

(Continued)

THE CITY OF PORTSMOUTH, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

| | <i>Proprietary Fund Types</i> | | <i>Fiduciary Fund Type</i> | Totals (Memorandum Only) |
|--|-----------------------------------|------------------------------|--------------------------------------|--------------------------------|
| | Enterprise Funds | Internal Service Funds | Non- Expendable Trust Funds | |
| Reconciliation of Cash and Cash Equivalent per the Balance Sheet: | | | | |
| Cash and Cash Equivalents | \$2,153,327 | \$63,672 | \$244,038 | \$2,461,037 |
| Restricted Cash and Cash Equivalents | 203,520 | 0 | 492,670 | 696,190 |
| Less: Cash and Cash Equivalent in Expendable Trust Funds | 0 | 0 | (244,038) | (244,038) |
| Less: Cash and Cash Equivalent in Agency Funds | 0 | 0 | (305,249) | (305,249) |
| Cash and Cash Equivalents at End of Year | <u>\$2,356,847</u> | <u>\$63,672</u> | <u>\$187,421</u> | <u>\$2,607,940</u> |
| Reconciliation of Operating Income to Net Cash | | | | |
| Provided by Operating Activities: | | | | |
| Operating Income | \$790,556 | \$5,502 | \$2,143 | \$798,201 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | | |
| Depreciation Expense | 433,517 | 0 | 0 | 433,517 |
| Investment Earnings | 0 | 0 | (1,243) | (1,243) |
| Changes in Assets and Liabilities: | | | | |
| Increase in Accounts Receivable | (112,536) | 0 | 0 | (112,536) |
| Increase in Inventory | (71,568) | 0 | 0 | (71,568) |
| Increase in Prepaid Items | (11,958) | 0 | 0 | (11,958) |
| Increase (Decrease) in Accounts Payable | (104,524) | 3,250 | 0 | (101,274) |
| Increase in Accrued Wages and Benefits | 44,455 | 0 | 0 | 44,455 |
| Increase in Customer Deposits | 9,410 | 0 | 0 | 9,410 |
| Increase in Compensated Absences | 11,262 | 0 | 0 | 11,262 |
| Total Adjustments | <u>198,058</u> | <u>3,250</u> | <u>(1,243)</u> | <u>200,065</u> |
| Net Cash Provided by Operating Activities | <u>\$988,614</u> | <u>\$8,752</u> | <u>\$900</u> | <u>\$998,266</u> |

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2002 the Water fund had outstanding liabilities of \$12,194 for certain capital assets.

During 2002, the Sewer Fund entered into a \$159,331 capital lease for a sewer vacor and received a \$50,000 trade-in allowance on an old sewer cleaner.

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

THE CITY OF PORTSMOUTH, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accompanying general purpose financial statements of the City present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the proprietary funds. The financial statements are presented as of December 31, 2002 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

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

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

B. Basis of Presentation - Fund Accounting

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)*Fiduciary Funds*

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

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

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

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

C. Basis of Accounting

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

resources are provided to the City on a reimbursement basis. Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments, other local taxes (including hotel and motel tax and estate taxes) and certain charges for services. Other revenue, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues are recorded as revenue when received in cash because generally these revenues are not measurable until received. Long-term loans receivable related to the revolving loan program at December 31, 2002 are recorded as deferred revenue because the grant resources become unrestricted after the initial loaning of these resources.

Special assessment installments and related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenues. Property taxes measurable as of December 31, 2002 but not received within the available period are recorded as deferred revenue as these resources are not intended to pay liabilities of the current period. Delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 4.

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

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

D. Budgetary Process

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

1. Tax Budget

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

2. Estimated Resources

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

On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2002.

3. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through February 28. An annual appropriation ordinance must be passed by March 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund and department level. The appropriation ordinance may be amended during the year as additional information becomes available provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments within a fund may be modified during the year by an ordinance of City Council. During 2002, several supplemental appropriations were necessary to budget for intergovernmental grant proceeds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual--All Governmental Fund Types" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

4. Encumbrances

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

5. Lapsing of Appropriations

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

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

| | Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | | | |
|--|---|-----------------------------|-------------------------|----------------------------|
| | General Fund | Special Revenue Funds | Debt Service Fund | Capital Project Fund |
| GAAP Basis (as reported) | (\$1,054,001) | \$306,258 | \$194,677 | (\$2,275,864) |
| Increase (Decrease): | | | | |
| Accrued Revenues at December 31, 2002 received during 2003 | (1,285,593) | (776,854) | 0 | (249,862) |
| Accrued Revenues at December 31, 2001 received during 2002 | 1,320,817 | 683,423 | 7,752 | 243,501 |
| Accrued Expenditures at December 31, 2002 paid during 2003 | 395,054 | 149,697 | 0 | 225,435 |
| Accrued Expenditures at December 31, 2001 paid during 2002 | (388,415) | (314,947) | 0 | (3,348) |
| 2001 Prepays for 2002 | 43,115 | 2,874 | 0 | 0 |
| 2002 Prepays for 2003 | (34,822) | (4,728) | 0 | (1,712) |
| Note Proceeds | 0 | 0 | 0 | 2,000,000 |
| Outstanding Encumbrances | (45,875) | (50,395) | 0 | (207,691) |
| Budget Basis | <u>(\$1,049,720)</u> | <u>(\$4,672)</u> | <u>\$202,429</u> | <u>(\$269,541)</u> |

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and certificates of deposit with original maturity dates of three months or less. The City pools its cash, except for cash and investments in certain fiduciary funds and monies held for construction in enterprise funds, for maximum investing efficiency. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. For purposes of the statement of cash flows, the share of equity in the pooled cash and investments of the proprietary funds is considered to be cash equivalents. See Note 3, "Cash, Cash Equivalents and Investments."

F. Investments

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

G. Inventory

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

H. Fixed Assets and Depreciation

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

1. Property, Plant and Equipment-General Governmental Purposes

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets and Depreciation (Continued)

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

General fixed assets were initially determined at December 31, 1990 by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain fixed assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

2. Property, Plant and Equipment - Proprietary Funds

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

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

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

I. Long-Term Obligations

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences

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

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

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

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

K. Pensions

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

L. Interfund Transactions

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

- Operating transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Operating transfers in" by the recipient fund and as "Operating transfers out" by the disbursing fund.
- Residual Equity Transfers are non-routine or non-recurring transfers between funds and are reported as additions to or deductions from the fund equity balance. The City did not perform any residual equity transfers in 2002.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Reservations of Fund Balance

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

N. Designations of Fund Balance

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

O. Total Columns on Combined Financial Statements - Overview

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

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficit

The fund deficits of \$18,322 in the Municipal Court Grants Fund, \$15,000 in the Fire Pension Fund and \$15,000 in the Police Pension Fund (special revenue funds) arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The fund deficit at December 31, 2002 of \$1,504,052 in the Capital Improvement Fund (capital projects fund) is the result of recognizing notes payable as a liability under the modified accrual basis. A deficit does not exist under the cash basis of accounting. The accumulated deficit of \$3,144,205 in the Sewer Fund (enterprise fund) is created by the recognition of contributed capital on an accrual basis which is not recognized on a cash basis. A deficit does not exist under the cash basis of accounting. Operating transfers are provided when cash is required, not when accruals occur.

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess Expenditures over Appropriations

For the year ended December 31, 2002, expenditures exceeded appropriations at the department level (i.e. the legal level of budgetary control) as follows:

| <u>Fund</u> | <u>Excess</u> |
|-----------------------------|---------------|
| General Fund: | |
| Transportation: | |
| Traffic Lights | \$2,977 |
| General Government: | |
| Executive | 4,168 |
| Legal | 2,007 |
| Public Service | 361 |
| Garage | 342 |
| Special Revenue Funds: | |
| Municipal Court Grants Fund | 28,807 |
| State Grant Health Fund: | |
| At Risk Neonatal | 90 |
| Child and Family Health | |
| Services Donations | 1,055 |

The excess expenditures were funded from available fund balances.

Ohio Revised Code Section 5705.41(B) states that no subdivision is to expend money unless it has been appropriated. Expenditures exceeded appropriations at June 30, 2002, in the Wastewater Fund by \$158,538 or 32%. Expenditures exceeded appropriations at October 31, 2002, in the Capital Improvement Fund by \$132,132 or 50% and in the Wastewater Fund by \$272,025 or 54%.

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

Sixty percent of purchases were being ordered and invoiced prior to the issuance of a purchase order.

C. Federal Compliance

The State of Ohio Department of Development, Office of Housing, and Community Partnership Financial Management require that the grantee develop a cash management system to ensure compliance with the Fifteen Day Rule relating to prompt disbursements of funds. This rule states that fund draw down should be limited to amounts that will enable the grantee to disburse the funds on hand to a balance of less than \$5,000 within fifteen days of receipt of any funds. Projects #AF 00-067-1 and #AF 01-067-1 received funding but did not reduce their balances to below \$5,000 within fifteen days.

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

Statutes require the classification of funds held by the City into three categories:

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

Category 2 consists of "inactive" funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories.

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

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

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements," collateral held in single financial institution collateral pools with securities being held by the pledging financial institutions' agent in the pool's name are classified as Category 3.

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

Deposits:

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

Investments:

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

A. Deposits

At year end the carrying amount of the City's deposits was \$957,044 and the bank balance was \$2,039,217. Federal depository insurance covered \$400,000 of the bank balance. All remaining deposits were classified as Category 3.

Investment earnings of \$107,036 earned by other funds was credited to the General Fund as required by state statute.

B. Investments

The City's investments at December 31, 2002 were as follows:

| <u>Categorized Investments</u> | <u>Category 3</u> | <u>Fair Value</u> |
|--------------------------------|--------------------|--------------------|
| Repurchase Agreement | \$6,946,141 | \$6,946,141 |
| Total Investments | <u>\$6,946,141</u> | <u>\$6,946,141</u> |

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

C. Reconciliation of Cash, Cash Equivalents and Investments

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

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

| | <u>Cash and Cash Equivalents</u> | <u>Investments</u> |
|----------------------------|--------------------------------------|---------------------------|
| Per Combined Balance Sheet | \$7,903,185 | \$0 |
| Investments: | | |
| Repurchase Agreement | <u>(6,946,141)</u> | <u>6,946,141</u> |
| Per GASB Statement No. 3 | <u><u>\$957,044</u></u> | <u><u>\$6,946,141</u></u> |

NOTE 4 - TAXES

A. Property Taxes

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes (other than public utility) collected during 2002 were levied after October 1, 2001 on assessed values as of January 1, 2001, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 1998. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder payable by June 20.

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

NOTE 4 - TAXES (Continued)

A. Property Taxes (Continued)

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

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

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

The full tax rate for all City operations for the year ended December 31, 2002 was \$12.25 per \$1,000 of assessed value. The assessed value upon which the 2002 tax collections were based was \$207,689,570. This amount constituted \$169,636,340 in real property assessed value, \$14,586,270 in public utility assessed value and \$23,466,960 in tangible personal property assessed value.

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

B. Income Tax

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

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

NOTE 5 - RECEIVABLES

Receivables at December 31, 2002 consisted of taxes, intergovernmental, interest, accounts receivable, loans and special assessments.

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables balances at December 31, 2002 are as follows:

| | <u>Due From Other Funds</u> | <u>Due To Other Funds</u> |
|---|---------------------------------|-------------------------------|
| General Fund | \$64,658 | \$24,453 |
| Special Revenue Funds: | | |
| Municipal Court Grants Fund | 0 | 28,807 |
| Municipal Court Special Project Fund | 9,776 | 0 |
| Municipal Court Probation Services Fund | 5,439 | 0 |
| Municipal Court Computer Fund | 3,047 | 0 |
| Indigent Drivers Alcohol Treatment Fund | 642 | 0 |
| Enforcement & Education Fund | 190 | 0 |
| Mandatory Fines Fund | 142 | 0 |
| Community Development Fund | 24,453 | 0 |
| Total Special Revenue Funds | 43,689 | 28,807 |
| Agency Funds: | | |
| Law Library Fund | 3,212 | 0 |
| Municipal Court Fund | 0 | 58,299 |
| Total Agency Funds | 3,212 | 58,299 |
| Totals | <u>\$111,559</u> | <u>\$111,559</u> |

NOTE 7 - OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 2002:

| Fund | Transfer In | Transfer Out |
|-----------------------------------|-------------|--------------|
| General Fund | \$16,540 | \$266,707 |
| Special Revenue Funds: | | |
| Local Law Block Grant Fund | 1,937 | 0 |
| Law Enforcement Fund | 0 | 1,937 |
| Environmental State Grants Fund | 8,500 | 0 |
| Community Development Fund | 160,196 | 0 |
| Rural AIDS State Grant Fund | 1,860 | 0 |
| Total Special Revenue Funds | 172,493 | 1,937 |
| Debt Service Fund: | | |
| Bond Retirement Fund | 0 | 175,263 |
| Capital Projects Fund: | | |
| Capital Improvement Fund | 175,263 | 0 |
| Expendable Trust Fund: | | |
| Council Trust for Recreation Fund | 96,151 | 0 |
| Enterprise Funds: | | |
| Water Fund | 0 | 50,000 |
| Sewer Fund | 50,000 | 0 |
| Total Enterprise Funds | 50,000 | 50,000 |
| Nonexpendable Trust Fund: | | |
| Cemetery Trust Fund | 0 | 16,540 |
| Totals | \$510,447 | \$510,447 |

NOTE 8 - FIXED ASSETS

A. General Fixed Assets

Summary by category of changes in general fixed assets:

| Category | December 31, 2001 | Additions | Deletions | December 31, 2002 |
|----------------------------|----------------------|-------------|-------------|----------------------|
| Land | \$565,399 | \$47,492 | \$0 | \$612,891 |
| Buildings and Improvements | 3,432,072 | 2,324,955 | (8,058) | 5,748,969 |
| Land Improvements | 1,083,848 | 847,716 | 0 | 1,931,564 |
| Machinery and Equipment | 7,005,448 | 353,096 | (492,824) | 6,865,720 |
| Construction in Progress | 2,940 | 0 | (2,940) | 0 |
| Totals | \$12,089,707 | \$3,573,259 | (\$503,822) | \$15,159,144 |

NOTE 8 - FIXED ASSETS (Continued)

A. General Fixed Assets (Continued)

Schedule of General Fixed Assets at December 31, 2002:

| General Fixed Assets | | Investment in General Fixed Assets | |
|----------------------------|--------------|------------------------------------|--------------|
| | | General Fund | \$289,065 |
| | | Special Revenue Funds | 1,009,298 |
| Land | \$612,891 | Capital Projects Fund | 13,399,211 |
| Buildings and Improvements | 5,748,969 | Expendable Trust Funds | 319,366 |
| Land Improvements | 1,931,564 | Proprietary Funds | 94,742 |
| Machinery and Equipment | 6,865,720 | Internal Service Funds | 10,391 |
| Total | \$15,159,144 | Grants | 29,071 |
| | | Donated | 8,000 |
| | | Total | \$15,159,144 |

B. Proprietary Fixed Assets

Summary by Category at December 31, 2002:

| Category | Historical Cost | Accumulated Depreciation | Book Value |
|-----------------------------------|--------------------|-----------------------------|---------------|
| Land | \$55,424 | \$0 | \$55,424 |
| Buildings | 998,684 | (289,893) | 708,791 |
| Improvements Other than Buildings | 22,338,588 | (13,668,151) | 8,670,437 |
| Machinery and Equipment | 2,779,094 | (1,587,564) | 1,191,530 |
| Construction In Progress | 7,211 | 0 | 7,211 |
| Property, Plant and Equipment | \$26,179,001 | (\$15,545,608) | \$10,633,393 |

NOTE 9 – DEFINED BENEFIT PENSION PLANS

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

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

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

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in the Ohio PERS, a cost-sharing multiple employer defined benefit pension plan. The Ohio PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for the Ohio PERS. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The 2002 employer contribution rate for local government employer units was 13.55%, of covered payroll, 8.55% to fund the pension and 5.0% to fund health care. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the Ohio PERS for the years ending December 31, 2002, 2001 and 2000 were \$873,483, \$836,250 and \$602,412, respectively, which were equal to the required contributions for each year.

The Ohio PERS provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the Ohio PERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the Ohio PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the Ohio PERS. The portion of the 2002 employer contribution rate (identified above) that was used to fund health care for the year 2002 was 5.0% of covered payroll which amounted to \$322,318.

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the Ohio Public Employees Retirement System’s latest actuarial review performed as of December 31, 2001. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2001 was 8.0%. An annual increase of 4.0% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.0% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase 4.0% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 402,041. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2001 is \$11.6 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$16.4 billion and \$4.8 billion, respectively.

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

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2002, 2001 and 2000 were \$311,008, \$313,344 and \$309,353 for police and \$406,228, \$385,986 and \$377,472 for firefighters, respectively, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis.

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

The health care coverage provided by the OP&F Fund is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides that health care costs paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 2002 covered payroll that was used to fund postemployment health care benefits was \$123,606 representing 7.75% of covered payroll for police and \$131,178 representing 7.75% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 2001, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,174 for police and 10,239 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 2001 were \$122,298,771, which was net of member contributions of \$6,874,699.

NOTE 10 - NOTES PAYABLE

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

| | Maturity Date | Balance January 1, 2002 | Issued (Retired) | Balance December 31, 2002 |
|--|------------------|-------------------------------|------------------------|---------------------------------|
| Capital Improvement Fund Note Payable: | | | | |
| 1.69% City Center Planning | 9/2/2002 | \$0 | \$175,000 (175,000) | \$0 |
| 3.20% Building Acquisition | 6/2/2003 | 0 | 2,000,000 | 2,000,000 |
| Total Capital Improvement Fund Notes Payable | | 0 | 2,000,000 | 2,000,000 |
| Water Fund Note Payable: | | | | |
| 4.10% Water System Improvement | 2/26/2002 | 600,000 | (600,000) | 0 |
| Total Notes Payable | | \$600,000 | \$1,400,000 | \$2,000,000 |

The Note Payable was issued for the purchase of a building to house City departments.

NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 2002 were as follows:

| | | | | Balance | | Balance |
|---|-------------|--|------|--------------|-------------|--------------|
| | | | | December 31, | Issued | December 31, |
| | | | | 2001 | (Retired) | 2002 |
| Enterprise Funds Long-Term Debt: | | | | | | |
| Ohio Water Development Authority Loan: | | | | | | |
| 1987 | 7.73% | Pure Water | 2003 | \$412,217 | (\$130,681) | \$281,536 |
| Ohio Public Works Commission Loans: | | | | | | |
| 1993 | 3.0% | Solid Waste Facility | 2004 | 15,266 | (7,519) | 7,747 |
| 2000 | 0.0% | Wastewater Improvement | 2021 | 585,000 | (30,000) | 555,000 |
| Total Ohio Public Works Commission Loans | | | | 600,266 | (37,519) | 562,747 |
| General Obligation Bond: | | | | | | |
| 1996 | 4.5-6% | Waterworks Improvement | 2010 | 3,040,000 | (270,000) | 2,770,000 |
| Mortgage Revenue Bond: | | | | | | |
| 2001 | 4.50% | Waterworks Improvement | 2041 | 600,000 | (5,600) | 594,400 |
| Capital Lease - Enterprise Funds | | | | 164,107 | (36,961) | |
| | | | | | 159,331 | 286,477 |
| Total Enterprise Long-Term Debt | | | | \$4,816,590 | (\$321,430) | \$4,495,160 |
| General Long-Term Debt: | | | | | | |
| Special Assessment Bond | | | | | | |
| with Governmental Commitment: | | | | | | |
| 1994 | 4.625-5.25% | Downtown Improvement | 2003 | \$280,000 | (\$135,000) | \$145,000 |
| General Obligation Bond | | | | | | |
| 2001 | 3.6-5.5% | Police and Fireman's Disability and Pension | 2027 | 2,090,000 | (40,000) | 2,050,000 |
| Total General Long-Term Debt | | | | 2,370,000 | (175,000) | 2,195,000 |
| Other General Long-Term Obligations: | | | | | | |
| Compensated Absences | | | | 600,605 | 4,822 | 605,427 |
| Capital Lease Payable | | | | 222,272 | (58,225) | 164,047 |
| Total Other General Long-Term Obligations | | | | 822,877 | (53,403) | 769,474 |
| Total General Long-Term Debt and Other Long-Term Obligations | | | | \$3,192,877 | (\$228,403) | \$2,964,474 |

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

NOTE 11 - 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, 2002 follows:

| Years | Special Assessment Bond | | General Obligation Bonds | | OWDA Loan | |
|-----------|-------------------------|----------|--------------------------|-------------|-----------|----------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2003 | \$145,000 | \$7,613 | \$330,000 | \$260,461 | \$281,536 | \$21,791 |
| 2004 | 0 | 0 | 345,000 | 242,998 | 0 | 0 |
| 2005 | 0 | 0 | 360,000 | 223,891 | 0 | 0 |
| 2006 | 0 | 0 | 380,000 | 203,068 | 0 | 0 |
| 2007 | 0 | 0 | 400,000 | 180,542 | 0 | 0 |
| 2008-2012 | 0 | 0 | 1,485,000 | 566,118 | 0 | 0 |
| 2013-2017 | 0 | 0 | 380,000 | 374,860 | 0 | 0 |
| 2018-2022 | 0 | 0 | 495,000 | 261,895 | 0 | 0 |
| 2023-2041 | 0 | 0 | 645,000 | 110,550 | 0 | 0 |
| Totals | \$145,000 | \$7,613 | \$4,820,000 | \$2,424,383 | \$281,536 | \$21,791 |

| Years | OPWC Loans | | Mortgage Revenue Bond | | Totals | |
|-----------|------------|----------|-----------------------|-----------|-------------|-------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2003 | \$37,747 | \$175 | \$5,900 | \$26,767 | \$800,183 | \$316,807 |
| 2004 | 30,000 | 0 | 6,100 | 26,501 | 381,100 | 269,499 |
| 2005 | 30,000 | 0 | 6,400 | 26,226 | 396,400 | 250,117 |
| 2006 | 30,000 | 0 | 6,700 | 25,938 | 416,700 | 229,006 |
| 2007 | 30,000 | 0 | 7,000 | 25,637 | 437,000 | 206,179 |
| 2008-2012 | 150,000 | 0 | 39,900 | 123,171 | 1,674,900 | 689,289 |
| 2013-2017 | 150,000 | 0 | 49,800 | 113,340 | 579,800 | 488,200 |
| 2018-2022 | 105,000 | 0 | 62,000 | 101,078 | 662,000 | 362,973 |
| 2023-2041 | 0 | 0 | 410,600 | 209,048 | 1,055,600 | 319,598 |
| Totals | \$562,747 | \$175 | \$594,400 | \$677,706 | \$6,403,683 | \$3,131,668 |

NOTE 12 - CAPITALIZED LEASES

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

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of December 31, 2002:

| <u>Year Ending December 31,</u> | <u>General Long-Term Obligation Account Group</u> | <u>Proprietary Funds</u> |
|--|---|------------------------------|
| 2003 | \$72,554 | \$66,490 |
| 2004 | 72,554 | 66,490 |
| 2005 | 36,277 | 66,490 |
| 2006 | 0 | 18,041 |
| 2007 | 0 | 122,707 |
| Minimum Lease Payments | 181,385 | 340,218 |
| Less amount representing interest at the City's incremental borrowing rate of interest | (17,338) | (53,741) |
| Present value of minimum lease payments | <u>\$164,047</u> | <u>\$286,477</u> |

NOTE 13 - CONSTRUCTION COMMITMENTS

As of December 31, 2002, the City had the following contracts with respect to construction projects:

| <u>Capital Projects</u> | <u>Remaining Construction Contract</u> | <u>Expected Date of Completion</u> |
|--|--|--|
| Offnere Street Boat Ramp | \$123,776 | June 2003 |
| Franklin Furnace Waterline Extension (Engineering Only) | 35,500 | March 2003 |
| Franklin Furnace Waterline Extension- Waterline Water System Improvements | 881,744 | July 2003 |

NOTE 14 - CONTINGENCIES

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

NOTE 15 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Included in the services provided by the City financed primarily by user charges are water treatment and distribution, wastewater collection and treatment and refuse collection. The key financial information for the year ended December 31, 2002 for these enterprise activities is as follows:

| | Water Fund | Sewer Fund | Sanitation Fund | Total |
|--------------------------------|---------------|---------------|--------------------|-------------|
| Operating Revenues | \$4,258,687 | \$2,254,733 | \$1,082,975 | \$7,596,395 |
| Depreciation | 325,418 | 68,615 | 39,484 | 433,517 |
| Operating Income (Loss) | 664,339 | 293,969 | (167,752) | 790,556 |
| Operating Grants | 0 | 0 | 4,000 | 4,000 |
| Operating Transfers In | 0 | 50,000 | 0 | 50,000 |
| Operating Transfers Out | (50,000) | 0 | 0 | (50,000) |
| Net Income (Loss) | 1,000,190 | 327,841 | (74,154) | 1,253,877 |
| Property, Plant and Equipment: | | | | |
| Additions | 1,057,691 | 210,460 | 47,857 | 1,316,008 |
| Deletions | (14,360) | (146,679) | 0 | (161,039) |
| Assets | 12,398,426 | 1,462,199 | 1,167,144 | 15,027,769 |
| Net Working Capital | 2,848,566 | 628,797 | 462,470 | 3,939,833 |
| Notes, Bonds and Loans Payable | 3,364,400 | 836,536 | 7,747 | 4,208,683 |
| Capital Contributions | 584,266 | 0 | 90,000 | 674,266 |
| Total Equity | 8,492,979 | 335,560 | 1,110,465 | 9,939,004 |

NOTE 16 - INSURANCE AND RISK MANAGEMENT

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

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

NOTE 17 - CONTRIBUTED CAPITAL

There were no changes in contributed capital as presented below:

| | <u>Water Fund</u> | <u>Sewer Fund</u> | <u>Total</u> |
|------------------------------|--------------------|--------------------|--------------------|
| Balance at December 31, 2002 | <u>\$5,171,051</u> | <u>\$3,479,765</u> | <u>\$8,650,816</u> |

NOTE 18 – CONDUIT DEBT

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

As of December 31, 2002, there was one series of Industrial Revenue Bonds outstanding, with a principal amount payable of \$1,400,000.

NOTE 19 – SUBSEQUENT EVENTS

City Council approved the issuance and sale of Water System Revenue Refunding and System Improvement Bonds not to exceed \$5,650,000 on April 14, 2003. On May 12, 2003, City Council authorized the acceptance and appropriation of \$805,557 from the Federal Emergency Management Agency (FEMA).

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

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

GENERAL FUND

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

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|--|-------------------|-------------|---|
| <u>Revenues:</u> | | | |
| Taxes | \$6,076,088 | \$6,076,088 | \$0 |
| Intergovernmental Revenues | 2,137,124 | 2,137,124 | 0 |
| Charges for Services | 313,987 | 313,987 | 0 |
| Licenses and Permits | 176,779 | 176,779 | 0 |
| Investment Earnings | 127,503 | 127,503 | 0 |
| Fines and Forfeitures | 516,134 | 516,134 | 0 |
| All Other Revenues | 150,659 | 150,659 | 0 |
| Total Revenues | 9,498,274 | 9,498,274 | 0 |
| <u>Expenditures:</u> | | | |
| Security of Persons and Property | | | |
| Police: | | | |
| Personal Services | 2,658,871 | 2,667,783 | (8,912) |
| Contractual Services | 76,343 | 69,974 | 6,369 |
| Materials and Supplies | 12,200 | 9,804 | 2,396 |
| Capital Outlay | 200 | 0 | 200 |
| Total Police | 2,747,614 | 2,747,561 | 53 |
| Fire: | | | |
| Personal Services | 3,010,768 | 3,015,263 | (4,495) |
| Contractual Services | 65,065 | 59,859 | 5,206 |
| Materials and Supplies | 18,896 | 17,010 | 1,886 |
| Capital Outlay | 100 | 0 | 100 |
| Total Fire | 3,094,829 | 3,092,132 | 2,697 |
| Street Lighting: | | | |
| Contractual Services | 169,139 | 164,699 | 4,440 |
| Materials and Supplies | 2,835 | 2,643 | 192 |
| Total Street Lighting | 171,974 | 167,342 | 4,632 |
| Total Security of Persons and Property | 6,014,417 | 6,007,035 | 7,382 |
| Public Health and Welfare Services | | | |
| Health: | | | |
| Personal Services | 443,293 | 442,142 | 1,151 |
| Contractual Services | 63,830 | 61,921 | 1,909 |
| Materials and Supplies | 4,930 | 4,779 | 151 |
| Capital Outlay | 199 | 199 | 0 |
| Total Health | 512,252 | 509,041 | 3,211 |
| Total Public Health and Welfare Services | 512,252 | 509,041 | 3,211 |
| Community Environment: | | | |
| Building Inspection: | | | |
| Personal Services | 110,931 | 115,476 | (4,545) |
| Contractual Services | 58,576 | 52,890 | 5,686 |
| Materials and Supplies | 2,907 | 2,907 | 0 |
| Total Building Inspection | 172,414 | 171,273 | 1,141 |

(Continued)

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|------------------------------------|-------------------|----------------|---|
| Community Environment: (Continued) | | | |
| Administration: | | | |
| Personal Services | 14,201 | 11,656 | 2,545 |
| Contractual Services | 2,000 | 1,341 | 659 |
| Materials and Supplies | 850 | 659 | 191 |
| Total Administration | <u>17,051</u> | <u>13,656</u> | <u>3,395</u> |
| Total Community Environment | <u>189,465</u> | <u>184,929</u> | <u>4,536</u> |
| Transportation: | | | |
| Traffic Lights: | | | |
| Personal Services | 79,707 | 85,067 | (5,360) |
| Contractual Services | 35,159 | 33,834 | 1,325 |
| Materials and Supplies | 12,150 | 11,092 | 1,058 |
| Capital Outlay | 4,375 | 4,375 | 0 |
| Total Traffic Lights | <u>131,391</u> | <u>134,368</u> | <u>(2,977)</u> |
| Cemetery Grounds: | | | |
| Personal Services | 355,683 | 359,218 | (3,535) |
| Contractual Services | 34,810 | 29,195 | 5,615 |
| Materials and Supplies | 9,140 | 7,482 | 1,658 |
| Capital Outlay | 400 | 117 | 283 |
| Total Cemetery Grounds | <u>400,033</u> | <u>396,012</u> | <u>4,021</u> |
| Total Transportation | <u>531,424</u> | <u>530,380</u> | <u>1,044</u> |
| General Government: | | | |
| City Council: | | | |
| Personal Services | 42,343 | 41,317 | 1,026 |
| Contractual Services | 5,734 | 6,030 | (296) |
| Materials and Supplies | 591 | 526 | 65 |
| Total City Council | <u>48,668</u> | <u>47,873</u> | <u>795</u> |
| Executive: | | | |
| Personal Services | 74,466 | 78,898 | (4,432) |
| Contractual Services | 14,660 | 14,814 | (154) |
| Materials and Supplies | 2,200 | 1,882 | 318 |
| Capital Outlay | 100 | 0 | 100 |
| Total Executive | <u>91,426</u> | <u>95,594</u> | <u>(4,168)</u> |
| Legal: | | | |
| Personal Services | 166,761 | 170,666 | (3,905) |
| Contractual Services | 14,706 | 13,488 | 1,218 |
| Materials and Supplies | 1,902 | 1,222 | 680 |
| Total Legal | <u>183,369</u> | <u>185,376</u> | <u>(2,007)</u> |

(Continued)

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|--------------------------------|-------------------|----------------|---|
| General Government (Continued) | | | |
| Finance: | | | |
| Personal Services | 151,950 | 151,950 | 0 |
| Contractual Services | 47,736 | 46,995 | 741 |
| Materials and Supplies | 2,019 | 2,019 | 0 |
| Capital Outlay | 923 | 923 | 0 |
| Total Finance | <u>202,628</u> | <u>201,887</u> | <u>741</u> |
| Civil Service: | | | |
| Personal Services | 8,988 | 9,090 | (102) |
| Contractual Services | 4,025 | 3,636 | 389 |
| Total Civil Service | <u>13,013</u> | <u>12,726</u> | <u>287</u> |
| Municipal Court: | | | |
| Personal Services | 655,534 | 657,682 | (2,148) |
| Contractual Services | 108,880 | 106,672 | 2,208 |
| Materials and Supplies | 8,763 | 8,746 | 17 |
| Capital Outlay | 937 | 937 | 0 |
| Total Municipal Court | <u>774,114</u> | <u>774,037</u> | <u>77</u> |
| Income Tax: | | | |
| Personal Services | 135,811 | 137,131 | (1,320) |
| Contractual Services | 88,049 | 86,629 | 1,420 |
| Materials and Supplies | 1,618 | 1,367 | 251 |
| Total Income Tax | <u>225,478</u> | <u>225,127</u> | <u>351</u> |
| Engineering: | | | |
| Personal Services | 97,054 | 99,005 | (1,951) |
| Contractual Services | 37,446 | 32,064 | 5,382 |
| Materials and Supplies | 1,200 | 761 | 439 |
| Capital Outlay | 400 | 400 | 0 |
| Total Engineering | <u>136,100</u> | <u>132,230</u> | <u>3,870</u> |
| Public Service: | | | |
| Personal Services | 30,750 | 35,109 | (4,359) |
| Contractual Services | 14,557 | 11,033 | 3,524 |
| Materials and Supplies | 2,551 | 2,222 | 329 |
| Capital Outlay | 400 | 255 | 145 |
| Total Public Service | <u>48,258</u> | <u>48,619</u> | <u>(361)</u> |
| City Building: | | | |
| Personal Services | 103,077 | 102,789 | 288 |
| Contractual Services | 71,395 | 70,940 | 455 |
| Materials and Supplies | 5,328 | 5,211 | 117 |
| Total City Building | <u>179,800</u> | <u>178,940</u> | <u>860</u> |

(Continued)

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2002

GENERAL FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|---|-------------------|-------------------|---|
| General Government (Continued) | | | |
| Garage: | | | |
| Personal Services | 101,670 | 129,380 | (27,710) |
| Contractual Services | 12,285 | 23,460 | (11,175) |
| Materials and Supplies | 103,497 | 64,954 | 38,543 |
| Total Garage | <u>217,452</u> | <u>217,794</u> | <u>(342)</u> |
| Non-Departmental: | | | |
| Personal Services | 271,281 | 271,281 | 0 |
| Contractual Services | 666,440 | 666,440 | 0 |
| Materials and Supplies | 4,979 | 4,979 | 0 |
| Total Non-Departmental | <u>942,700</u> | <u>942,700</u> | <u>0</u> |
| Total General Government | <u>3,063,006</u> | <u>3,062,903</u> | <u>103</u> |
| Total Expenditures | <u>10,310,564</u> | <u>10,294,288</u> | <u>16,276</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures: | (812,290) | (796,014) | 16,276 |
| <u>Other Financing Sources (Uses):</u> | | | |
| Proceeds from Sale of Fixed Asset: | 16,930 | 16,930 | 0 |
| Operating Transfers Out | (270,636) | (270,636) | 0 |
| Total Other Financing Sources (Uses) | <u>(253,706)</u> | <u>(253,706)</u> | <u>0</u> |
| Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (1,065,996) | (1,049,720) | 16,276 |
| Fund Balance at Beginning of Year | 981,293 | 981,293 | 0 |
| Prior Year Encumbrances | 108,595 | 108,595 | 0 |
| Fund Balance at End of Year | <u>\$23,892</u> | <u>\$40,168</u> | <u>\$16,276</u> |

SPECIAL REVENUE FUNDS

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

Municipal Court Grants Fund

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

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

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

Municipal Court Special Projects Fund

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

Municipal Court Probation Services Fund

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

Municipal Court Programs Fund

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

Municipal Court Computer Fund

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

Fire Pension Fund

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

Police Pension Fund

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

(Continued)

SPECIAL REVENUE FUNDS

D.A.R.E. State Grant Fund

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

Local Law Block Grant Fund

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

Community Oriented Policing Services (COPS) Fast Grant Fund

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

Indigent Drivers Alcohol Treatment Fund

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

Enforcement and Education Fund

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

Mandatory Fines Fund

To account for mandatory fines for drug offenses.

Law Enforcement Fund

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

Street Construction, Maintenance and Repair Fund

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

State Highway Improvement Fund

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

Environmental State Grants Fund

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

(Continued)

SPECIAL REVENUE FUNDS

Community Development Fund

To account for Federal and State grants which are designated for community and environmental improvements.

Tourism and Cultural Development Fund

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

Teenage Pregnancy Prevention Fund

To account for receipt of donated funds to be used to cover the costs of education and supplies related to the Teenage Pregnancy Prevention Program. (The Balance Sheet is not presented because there are no assets or liabilities at year end and this fund only exists on a GAAP basis and is not part of the City's appropriated budget, therefore no budgetary schedule is presented.)

State Grant Health Fund

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

Rural AIDS State Grant Fund

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

Litter Control Grant Fund

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

Wellness Block Grant Fund

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

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

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

Regional HIV Prevention Fund

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

Flood Defense Fund

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

THE CITY OF PORTSMOUTH, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2002

| | Municipal Court Grants | OCJS Awards Municipal Court | Municipal Court Special Projects | Municipal Court Probation Services | Municipal Court Programs | Municipal Court Computer |
|--|------------------------------|--------------------------------------|---|---|--------------------------------|--------------------------------|
| Assets: | | | | | | |
| Cash and Cash Equivalents | \$0 | \$50 | \$57,826 | \$79,341 | \$0 | \$5,888 |
| Receivables (net of allowances for doubtful accounts) | | | | | | |
| Taxes | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 | 0 | 0 | 0 |
| Due from Other Funds | 0 | 0 | 9,776 | 5,439 | 0 | 3,047 |
| Intergovernmental Receivables | 25,872 | 0 | 0 | 0 | 16,552 | 0 |
| Inventory of Supplies at Cost | 0 | 0 | 0 | 0 | 0 | 0 |
| Prepaid Items | 0 | 0 | 129 | 0 | 0 | 0 |
| Total Assets | \$25,872 | \$50 | \$67,731 | \$84,780 | \$16,552 | \$8,935 |
| Liabilities and Fund Equity: | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Accrued Wages and Benefits | 2,451 | 0 | 1,626 | 3,369 | 2,521 | 623 |
| Due to Other Funds | 28,807 | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental Payables | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred Revenue | 12,936 | 0 | 0 | 0 | 0 | 0 |
| Total Liabilities | 44,194 | 0 | 1,626 | 3,369 | 2,521 | 623 |
| Fund Equity: | | | | | | |
| Reserved for Encumbrances | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserved for Supplies Inventory | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserved for Prepaid Items | 0 | 0 | 129 | 0 | 0 | 0 |
| Unreserved - Undesignated | (18,322) | 50 | 65,976 | 81,411 | 14,031 | 8,312 |
| Total Fund Equity | (18,322) | 50 | 66,105 | 81,411 | 14,031 | 8,312 |
| Total Liabilities and Fund Equity | \$25,872 | \$50 | \$67,731 | \$84,780 | \$16,552 | \$8,935 |

THE CITY OF PORTSMOUTH, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2002

| Fire Pension | Police Pension | D.A.R.E. State Grant | Local Law Block Grant | COPS Fast Grant | Indigent Drivers Alcohol Treatment | Enforcement and Education | Mandatory Fines |
|-----------------|-------------------|----------------------------|-----------------------------|-----------------------|---|---------------------------------|--------------------|
| \$0 | \$0 | \$3,216 | \$43,906 | \$32,797 | \$38,267 | \$17,006 | \$34,240 |
| 52,489 | 52,489 | 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 | 642 | 190 | 142 |
| 3,631 | 3,631 | 0 | 0 | 14,615 | 0 | 0 | 356 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>\$56,120</u> | <u>\$56,120</u> | <u>\$3,216</u> | <u>\$43,906</u> | <u>\$47,412</u> | <u>\$38,909</u> | <u>\$17,196</u> | <u>\$34,738</u> |
| \$0 | \$0 | \$0 | \$33 | \$0 | \$2,324 | \$0 | \$0 |
| 15,000 | 15,000 | 0 | 45 | 376 | 0 | 129 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 56,120 | 56,120 | 0 | 0 | 9,667 | 0 | 0 | 0 |
| <u>71,120</u> | <u>71,120</u> | <u>0</u> | <u>78</u> | <u>10,043</u> | <u>2,324</u> | <u>129</u> | <u>0</u> |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (15,000) | (15,000) | 3,216 | 43,828 | 37,369 | 36,585 | 17,067 | 34,738 |
| <u>(15,000)</u> | <u>(15,000)</u> | <u>3,216</u> | <u>43,828</u> | <u>37,369</u> | <u>36,585</u> | <u>17,067</u> | <u>34,738</u> |
| <u>\$56,120</u> | <u>\$56,120</u> | <u>\$3,216</u> | <u>\$43,906</u> | <u>\$47,412</u> | <u>\$38,909</u> | <u>\$17,196</u> | <u>\$34,738</u> |

(Continued)

THE CITY OF PORTSMOUTH, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2002

| | Law Enforcement | Street Construction, Maintenance and Repair | State Highway Improvement | Environmental State Grants | Community Development | Tourism and Cultural Development |
|--|--------------------|--|---------------------------------|----------------------------------|--------------------------|--|
| Assets: | | | | | | |
| Cash and Cash Equivalents | \$387 | \$12,230 | \$11,276 | \$219,400 | \$460,990 | \$12,051 |
| Receivables (net of allowances for doubtful accounts) | | | | | | |
| Taxes | 0 | 0 | 0 | 0 | 0 | 10,056 |
| Loans | 0 | 0 | 0 | 0 | 205,969 | 0 |
| Interest | 0 | 0 | 0 | 0 | 0 | 0 |
| Due from Other Funds | 0 | 0 | 0 | 0 | 24,453 | 0 |
| Intergovernmental Receivables | 0 | 292,473 | 19,731 | 367,607 | 183,000 | 0 |
| Inventory of Supplies at Cost | 0 | 13,656 | 0 | 1,350 | 0 | 0 |
| Prepaid Items | 0 | 2,811 | 0 | 737 | 0 | 0 |
| Total Assets | \$387 | \$321,170 | \$31,007 | \$589,094 | \$874,412 | \$22,107 |
| Liabilities and Fund Equity: | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable | \$0 | \$13,506 | \$0 | \$563 | \$0 | \$0 |
| Accrued Wages and Benefits | 0 | 18,680 | 1,045 | 16,470 | 706 | 0 |
| Due to Other Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental Payables | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred Revenue | 0 | 195,000 | 13,000 | 227,562 | 388,969 | 0 |
| Total Liabilities | 0 | 227,186 | 14,045 | 244,595 | 389,675 | 0 |
| Fund Equity: | | | | | | |
| Reserved for Encumbrances | 0 | 224 | 0 | 28,470 | 0 | 0 |
| Reserved for Supplies Inventory | 0 | 13,656 | 0 | 1,350 | 0 | 0 |
| Reserved for Prepaid Items | 0 | 2,811 | 0 | 737 | 0 | 0 |
| Unreserved - Undesignated | 387 | 77,293 | 16,962 | 313,942 | 484,737 | 22,107 |
| Total Fund Equity | 387 | 93,984 | 16,962 | 344,499 | 484,737 | 22,107 |
| Total Liabilities and Fund Equity | \$387 | \$321,170 | \$31,007 | \$589,094 | \$874,412 | \$22,107 |

THE CITY OF PORTSMOUTH, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 2002

| State Grant Health | Rural AIDS State Grant | Litter Control Grant | Wellness Block Grant | F.E.M.A. Grant | Regional HIV Prevention | Flood Defense | Totals |
|--------------------------|---------------------------------|----------------------------|----------------------------|-------------------|-------------------------------|------------------|--------------------|
| \$329,678 | \$56,358 | \$2,713 | \$0 | \$2,222 | \$543 | \$495,519 | \$1,915,904 |
| 0 | 0 | 0 | 0 | 0 | 0 | 163,829 | 278,863 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 205,969 |
| 0 | 0 | 0 | 0 | 0 | 0 | 510 | 510 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 43,689 |
| 314,812 | 118,709 | 0 | 27,788 | 0 | 235,649 | 9,510 | 1,633,936 |
| 19,760 | 1,356 | 0 | 2,000 | 0 | 0 | 0 | 38,122 |
| 943 | 0 | 108 | 0 | 0 | 0 | 0 | 4,728 |
| <u>\$665,193</u> | <u>\$176,423</u> | <u>\$2,821</u> | <u>\$29,788</u> | <u>\$2,222</u> | <u>\$236,192</u> | <u>\$669,368</u> | <u>\$4,121,721</u> |
| \$18,822 | \$20 | \$0 | \$0 | \$0 | \$0 | \$0 | \$35,268 |
| 17,294 | 6,272 | 0 | 949 | 0 | 0 | 0 | 102,556 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 28,807 |
| 0 | 0 | 0 | 0 | 0 | 11,873 | 0 | 11,873 |
| 163,092 | 0 | 0 | 24,026 | 0 | 66,282 | 173,339 | 1,386,113 |
| <u>199,208</u> | <u>6,292</u> | <u>0</u> | <u>24,975</u> | <u>0</u> | <u>78,155</u> | <u>173,339</u> | <u>1,564,617</u> |
| 0 | 0 | 0 | 0 | 0 | 0 | 15,970 | 44,664 |
| 19,760 | 1,356 | 0 | 2,000 | 0 | 0 | 0 | 38,122 |
| 943 | 0 | 108 | 0 | 0 | 0 | 0 | 4,728 |
| 445,282 | 168,775 | 2,713 | 2,813 | 2,222 | 158,037 | 480,059 | 2,469,590 |
| <u>465,985</u> | <u>170,131</u> | <u>2,821</u> | <u>4,813</u> | <u>2,222</u> | <u>158,037</u> | <u>496,029</u> | <u>2,557,104</u> |
| <u>\$665,193</u> | <u>\$176,423</u> | <u>\$2,821</u> | <u>\$29,788</u> | <u>\$2,222</u> | <u>\$236,192</u> | <u>\$669,368</u> | <u>\$4,121,721</u> |

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

| | Municipal Court Grants | OCJS Awards Municipal Court | Municipal Court Special Projects | Municipal Court Probation Services | Municipal Court Programs | Municipal Court Computer |
|--|------------------------------|--------------------------------------|---|---|--------------------------------|--------------------------------|
| Revenues: | | | | | | |
| Taxes | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Intergovernmental Revenues | 51,751 | 1 | 0 | 0 | 0 | 0 |
| Charges for Services | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment Earnings | 0 | 0 | 0 | 0 | 0 | 0 |
| Fines and Forfeitures | 0 | 0 | 138,419 | 65,988 | 98,310 | 43,417 |
| All Other Revenues | 196 | 372 | 116 | 0 | 286 | 861 |
| Total Revenues | <u>51,947</u> | <u>373</u> | <u>138,535</u> | <u>65,988</u> | <u>98,596</u> | <u>44,278</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Security of Persons and Property | 0 | 0 | 0 | 0 | 0 | 0 |
| Public Health and Welfare Services | 0 | 0 | 0 | 0 | 0 | 0 |
| Community Environment | 0 | 0 | 0 | 0 | 0 | 0 |
| Transportation | 0 | 0 | 0 | 0 | 0 | 0 |
| General Government | 81,693 | 14,671 | 87,273 | 96,257 | 85,383 | 50,052 |
| Total Expenditures | <u>81,693</u> | <u>14,671</u> | <u>87,273</u> | <u>96,257</u> | <u>85,383</u> | <u>50,052</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (29,746) | (14,298) | 51,262 | (30,269) | 13,213 | (5,774) |
| Other Financing Sources (Uses): | | | | | | |
| Operating Transfers In | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating Transfers Out | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (29,746) | (14,298) | 51,262 | (30,269) | 13,213 | (5,774) |
| Restated Fund Balance (Deficit) at Beginning of Year | 11,424 | 14,348 | 14,843 | 111,680 | 818 | 14,086 |
| Increase (Decrease) in Inventory Reserve | 0 | 0 | 0 | 0 | 0 | 0 |
| Fund Balance (Deficit) at End of Year | <u>(\$18,322)</u> | <u>\$50</u> | <u>\$66,105</u> | <u>\$81,411</u> | <u>\$14,031</u> | <u>\$8,312</u> |

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

| <u>Fire Pension</u> | <u>Police Pension</u> | <u>D.A.R.E. State Grant</u> | <u>Local Law Block Grant</u> | <u>COPS Fast Grant</u> | <u>Indigent Drivers Alcohol Treatment</u> | <u>Enforcement and Education</u> | <u>Mandatory Fines</u> | <u>Law Enforcement</u> |
|---------------------|-----------------------|-----------------------------|------------------------------|------------------------|---|----------------------------------|------------------------|------------------------|
| \$55,767 | \$55,767 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 7,251 | 7,251 | 0 | 22,933 | 28,115 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 95 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 26,620 | 3,932 | 15,122 | 6,490 |
| 0 | 0 | 0 | 11 | 71 | 0 | 0 | 0 | 0 |
| <u>63,018</u> | <u>63,018</u> | <u>0</u> | <u>23,039</u> | <u>28,186</u> | <u>26,620</u> | <u>3,932</u> | <u>15,122</u> | <u>6,490</u> |
| 84,134 | 83,940 | 0 | 17,058 | 28,576 | 0 | 0 | 21,949 | 12,019 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 27,209 | 8,043 | 0 | 0 |
| <u>84,134</u> | <u>83,940</u> | <u>0</u> | <u>17,058</u> | <u>28,576</u> | <u>27,209</u> | <u>8,043</u> | <u>21,949</u> | <u>12,019</u> |
| (21,116) | (20,922) | 0 | 5,981 | (390) | (589) | (4,111) | (6,827) | (5,529) |
| 0 | 0 | 0 | 1,937 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,937) |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>1,937</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>(1,937)</u> |
| (21,116) | (20,922) | 0 | 7,918 | (390) | (589) | (4,111) | (6,827) | (7,466) |
| 6,116 | 5,922 | 3,216 | 35,910 | 37,759 | 37,174 | 21,178 | 41,565 | 7,853 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>(\$15,000)</u> | <u>(\$15,000)</u> | <u>\$3,216</u> | <u>\$43,828</u> | <u>\$37,369</u> | <u>\$36,585</u> | <u>\$17,067</u> | <u>\$34,738</u> | <u>\$387</u> |

(Continued)

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

| | Street Construction, Maintenance and Repair | State Highway Improvement | Environmental State Grants | Community Development | Tourism and Cultural Development | Teenage Pregnancy Prevention |
|--|--|---------------------------------|----------------------------------|--------------------------|--|------------------------------------|
| Revenues: | | | | | | |
| Taxes | \$0 | \$0 | \$0 | \$0 | \$46,209 | \$0 |
| Intergovernmental Revenues | 645,408 | 60,440 | 498,674 | 430,500 | 0 | 0 |
| Charges for Services | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment Earnings | 2,257 | 1,092 | 0 | 3,044 | 0 | 0 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 | 0 | 0 |
| All Other Revenues | 4,763 | 335 | 9,311 | 109,833 | 0 | 427 |
| Total Revenues | 652,428 | 61,867 | 507,985 | 543,377 | 46,209 | 427 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Security of Persons and Property | 0 | 0 | 0 | 0 | 0 | 0 |
| Public Health and Welfare Services | 0 | 0 | 509,847 | 0 | 0 | 0 |
| Community Environment | 0 | 0 | 0 | 465,795 | 46,753 | 0 |
| Transportation | 832,660 | 53,745 | 0 | 0 | 0 | 0 |
| General Government | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 832,660 | 53,745 | 509,847 | 465,795 | 46,753 | 0 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (180,232) | 8,122 | (1,862) | 77,582 | (544) | 427 |
| Other Financing Sources (Uses): | | | | | | |
| Operating Transfers In | 0 | 0 | 8,500 | 160,196 | 0 | 0 |
| Operating Transfers Out | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | 0 | 0 | 8,500 | 160,196 | 0 | 0 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (180,232) | 8,122 | 6,638 | 237,778 | (544) | 427 |
| Restated Fund Balance (Deficit) at Beginning of Year | 275,170 | 8,840 | 338,101 | 246,959 | 22,651 | (427) |
| Increase (Decrease) in Inventory Reserve | (954) | 0 | (240) | 0 | 0 | 0 |
| Fund Balance (Deficit) at End of Year | \$93,984 | \$16,962 | \$344,499 | \$484,737 | \$22,107 | \$0 |

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

| State Grant Health | Rural AIDS State Grant | Litter Control Grant | Wellness Block Grant | F.E.M.A. Grant | Regional HIV Prevention | Flood Defense | Totals |
|--------------------------|---------------------------------|----------------------------|----------------------------|-------------------|-------------------------------|------------------|--------------------|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$156,195 | \$313,938 |
| 783,537 | 338,716 | 0 | 37,841 | 0 | 494,200 | 18,967 | 3,425,585 |
| 157,691 | 0 | 0 | 0 | 0 | 0 | 0 | 157,691 |
| 0 | 0 | 0 | 0 | 0 | 0 | 2,461 | 8,949 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 398,298 |
| 98,928 | 512 | 448 | 191 | 0 | 0 | 0 | 226,661 |
| <u>1,040,156</u> | <u>339,228</u> | <u>448</u> | <u>38,032</u> | <u>0</u> | <u>494,200</u> | <u>177,623</u> | <u>4,531,122</u> |
| 0 | 0 | 0 | 0 | 0 | 0 | 122,449 | 370,125 |
| 871,552 | 273,523 | 6,668 | 39,109 | 0 | 475,062 | 0 | 2,175,761 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 512,548 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 886,405 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 450,581 |
| <u>871,552</u> | <u>273,523</u> | <u>6,668</u> | <u>39,109</u> | <u>0</u> | <u>475,062</u> | <u>122,449</u> | <u>4,395,420</u> |
| 168,604 | 65,705 | (6,220) | (1,077) | 0 | 19,138 | 55,174 | 135,702 |
| 0 | 1,860 | 0 | 0 | 0 | 0 | 0 | 172,493 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,937) |
| <u>0</u> | <u>1,860</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>170,556</u> |
| 168,604 | 67,565 | (6,220) | (1,077) | 0 | 19,138 | 55,174 | 306,258 |
| 332,074 | 103,314 | 9,041 | 4,009 | 2,222 | 138,899 | 440,855 | 2,285,600 |
| (34,693) | (748) | 0 | 1,881 | 0 | 0 | 0 | (34,754) |
| <u>\$465,985</u> | <u>\$170,131</u> | <u>\$2,821</u> | <u>\$4,813</u> | <u>\$2,222</u> | <u>\$158,037</u> | <u>\$496,029</u> | <u>\$2,557,104</u> |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

MUNICIPAL COURT GRANTS FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|--|-------------------|------------|---|
| <u>Revenues:</u> | | | |
| Intergovernmental Revenues | \$51,759 | \$51,759 | \$0 |
| All Other Revenues | 196 | 196 | 0 |
| Total Revenues | 51,955 | 51,955 | 0 |
| <u>Expenditures:</u> | | | |
| General Government: | | | |
| Personal Services | 41,955 | 80,671 | (38,716) |
| Materials and Supplies | 10,000 | 91 | 9,909 |
| Total Expenditures | 51,955 | 80,762 | (28,807) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 0 | (28,807) | (28,807) |
| Fund Balance at Beginning of Year | 0 | 0 | 0 |
| Fund Deficit at End of Year | \$0 | (\$28,807) | (\$28,807) |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

OCJS AWARDS MUNICIPAL COURT FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|--|-------------------|----------|---|
| <u>Revenues:</u> | | | |
| Intergovernmental Revenues | \$21,565 | \$21,565 | \$0 |
| All Other Revenues | 372 | 372 | 0 |
| Total Revenues | 21,937 | 21,937 | 0 |
| <u>Expenditures:</u> | | | |
| General Government: | | | |
| Personal Services | 12,146 | 12,146 | 0 |
| Contractual Services | 56 | 56 | 0 |
| Materials and Supplies | 5,968 | 5,918 | 50 |
| Total Expenditures | 18,170 | 18,120 | 50 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 3,767 | 3,817 | 50 |
| Fund Deficit at Beginning of Year | (3,767) | (3,767) | 0 |
| Fund Balance at End of Year | \$0 | \$50 | \$50 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

MUNICIPAL COURT SPECIAL PROJECTS FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|--|-------------------|-----------|---|
| <u>Revenues:</u> | | | |
| Fines and Forfeitures | \$136,136 | \$136,136 | \$0 |
| All Other Revenues | 116 | 116 | 0 |
| Total Revenues | 136,252 | 136,252 | 0 |
| <u>Expenditures:</u> | | | |
| General Government: | | | |
| Personal Services | 17,705 | 15,290 | 2,415 |
| Contractual Services | 775 | 3,040 | (2,265) |
| Materials and Supplies | 42,720 | 37,047 | 5,673 |
| Capital Outlay | 33,042 | 31,389 | 1,653 |
| Total Expenditures | 94,242 | 86,766 | 7,476 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 42,010 | 49,486 | 7,476 |
| Fund Balance at Beginning of Year | 8,340 | 8,340 | 0 |
| Fund Balance at End of Year | \$50,350 | \$57,826 | \$7,476 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

MUNICIPAL COURT PROBATION SERVICES FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|------------------------------------|-------------------|----------|---|
| <u>Revenues:</u> | | | |
| Fines and Forfeitures | \$65,188 | \$65,188 | \$0 |
| Total Revenues | 65,188 | 65,188 | 0 |
| <u>Expenditures:</u> | | | |
| General Government: | | | |
| Personal Services | 86,669 | 84,280 | 2,389 |
| Contractual Services | 16,074 | 6,074 | 10,000 |
| Materials and Supplies | 10,000 | 2,534 | 7,466 |
| Total Expenditures | 112,743 | 92,888 | 19,855 |
| Excess (Deficiency) of | | | |
| Revenues Over (Under) Expenditures | (47,555) | (27,700) | 19,855 |
| Fund Balance at Beginning of Year | 107,041 | 107,041 | 0 |
| Fund Balance at End of Year | \$59,486 | \$79,341 | \$19,855 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

MUNICIPAL COURT PROGRAMS FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|--|-------------------|----------|---|
| <u>Revenues:</u> | | | |
| Fines and Forfeitures | \$83,308 | \$83,308 | \$0 |
| All Other Revenues | 286 | 286 | 0 |
| Total Revenues | 83,594 | 83,594 | 0 |
| <u>Expenditures:</u> | | | |
| General Government: | | | |
| Personal Services | 61,352 | 61,352 | 0 |
| Contractual Services | 29,814 | 29,814 | 0 |
| Total Expenditures | 91,166 | 91,166 | 0 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (7,572) | (7,572) | 0 |
| Fund Balance at Beginning of Year | 7,572 | 7,572 | 0 |
| Fund Balance at End of Year | \$0 | \$0 | \$0 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

MUNICIPAL COURT COMPUTER FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|--|-------------------|----------|---|
| <u>Revenues:</u> | | | |
| Fines and Forfeitures | \$42,992 | \$42,992 | \$0 |
| All Other Revenues | 861 | 861 | 0 |
| Total Revenues | 43,853 | 43,853 | 0 |
| <u>Expenditures:</u> | | | |
| General Government: | | | |
| Personal Services | 20,000 | 19,392 | 608 |
| Contractual Services | 18,342 | 13,062 | 5,280 |
| Materials and Supplies | 18,683 | 18,646 | 37 |
| Total Expenditures | 57,025 | 51,100 | 5,925 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (13,172) | (7,247) | 5,925 |
| Fund Balance at Beginning of Year | 13,135 | 13,135 | 0 |
| Fund Balance at End of Year | (\$37) | \$5,888 | \$5,925 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

FIRE PENSION FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|------------------------------------|-------------------|----------|---|
| <u>Revenues:</u> | | | |
| Taxes | \$56,697 | \$56,697 | \$0 |
| Intergovernmental Revenues | 7,251 | 7,251 | 0 |
| Total Revenues | 63,948 | 63,948 | 0 |
| <u>Expenditures:</u> | | | |
| Security of Persons and Property: | | | |
| Personal Services | 84,134 | 84,134 | 0 |
| Total Expenditures | 84,134 | 84,134 | 0 |
| Excess (Deficiency) of | | | |
| Revenues Over (Under) Expenditures | (20,186) | (20,186) | 0 |
| Fund Balance at Beginning of Year | 20,186 | 20,186 | 0 |
| Fund Balance at End of Year | \$0 | \$0 | \$0 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

POLICE PENSION FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|------------------------------------|-------------------|-------------------|---|
| <u>Revenues:</u> | | | |
| Taxes | \$56,697 | \$56,697 | \$0 |
| Intergovernmental Revenues | 7,251 | 7,251 | 0 |
| Total Revenues | <u>63,948</u> | <u>63,948</u> | <u>0</u> |
| <u>Expenditures:</u> | | | |
| Security of Persons and Property: | | | |
| Personal Services | 83,940 | 83,940 | 0 |
| Total Expenditures | <u>83,940</u> | <u>83,940</u> | <u>0</u> |
| Excess (Deficiency) of | | | |
| Revenues Over (Under) Expenditures | (19,992) | (19,992) | 0 |
| Fund Balance at Beginning of Year | 19,992 | 19,992 | 0 |
| Fund Balance at End of Year | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

D.A.R.E. STATE GRANT FUND

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

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

LOCAL LAW BLOCK GRANT FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|--|-------------------|----------|---|
| <u>Revenues:</u> | | | |
| Intergovernmental Revenues | \$22,933 | \$22,933 | \$0 |
| Investment Earnings | 95 | 95 | 0 |
| All Other Revenues | 11 | 11 | 0 |
| Total Revenues | 23,039 | 23,039 | 0 |
| <u>Expenditures:</u> | | | |
| Security of Persons and Property: | | | |
| Personal Services | 31,647 | 2,278 | 29,369 |
| Contractual Services | 2,373 | 0 | 2,373 |
| Capital Outlay | 26,760 | 14,702 | 12,058 |
| Total Expenditures | 60,780 | 16,980 | 43,800 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (37,741) | 6,059 | 43,800 |
| <u>Other Financing Sources:</u> | | | |
| Operating Transfers In | 1,937 | 1,937 | 0 |
| Total Other Financing Sources | 1,937 | 1,937 | 0 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (35,804) | 7,996 | 43,800 |
| Fund Balance at Beginning of Year | 35,910 | 35,910 | 0 |
| Fund Balance at End of Year | \$106 | \$43,906 | \$43,800 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

COPS FAST GRANT FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|--|-------------------|----------|---|
| <u>Revenues:</u> | | | |
| Intergovernmental Revenues | \$23,167 | \$23,167 | \$0 |
| All Other Revenues | 71 | 71 | 0 |
| Total Revenues | 23,238 | 23,238 | 0 |
| <u>Expenditures:</u> | | | |
| Security of Persons and Property: | | | |
| Personal Services | 28,266 | 28,266 | 0 |
| Total Expenditures | 28,266 | 28,266 | 0 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (5,028) | (5,028) | 0 |
| Fund Balance at Beginning of Year | 37,825 | 37,825 | 0 |
| Fund Balance at End of Year | \$32,797 | \$32,797 | \$0 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

INDIGENT DRIVERS ALCOHOL TREATMENT FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|------------------------------------|-------------------|----------|---|
| <u>Revenues:</u> | | | |
| Fines and Forfeitures | \$26,955 | \$26,955 | \$0 |
| Total Revenues | 26,955 | 26,955 | 0 |
| <u>Expenditures:</u> | | | |
| General Government: | | | |
| Contractual Services | 64,000 | 36,853 | 27,147 |
| Total Expenditures | 64,000 | 36,853 | 27,147 |
| Excess (Deficiency) of | | | |
| Revenues Over (Under) Expenditures | (37,045) | (9,898) | 27,147 |
| Fund Balance at Beginning of Year | 48,165 | 48,165 | 0 |
| Fund Balance at End of Year | \$11,120 | \$38,267 | \$27,147 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

ENFORCEMENT AND EDUCATION FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|--|-------------------|----------|---|
| <u>Revenues:</u> | | | |
| Fines and Forfeitures | \$4,056 | \$4,056 | \$0 |
| Total Revenues | 4,056 | 4,056 | 0 |
| <u>Expenditures:</u> | | | |
| General Government: | | | |
| Personal Services | 0 | 6,554 | (6,554) |
| Contractual Services | 22,000 | 1,360 | 20,640 |
| Total Expenditures | 22,000 | 7,914 | 14,086 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (17,944) | (3,858) | 14,086 |
| Fund Balance at Beginning of Year | 20,864 | 20,864 | 0 |
| Fund Balance at End of Year | \$2,920 | \$17,006 | \$14,086 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

MANDATORY FINES FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|--|-------------------|----------|---|
| <u>Revenues:</u> | | | |
| Fines and Forfeitures | \$15,219 | \$15,219 | \$0 |
| Total Revenues | 15,219 | 15,219 | 0 |
| <u>Expenditures:</u> | | | |
| Security of Persons and Property: | | | |
| Contractual Services | 40,000 | 21,949 | 18,051 |
| Total Expenditures | 40,000 | 21,949 | 18,051 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (24,781) | (6,730) | 18,051 |
| Fund Balance at Beginning of Year | 40,970 | 40,970 | 0 |
| Fund Balance at End of Year | \$16,189 | \$34,240 | \$18,051 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

LAW ENFORCEMENT FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|--|-------------------|---------|---|
| <u>Revenues:</u> | | | |
| Fines and Forfeitures | \$6,490 | \$6,490 | \$0 |
| Total Revenues | 6,490 | 6,490 | 0 |
| <u>Expenditures:</u> | | | |
| Security of Persons and Property: | | | |
| Materials and Supplies | 12,406 | 12,019 | 387 |
| Total Expenditures | 12,406 | 12,019 | 387 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (5,916) | (5,529) | 387 |
| <u>Other Financing Sources (Uses):</u> | | | |
| Operating Transfers Out | (1,937) | (1,937) | 0 |
| Total Other Financing Sources (Uses) | (1,937) | (1,937) | 0 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (7,853) | (7,466) | 387 |
| Fund Balance at Beginning of Year | 7,853 | 7,853 | 0 |
| Fund Balance at End of Year | \$0 | \$387 | \$387 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|--|-------------------|-----------|---|
| <u>Revenues:</u> | | | |
| Intergovernmental Revenues | \$649,325 | \$649,325 | \$0 |
| Investment Earnings | 2,257 | 2,257 | 0 |
| All Other Revenues | 4,763 | 4,763 | 0 |
| Total Revenues | 656,345 | 656,345 | 0 |
| <u>Expenditures:</u> | | | |
| Transportation: | | | |
| Personal Services | 581,894 | 577,037 | 4,857 |
| Contractual Services | 87,664 | 86,129 | 1,535 |
| Materials and Supplies | 48,176 | 48,176 | 0 |
| Capital Outlay | 110,352 | 110,352 | 0 |
| Total Expenditures | 828,086 | 821,694 | 6,392 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (171,741) | (165,349) | 6,392 |
| Fund Balance at Beginning of Year | 167,493 | 167,493 | 0 |
| Prior Year Encumbrances | 4,411 | 4,411 | 0 |
| Fund Balance at End of Year | \$163 | \$6,555 | \$6,392 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

STATE HIGHWAY IMPROVEMENT FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|------------------------------------|-------------------|----------|---|
| <u>Revenues:</u> | | | |
| Intergovernmental Revenues | \$60,604 | \$60,604 | \$0 |
| Investment Earnings | 1,092 | 1,092 | 0 |
| All Other Revenues | 335 | 335 | 0 |
| Total Revenues | 62,031 | 62,031 | 0 |
| <u>Expenditures:</u> | | | |
| Transportation: | | | |
| Personal Services | 53,000 | 52,996 | 4 |
| Total Expenditures | 53,000 | 52,996 | 4 |
| Excess (Deficiency) of | | | |
| Revenues Over (Under) Expenditures | 9,031 | 9,035 | 4 |
| Fund Balance at Beginning of Year | 2,241 | 2,241 | 0 |
| Fund Balance at End of Year | \$11,272 | \$11,276 | \$4 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

ENVIRONMENTAL STATE GRANTS FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|--|-------------------|-----------|---|
| <u>Revenues:</u> | | | |
| Intergovernmental Revenues | \$483,444 | \$483,444 | \$0 |
| All Other Revenues | 9,311 | 9,311 | 0 |
| Total Revenues | 492,755 | 492,755 | 0 |
| <u>Expenditures:</u> | | | |
| Public Health and Welfare Services: | | | |
| Personal Services | 460,783 | 437,771 | 23,012 |
| Contractual Services | 76,207 | 51,093 | 25,114 |
| Materials and Supplies | 43,824 | 21,274 | 22,550 |
| Capital Outlay | 45,000 | 25,200 | 19,800 |
| Total Expenditures | 625,814 | 535,338 | 90,476 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (133,059) | (42,583) | 90,476 |
| <u>Other Financing Sources (Uses):</u> | | | |
| Operating Transfers In | 8,500 | 8,500 | 0 |
| Total Other Financing Sources (Uses) | 8,500 | 8,500 | 0 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (124,559) | (34,083) | 90,476 |
| Fund Balance at Beginning of Year | 224,733 | 224,733 | 0 |
| Fund Balance at End of Year | \$100,174 | \$190,650 | \$90,476 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

COMMUNITY DEVELOPMENT FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|--|-------------------------|-------------------------|---|
| <u>Revenues:</u> | | | |
| Intergovernmental Revenues | \$430,500 | \$430,500 | \$0 |
| Investment Earnings | 3,044 | 3,044 | 0 |
| All Other Revenues | 109,833 | 109,833 | 0 |
| Total Revenues | <u>543,377</u> | <u>543,377</u> | <u>0</u> |
| <u>Expenditures:</u> | | | |
| Community Environment: | | | |
| Personal Services | 47,725 | 49,299 | (1,574) |
| Contractual Services | 579,134 | 571,057 | 8,077 |
| Materials and Supplies | 4,517 | 6,460 | (1,943) |
| Total Expenditures | <u>631,376</u> | <u>626,816</u> | <u>4,560</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (87,999) | (83,439) | 4,560 |
| <u>Other Financing Sources (Uses):</u> | | | |
| Operating Transfers In | 160,196 | 160,196 | 0 |
| Total Other Financing Sources (Uses) | <u>160,196</u> | <u>160,196</u> | <u>0</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | 72,197 | 76,757 | 4,560 |
| Fund Balance at Beginning of Year | <u>384,233</u> | <u>384,233</u> | <u>0</u> |
| Fund Balance at End of Year | <u><u>\$456,430</u></u> | <u><u>\$460,990</u></u> | <u><u>\$4,560</u></u> |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

TOURISM AND CULTURAL DEVELOPMENT FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|------------------------------------|-------------------|----------|---|
| <u>Revenues:</u> | | | |
| Taxes | \$46,537 | \$46,537 | \$0 |
| Total Revenues | 46,537 | 46,537 | 0 |
| <u>Expenditures:</u> | | | |
| Community Environment: | | | |
| Contractual Services | 55,000 | 46,753 | 8,247 |
| Total Expenditures | 55,000 | 46,753 | 8,247 |
| Excess (Deficiency) of | | | |
| Revenues Over (Under) Expenditures | (8,463) | (216) | 8,247 |
| Fund Balance at Beginning of Year | 12,267 | 12,267 | 0 |
| Fund Balance at End of Year | \$3,804 | \$12,051 | \$8,247 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

STATE GRANT HEALTH FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|---|-------------------|-----------|---|
| <u>Revenues:</u> | | | |
| Intergovernmental Revenues | \$758,229 | \$758,229 | \$0 |
| Charges for Services | 157,691 | 157,691 | 0 |
| All Other Revenues | 98,928 | 98,928 | 0 |
| Total Revenues | 1,014,848 | 1,014,848 | 0 |
| <u>Expenditures:</u> | | | |
| Public Health and Welfare Services: | | | |
| Child Abuse: | | | |
| Personal Services | 14,983 | 14,561 | 422 |
| Contractual Services | 505 | 402 | 103 |
| Materials and Supplies | 3,471 | 2,357 | 1,114 |
| Total Child Abuse | 18,959 | 17,320 | 1,639 |
| At Risk Neonatal: | | | |
| Personal Services | 0 | 90 | (90) |
| Total At Risk Neonatal | 0 | 90 | (90) |
| Child and Family Health | | | |
| Services Donations: | | | |
| Personal Services | 0 | 1,055 | (1,055) |
| Total Child and Family Health Services Donations | 0 | 1,055 | (1,055) |
| State Grant - Health: | | | |
| Personal Services | 263,623 | 264,503 | (880) |
| Contractual Services | 176,606 | 172,556 | 4,050 |
| Materials and Supplies | 73,300 | 69,829 | 3,471 |
| Total State Grant - Health | 513,529 | 506,888 | 6,641 |
| Prevention: | | | |
| Personal Services | 19,924 | 19,633 | 291 |
| Contractual Services | 9,936 | 9,781 | 155 |
| Materials and Supplies | 1,873 | 1,718 | 155 |
| Total Prevention | 31,733 | 31,132 | 601 |

(Continued)

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

STATE GRANT HEALTH FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|---|-------------------|---------------|---|
| AIDS Grant: | | | |
| Personal Services | 77,932 | 78,540 | (608) |
| Contractual Services | 11,091 | 9,158 | 1,933 |
| Materials and Supplies | 7,700 | 6,725 | 975 |
| Total AIDS Grant | <u>96,723</u> | <u>94,423</u> | <u>2,300</u> |
| State Grant - Lead Poisoning | | | |
| Personal Services | 16,034 | 9,234 | 6,800 |
| Contractual Services | 830 | 286 | 544 |
| Materials and Supplies | 1,136 | 818 | 318 |
| Total State Grant - Lead Poisoning | <u>18,000</u> | <u>10,338</u> | <u>7,662</u> |
| State Grant - Family Living | | | |
| Contractual Services | 100 | 100 | 0 |
| Materials and Supplies | 4,000 | 1,877 | 2,123 |
| Total State Grant-Family Living | <u>4,100</u> | <u>1,977</u> | <u>2,123</u> |
| State Grant - Women's Health Month | | | |
| Contractual Services | 900 | 200 | 700 |
| Materials and Supplies | 600 | 139 | 461 |
| Total State Grant-Women's Health Month | <u>1,500</u> | <u>339</u> | <u>1,161</u> |
| State Grant - Immunization | | | |
| Personal Services | 21,779 | 12,673 | 9,106 |
| Contractual Services | 1,041 | 625 | 416 |
| Materials and Supplies | 3,691 | 2,245 | 1,446 |
| Total State Grant - Immunization | <u>26,511</u> | <u>15,543</u> | <u>10,968</u> |
| State Grant - Temporary Assistance to Needy Families | | | |
| Personal Services | 9,370 | 4,501 | 4,869 |
| Contractual Services | 11,924 | 10,627 | 1,297 |
| Materials and Supplies | 9,706 | 8,190 | 1,516 |
| Total State Grant - Temporary Assistance to Needy Families | <u>31,000</u> | <u>23,318</u> | <u>7,682</u> |

(Continued)

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

STATE GRANT HEALTH FUND

| | | | |
|--|-------------------------|-------------------------|-------------------------|
| State Grant -Tobacco Use Prevention | | | |
| Personal Services | 49,264 | 35,934 | 13,330 |
| Contractual Services | 1,155 | 1,155 | 0 |
| Materials and Supplies | 9,581 | 7,021 | 2,560 |
| Total State Grant - Tobacco Use Prevention | <u>60,000</u> | <u>44,110</u> | <u>15,890</u> |
| Gene Screening: | | | |
| Contractual Services | 5,240 | 4,505 | 735 |
| Total Gene Screening | <u>5,240</u> | <u>4,505</u> | <u>735</u> |
| State Grant - Cardiovascular | | | |
| Personal Services | 31,070 | 24,771 | 6,299 |
| Contractual Services | 28,175 | 27,291 | 884 |
| Materials and Supplies | 2,755 | 2,755 | 0 |
| Total State Grant - Cardiovascular | <u>62,000</u> | <u>54,817</u> | <u>7,183</u> |
| State Grant - Safety Grant | | | |
| Personal Services | 31,044 | 29,766 | 1,278 |
| Contractual Services | 4,700 | 4,265 | 435 |
| Materials and Supplies | 4,261 | 4,063 | 198 |
| Capital Outlay | 350 | 0 | 350 |
| Total State Grant - Safety Grant | <u>40,355</u> | <u>38,094</u> | <u>2,261</u> |
| Bioterrorism Grant | | | |
| Personal Services | 48,000 | 14,505 | 33,495 |
| Contractual Services | 22,271 | 1,547 | 20,724 |
| Materials and Supplies | 4,000 | 2,071 | 1,929 |
| Capital Outlay | 36,400 | 34,665 | 1,735 |
| Total Bioterrorism Grant | <u>110,671</u> | <u>52,788</u> | <u>57,883</u> |
| Total Expenditures | <u>1,020,321</u> | <u>896,737</u> | <u>123,584</u> |
| Excess (Deficiency) of | | | |
| Revenues Over (Under) Expenditures | (5,473) | 118,111 | 123,584 |
| Fund Balance at Beginning of Year | <u>211,567</u> | <u>211,567</u> | <u>0</u> |
| Fund Balance at End of Year | <u><u>\$206,094</u></u> | <u><u>\$329,678</u></u> | <u><u>\$123,584</u></u> |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

RURAL AIDS STATE GRANT FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|--|-------------------|-----------|---|
| <u>Revenues:</u> | | | |
| Intergovernmental Revenues | \$314,066 | \$314,066 | \$0 |
| All Other Revenues | 512 | 512 | 0 |
| Total Revenues | 314,578 | 314,578 | 0 |
| <u>Expenditures:</u> | | | |
| Public Health and Welfare Services: | | | |
| Personal Services | 166,400 | 141,159 | 25,241 |
| Contractual Services | 90,321 | 55,814 | 34,507 |
| Materials and Supplies | 45,640 | 67,333 | (21,693) |
| Capital Outlay | 7,540 | 7,285 | 255 |
| Total Expenditures | 309,901 | 271,591 | 38,310 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 4,677 | 42,987 | 38,310 |
| <u>Other Financing Sources (Uses):</u> | | | |
| Operating Transfers In | 1,860 | 1,860 | 0 |
| Total Other Financing Sources (Uses) | 1,860 | 1,860 | 0 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | 6,537 | 44,847 | 38,310 |
| Fund Balance at Beginning of Year | 11,511 | 11,511 | 0 |
| Fund Balance at End of Year | \$18,048 | \$56,358 | \$38,310 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

LITTER CONTROL GRANT FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|--|-------------------|---------|---|
| <u>Revenues:</u> | | | |
| All Other Revenues | \$448 | \$448 | \$0 |
| Total Revenues | 448 | 448 | 0 |
| <u>Expenditures:</u> | | | |
| Public Health and Welfare Services: | | | |
| Materials and Supplies | 8,000 | 6,776 | 1,224 |
| Total Public Health and Welfare Services | 8,000 | 6,776 | 1,224 |
| Total Expenditures | 8,000 | 6,776 | 1,224 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (7,552) | (6,328) | 1,224 |
| Fund Balance at Beginning of Year | 9,041 | 9,041 | 0 |
| Fund Balance at End of Year | \$1,489 | \$2,713 | \$1,224 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

WELLNESS BLOCK GRANT FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|-------------------------------------|-------------------|----------|---|
| <u>Revenues:</u> | | | |
| Intergovernmental Revenues | \$34,079 | \$34,079 | \$0 |
| All Other Revenues | 191 | 191 | 0 |
| Total Revenues | 34,270 | 34,270 | 0 |
| <u>Expenditures:</u> | | | |
| Public Health and Welfare Services: | | | |
| Personal Services | 38,162 | 38,162 | 0 |
| Contractual Services | 410 | 410 | 0 |
| Materials and Supplies | 675 | 675 | 0 |
| Total Expenditures | 39,247 | 39,247 | 0 |
| Excess (Deficiency) of | | | |
| Revenues Over (Under) Expenditures | (4,977) | (4,977) | 0 |
| Fund Balance at Beginning of Year | 4,977 | 4,977 | 0 |
| Fund Balance at End of Year | \$0 | \$0 | \$0 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

F.E.M.A. GRANT FUND

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

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

REGIONAL HIV PREVENTION FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|-------------------------------------|-------------------|-----------|---|
| <u>Revenues:</u> | | | |
| Intergovernmental Revenues | \$462,189 | \$462,189 | \$0 |
| Total Revenues | 462,189 | 462,189 | 0 |
| <u>Expenditures:</u> | | | |
| Public Health and Welfare Services: | | | |
| Contractual Services | 463,732 | 463,189 | 543 |
| Total Expenditures | 463,732 | 463,189 | 543 |
| Excess (Deficiency) of | | | |
| Revenues Over (Under) Expenditures | (1,543) | (1,000) | 543 |
| Fund Balance at Beginning of Year | 1,543 | 1,543 | 0 |
| Fund Balance at End of Year | \$0 | \$543 | \$543 |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

FLOOD DEFENSE FUND

| | Revised Budget | Actual | Variance: Favorable (Unfavorable) |
|------------------------------------|-------------------|-----------|---|
| <u>Revenues:</u> | | | |
| Taxes | \$159,296 | \$159,296 | \$0 |
| Intergovernmental Revenues | 18,967 | 18,967 | 0 |
| Investment Earnings | 1,951 | 1,951 | 0 |
| Total Revenues | 180,214 | 180,214 | 0 |
| <u>Expenditures:</u> | | | |
| Security of Persons and Property: | | | |
| Contractual Services | 63,000 | 26,452 | 36,548 |
| Materials and Supplies | 16,800 | 5,118 | 11,682 |
| Capital Outlay | 316,200 | 106,928 | 209,272 |
| Total Expenditures | 396,000 | 138,498 | 257,502 |
| Excess (Deficiency) of | | | |
| Revenues Over (Under) Expenditures | (215,786) | 41,716 | 257,502 |
| Fund Balance at Beginning of Year | 413,133 | 413,133 | 0 |
| Prior Year Encumbrances | 24,700 | 24,700 | 0 |
| Fund Balance at End of Year | \$222,047 | \$479,549 | \$257,502 |

ENTERPRISE FUNDS

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

Water Fund

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

Sewer Fund

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

Sanitation Fund

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

THE CITY OF PORTSMOUTH, OHIO
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
DECEMBER 31, 2002

| | <u>Water</u> | <u>Sewer</u> | <u>Sanitation</u> | <u>Totals</u> |
|---|---------------------|--------------------|--------------------|---------------------|
| <u>Assets:</u> | | | | |
| Cash and Cash Equivalents | \$1,730,861 | \$169,886 | \$252,580 | \$2,153,327 |
| Receivables (net of allowances for doubtful accounts): | | | | |
| Accounts | 912,273 | 506,991 | 221,640 | 1,640,904 |
| Inventory of Supplies at Cost | 363,308 | 15,481 | 1,438 | 380,227 |
| Prepaid Items | 3,831 | 2,334 | 10,233 | 16,398 |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | 203,520 | 0 | 0 | 203,520 |
| Property, Plant and Equipment | 16,018,735 | 9,159,095 | 1,001,171 | 26,179,001 |
| Less: Accumulated Depreciation | (6,834,102) | (8,391,588) | (319,918) | (15,545,608) |
| Net Fixed Assets | <u>9,184,633</u> | <u>767,507</u> | <u>681,253</u> | <u>10,633,393</u> |
| Total Assets | <u>\$12,398,426</u> | <u>\$1,462,199</u> | <u>\$1,167,144</u> | <u>\$15,027,769</u> |
| <u>Liabilities and Fund Equity:</u> | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$27,761 | \$7,404 | \$0 | \$35,165 |
| Accrued Wages and Benefits | 81,484 | 47,610 | 23,421 | 152,515 |
| Accrued Interest Payable | 52,462 | 10,881 | 0 | 63,343 |
| Customer Deposits | 203,520 | 0 | 0 | 203,520 |
| Compensated Absences Payable | 48,674 | 64,877 | 25,511 | 139,062 |
| Capital Leases Payable | 127,146 | 159,331 | 0 | 286,477 |
| Mortgage Revenue Bonds Payable | 594,400 | 0 | 0 | 594,400 |
| General Obligation Bonds Payable | 2,770,000 | 0 | 0 | 2,770,000 |
| Ohio Public Works Commission Loan Payable | 0 | 555,000 | 7,747 | 562,747 |
| Ohio Water Development Authority Loan Payable | 0 | 281,536 | 0 | 281,536 |
| Total Liabilities | <u>3,905,447</u> | <u>1,126,639</u> | <u>56,679</u> | <u>5,088,765</u> |
| Fund Equity: | | | | |
| Contributed Capital | 5,171,051 | 3,479,765 | 0 | 8,650,816 |
| Retained Earnings/(Accumulated Deficit): | | | | |
| Unreserved | <u>3,321,928</u> | <u>(3,144,205)</u> | <u>1,110,465</u> | <u>1,288,188</u> |
| Total Fund Equity | <u>8,492,979</u> | <u>335,560</u> | <u>1,110,465</u> | <u>9,939,004</u> |
| Total Liabilities and Fund Equity | <u>\$12,398,426</u> | <u>\$1,462,199</u> | <u>\$1,167,144</u> | <u>\$15,027,769</u> |

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

| | <u>Water</u> | <u>Sewer</u> | <u>Sanitation</u> | <u>Totals</u> |
|--|--------------------|----------------------|--------------------|--------------------|
| <u>Operating Revenues:</u> | | | | |
| Charges for Services | \$4,243,957 | \$2,249,591 | \$1,061,777 | \$7,555,325 |
| Other Operating Revenues | 14,730 | 5,142 | 21,198 | 41,070 |
| Total Operating Revenues | <u>4,258,687</u> | <u>2,254,733</u> | <u>1,082,975</u> | <u>7,596,395</u> |
| <u>Operating Expenses:</u> | | | | |
| Personal Services | 2,139,900 | 1,292,163 | 779,971 | 4,212,034 |
| Materials and Supplies | 495,978 | 131,443 | 69,756 | 697,177 |
| Contractual Services | 633,052 | 468,543 | 361,516 | 1,463,111 |
| Depreciation | 325,418 | 68,615 | 39,484 | 433,517 |
| Total Operating Expenses | <u>3,594,348</u> | <u>1,960,764</u> | <u>1,250,727</u> | <u>6,805,839</u> |
| Operating Income (Loss) | 664,339 | 293,969 | (167,752) | 790,556 |
| <u>Non-Operating Revenues (Expenses):</u> | | | | |
| Intergovernmental Grant | 434,319 | 0 | 94,000 | 528,319 |
| Capital Contributions | 149,947 | 0 | 0 | 149,947 |
| Investment Earnings | 3,275 | 0 | 0 | 3,275 |
| Interest and Fiscal Charges | (195,945) | (31,864) | (402) | (228,211) |
| Gain on Sale of Fixed Assets | 0 | 16,651 | 0 | 16,651 |
| Loss on Disposal of Fixed Assets | (5,745) | (915) | 0 | (6,660) |
| Total Non-Operating Revenues (Expenses) | <u>385,851</u> | <u>(16,128)</u> | <u>93,598</u> | <u>463,321</u> |
| Income (Loss) Before Operating Transfers | 1,050,190 | 277,841 | (74,154) | 1,253,877 |
| <u>Operating Transfers:</u> | | | | |
| Operating Transfers In | 0 | 50,000 | 0 | 50,000 |
| Operating Transfers Out | (50,000) | 0 | 0 | (50,000) |
| Total Operating Transfers | <u>(50,000)</u> | <u>50,000</u> | <u>0</u> | <u>0</u> |
| Net Income (Loss) | 1,000,190 | 327,841 | (74,154) | 1,253,877 |
| Retained Earnings/ | | | | |
| (Accumulated Deficit) at Beginning of Year | <u>2,321,738</u> | <u>(3,472,046)</u> | <u>1,184,619</u> | <u>34,311</u> |
| Retained Earnings/(Accumulated Deficit) at End of Year | <u>\$3,321,928</u> | <u>(\$3,144,205)</u> | <u>\$1,110,465</u> | <u>\$1,288,188</u> |

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

| | Water | Sewer | Sanitation | Total |
|--|---------------------------|-------------------------|-------------------------|---------------------------|
| <u>Cash Flows from Operating Activities:</u> | | | | |
| Cash Received from Customers | \$4,221,992 | \$2,182,205 | \$1,079,662 | \$7,483,859 |
| Cash Payments for Goods and Services | (1,267,311) | (618,387) | (456,225) | (2,341,923) |
| Cash Payments to Employees | (2,108,411) | (1,284,138) | (770,183) | (4,162,732) |
| Customer Deposits Received | 83,150 | 0 | 0 | 83,150 |
| Customer Deposits Refunded | (73,740) | 0 | 0 | (73,740) |
| Net Cash Provided (Used) by Operating Activities | <u>855,680</u> | <u>279,680</u> | <u>(146,746)</u> | <u>988,614</u> |
| <u>Cash Flows from Noncapital Financing Activities:</u> | | | | |
| Transfers In to Other Funds | 0 | 50,000 | 0 | 50,000 |
| Transfers Out to Other Funds | (50,000) | 0 | 0 | (50,000) |
| Proceeds from Intergovernmental Grants | 0 | 0 | 4,000 | 4,000 |
| Principal Paid on Ohio Public Works Commission Loan | 0 | (30,000) | 0 | (30,000) |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>(50,000)</u> | <u>20,000</u> | <u>4,000</u> | <u>(26,000)</u> |
| <u>Cash Flows from Capital and Related Financing Activities:</u> | | | | |
| Proceeds from Intergovernmental Grants | 483,527 | 0 | 90,000 | 573,527 |
| Acquisition and Construction of Assets | (1,021,490) | (1,129) | (47,857) | (1,070,476) |
| Principal Paid on General Obligation Note | (600,000) | 0 | 0 | (600,000) |
| Principal Paid on General Obligation Bond | (270,000) | 0 | 0 | (270,000) |
| Principal Paid on Mortgage Revenue Bond | (5,600) | 0 | 0 | (5,600) |
| Principal Paid on Ohio Public Works Commission Loan | 0 | 0 | (7,519) | (7,519) |
| Principal Paid on Ohio Water Development Authority Loan | 0 | (130,681) | 0 | (130,681) |
| Capital Lease Payment | (36,961) | 0 | 0 | (36,961) |
| Interest Paid on All Debt | (220,125) | (20,983) | (402) | (241,510) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(1,670,649)</u> | <u>(152,793)</u> | <u>34,222</u> | <u>(1,789,220)</u> |
| <u>Cash Flows from Investing Activities:</u> | | | | |
| Receipt of Interest | 12,533 | 0 | 0 | 12,533 |
| Sale of Investments | 600,000 | 0 | 0 | 600,000 |
| Net Cash Provided by Investing Activities | <u>612,533</u> | <u>0</u> | <u>0</u> | <u>612,533</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (252,436) | 146,887 | (108,524) | (214,073) |
| Cash and Cash Equivalents at Beginning of Year | <u>2,186,817</u> | <u>22,999</u> | <u>361,104</u> | <u>2,570,920</u> |
| Cash and Cash Equivalents at End of Year | <u><u>\$1,934,381</u></u> | <u><u>\$169,886</u></u> | <u><u>\$252,580</u></u> | <u><u>\$2,356,847</u></u> |
| <u>Reconciliation of Cash and Cash Equivalent per the Balance Sheet:</u> | | | | |
| Cash and Cash Equivalents | \$1,730,861 | \$169,886 | \$252,580 | \$2,153,327 |
| Restricted Cash and Cash Equivalents | 203,520 | 0 | 0 | 203,520 |
| Cash and Cash Equivalents at End of Year | <u><u>\$1,934,381</u></u> | <u><u>\$169,886</u></u> | <u><u>\$252,580</u></u> | <u><u>\$2,356,847</u></u> |

(Continued)

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

| | <u>Water</u> | <u>Sewer</u> | <u>Sanitation</u> | <u>Total</u> |
|--|------------------|------------------|--------------------|------------------|
| <u>Reconciliation of Operating Income (Loss) to Net Cash</u> | | | | |
| <u>Provided (Used) by Operating Activities:</u> | | | | |
| Operating Income (Loss) | \$664,339 | \$293,969 | (\$167,752) | \$790,556 |
| Adjustments to Reconcile Operating Income (Loss) to | | | | |
| Net Cash Provided (Used) by Operating Activities: | | | | |
| Depreciation Expense | 325,418 | 68,615 | 39,484 | 433,517 |
| Changes in Assets and Liabilities: | | | | |
| Increase in Accounts Receivable | (36,695) | (72,528) | (3,313) | (112,536) |
| (Increase) Decrease in Inventory | (76,403) | 4,812 | 23 | (71,568) |
| Increase in Prepaid Items | (2,380) | (2,274) | (7,304) | (11,958) |
| Decrease in Accounts Payable | (62,027) | (23,228) | (19,269) | (104,524) |
| Increase in Accrued Wages and Benefits | 24,198 | 11,690 | 8,567 | 44,455 |
| Increase in Customer Deposits | 9,410 | 0 | 0 | 9,410 |
| Increase (Decrease) in Compensated Absences | 9,820 | (1,376) | 2,818 | 11,262 |
| Total Adjustments | <u>191,341</u> | <u>(14,289)</u> | <u>21,006</u> | <u>198,058</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$855,680</u> | <u>\$279,680</u> | <u>(\$146,746)</u> | <u>\$988,614</u> |

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2002 the Water fund had outstanding liabilities of \$12,194 for certain capital assets.

During 2002, the Sewer Fund entered into a \$159,331 capital lease for a sewer vacor and received a \$50,000 trade-in allowance on an old sewer cleaner.

INTERNAL SERVICE FUNDS

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

Store Room Revolving Fund

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

Employees Insurance Account “B” Fund

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

THE CITY OF PORTSMOUTH, OHIO
COMBINING BALANCE SHEET
INTERNAL SERVICES FUNDS
DECEMBER 31, 2002

| | Store Room Revolving | Employee Insurance Account "B" | Total |
|-------------------------------------|-------------------------|--------------------------------------|----------|
| <u>Assets:</u> | | | |
| Cash and Cash Equivalents | \$10,341 | \$53,331 | \$63,672 |
| Total Assets | \$10,341 | \$53,331 | \$63,672 |
| <u>Liabilities and Fund Equity:</u> | | | |
| Liabilities: | | | |
| Accounts Payable | \$3,250 | \$0 | \$3,250 |
| Total Liabilities | 3,250 | 0 | 3,250 |
| Fund Equity: | | | |
| Retained Earnings: | | | |
| Unreserved | 7,091 | 53,331 | 60,422 |
| Total Fund Equity | 7,091 | 53,331 | 60,422 |
| Total Liabilities and Fund Equity | \$10,341 | \$53,331 | \$63,672 |

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICES FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

| | <u>Store Room Revolving</u> | <u>Employee Insurance Account "B"</u> | <u>Total</u> |
|--|---------------------------------|---|------------------------|
| <u>Operating Revenues:</u> | | | |
| Charges for Services | \$187 | \$8,600 | \$8,787 |
| Total Operating Revenues | <u>187</u> | <u>8,600</u> | <u>8,787</u> |
| <u>Operating Expenses:</u> | | | |
| Materials and Supplies | 3,250 | 0 | 3,250 |
| Contractual Services | <u>0</u> | <u>35</u> | <u>35</u> |
| Total Operating Expenses | <u>3,250</u> | <u>35</u> | <u>3,285</u> |
| Net Income (Loss) | (3,063) | 8,565 | 5,502 |
| Retained Earnings at Beginning of Year | <u>10,154</u> | <u>44,766</u> | <u>54,920</u> |
| Retained Earnings at End of Year | <u><u>\$7,091</u></u> | <u><u>\$53,331</u></u> | <u><u>\$60,422</u></u> |

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

| | <u>Store Room Revolving</u> | <u>Employee Insurance Account "B"</u> | <u>Total</u> |
|--|-------------------------------------|---|-----------------|
| <u>Cash Flows from Operating Activities:</u> | | | |
| Cash Received from Customers | \$10,358 | \$8,600 | \$18,958 |
| Cash Payments for Goods and Services | <u>(10,171)</u> | <u>(35)</u> | <u>(10,206)</u> |
| Net Cash Provided by Operating Activities | <u>187</u> | <u>8,565</u> | <u>8,752</u> |
| Net Increase in Cash and Cash Equivalents | 187 | 8,565 | 8,752 |
| Cash and Cash Equivalents at Beginning of Year | <u>10,154</u> | <u>44,766</u> | <u>54,920</u> |
| Cash and Cash Equivalents at End of Year | <u>\$10,341</u> | <u>\$53,331</u> | <u>\$63,672</u> |
| <u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u> | | | |
| Operating Income (Loss) | (\$3,063) | \$8,565 | \$5,502 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Changes in Assets and Liabilities: | | | |
| Increase in Accounts Payable | <u>3,250</u> | <u>0</u> | <u>3,250</u> |
| Total Adjustments | <u>3,250</u> | <u>0</u> | <u>3,250</u> |
| Net Cash Provided by Operating Activities | <u>\$187</u> | <u>\$8,565</u> | <u>\$8,752</u> |

FIDUCIARY FUND TYPES

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

EXPENDABLE TRUST FUNDS

Council Trust for Recreation Fund

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

Unclaimed Monies Fund

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

Playground Trust Fund

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

NONEXPENDABLE TRUST FUNDS

Cemetery Trust Fund

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

Mausoleum Trust Fund

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

(Continued)

FIDUCIARY FUND TYPES

AGENCY FUNDS

Performance Bonds Fund

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

Law Library Fund

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

Ohio Board of Building Standards Fund

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

Municipal Court Fund

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

Insurance Fund

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

THE CITY OF PORTSMOUTH, OHIO
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
DECEMBER 31, 2002

| | <i>Expendable Trust Funds</i> | | | <i>Nonexpendable Trust Funds</i> | |
|--|------------------------------------|---------------------|---------------------|--------------------------------------|--------------------|
| | Council Trust for Recreation | Unclaimed Monies | Playground Trust | Cemetery Trust | Mausoleum Trust |
| <u>Assets:</u> | | | | | |
| Cash and Cash Equivalents | \$157,452 | \$79,856 | \$6,730 | \$0 | \$0 |
| Receivables (net of allowance for doubtful accounts): | | | | | |
| Accounts | 0 | 0 | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 | 219 | 0 |
| Due from Other Funds | 0 | 0 | 0 | 0 | 0 |
| Prepaid Items | 128 | 0 | 0 | 0 | 0 |
| Restricted Assets: | | | | | |
| Cash and Cash Equivalents | 0 | 0 | 0 | 182,800 | 4,621 |
| Total Assets | <u>\$157,580</u> | <u>\$79,856</u> | <u>\$6,730</u> | <u>\$183,019</u> | <u>\$4,621</u> |
| <u>Liabilities and Fund Equity:</u> | | | | | |
| <u>Liabilities:</u> | | | | | |
| Accounts Payables | \$700 | \$0 | \$0 | \$0 | \$0 |
| Accrued Wages and Benefits | 887 | 0 | 0 | 0 | 0 |
| Due to Other Funds | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental Payables | 0 | 0 | 0 | 0 | 0 |
| Due to Others | 0 | 0 | 0 | 0 | 0 |
| Claimant Liability | 0 | 71,290 | 0 | 0 | 0 |
| Total Liabilities | <u>1,587</u> | <u>71,290</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>Fund Equity:</u> | | | | | |
| Reserved for Prepaid Items | 128 | 0 | 0 | 0 | 0 |
| Reserved for Endowments | 0 | 0 | 0 | 22,339 | 4,504 |
| Unreserved - Undesignated | 155,865 | 8,566 | 6,730 | 160,680 | 117 |
| Total Fund Equity | <u>155,993</u> | <u>8,566</u> | <u>6,730</u> | <u>183,019</u> | <u>4,621</u> |
| Total Liabilities and Fund Equity | <u>\$157,580</u> | <u>\$79,856</u> | <u>\$6,730</u> | <u>\$183,019</u> | <u>\$4,621</u> |

THE CITY OF PORTSMOUTH, OHIO
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
DECEMBER 31, 2002

| <i>Agency Funds</i> | | | | |
|----------------------|----------------|--|--------------------|-------------|
| Performance Bonds | Law Library | Ohio Board of Building Standards | Municipal Court | Totals |
| \$0 | \$0 | \$0 | \$0 | \$244,038 |
| 0 | 0 | 0 | 2,393,965 | 2,393,965 |
| 0 | 0 | 0 | 0 | 219 |
| 0 | 3,212 | 0 | 0 | 3,212 |
| 0 | 0 | 0 | 0 | 128 |
| 42,116 | 0 | 89 | 263,044 | 492,670 |
| \$42,116 | \$3,212 | \$89 | \$2,657,009 | \$3,134,232 |
| \$0 | \$0 | \$0 | \$0 | \$700 |
| 0 | 0 | 0 | 0 | 887 |
| 0 | 0 | 0 | 58,299 | 58,299 |
| 0 | 0 | 0 | 38,453 | 38,453 |
| 42,116 | 3,212 | 89 | 2,560,257 | 2,605,674 |
| 0 | 0 | 0 | 0 | 71,290 |
| 42,116 | 3,212 | 89 | 2,657,009 | 2,775,303 |
| 0 | 0 | 0 | 0 | 128 |
| 0 | 0 | 0 | 0 | 26,843 |
| 0 | 0 | 0 | 0 | 331,958 |
| 0 | 0 | 0 | 0 | 358,929 |
| \$42,116 | \$3,212 | \$89 | \$2,657,009 | \$3,134,232 |

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

| | Council Trust for Recreation | Unclaimed Monies | Playground Trust | Totals |
|--|------------------------------------|---------------------|---------------------|------------------|
| <u>Revenues:</u> | | | | |
| Charges for Services | \$33,864 | \$0 | \$0 | \$33,864 |
| Investment Earnings | 0 | 0 | 50 | 50 |
| All Other Revenues | 7,669 | 0 | 4,063 | 11,732 |
| Total Revenues | 41,533 | 0 | 4,113 | 45,646 |
| <u>Expenditures:</u> | | | | |
| Leisure Time Activities | 45,706 | 0 | 2,918 | 48,624 |
| General Government | 241,069 | 0 | 0 | 241,069 |
| Total Expenditures | 286,775 | 0 | 2,918 | 289,693 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (245,242) | 0 | 1,195 | (244,047) |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Operating Transfers In | 96,151 | 0 | 0 | 96,151 |
| Total Other Financing Sources (Uses) | 96,151 | 0 | 0 | 96,151 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (149,091) | 0 | 1,195 | (147,896) |
| Fund Balance at Beginning of Year | 305,084 | 8,566 | 5,535 | 319,185 |
| Fund Balance at End of Year | <u>\$155,993</u> | <u>\$8,566</u> | <u>\$6,730</u> | <u>\$171,289</u> |

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

| | <u>Cemetery Trust</u> | <u>Mausoleum Trust</u> | <u>Totals</u> |
|-----------------------------------|---------------------------|----------------------------|-------------------------|
| <u>Revenues:</u> | | | |
| Charges for Services | \$900 | \$0 | \$900 |
| Investment Earnings | <u>1,224</u> | <u>19</u> | <u>1,243</u> |
| Total Revenues | <u>2,124</u> | <u>19</u> | <u>2,143</u> |
| <u>Expenses:</u> | | | |
| Total Expenses | <u>0</u> | <u>0</u> | <u>0</u> |
| Operating Income | 2,124 | 19 | 2,143 |
| <u>Operating Transfers:</u> | | | |
| Operating Transfers Out | <u>(16,540)</u> | <u>0</u> | <u>(16,540)</u> |
| Total Operating Transfers | <u>(16,540)</u> | <u>0</u> | <u>(16,540)</u> |
| Net Income (Loss) | (14,416) | 19 | (14,397) |
| Fund Balance at Beginning of Year | <u>197,435</u> | <u>4,602</u> | <u>202,037</u> |
| Fund Balance at End of Year | <u><u>\$183,019</u></u> | <u><u>\$4,621</u></u> | <u><u>\$187,640</u></u> |

**THE CITY OF PORTSMOUTH, OHIO
 COMBINING STATEMENT OF CASH FLOWS
 NONEXPENDABLE TRUST FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2002**

| | Cemetery Trust | Mausoleum Trust | Total |
|---|-------------------|--------------------|------------------|
| <u>Cash Flows from Operating Activities:</u> | | | |
| Cash Received from Customers | \$900 | \$0 | \$900 |
| Net Cash Provided by Operating Activities | <u>900</u> | <u>0</u> | <u>900</u> |
| <u>Cash Flows from Noncapital Financing Activities:</u> | | | |
| Transfers In from Other Funds | 2,700 | 1,229 | 3,929 |
| Transfers Out to Other Funds | (16,540) | 0 | (16,540) |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>(13,840)</u> | <u>1,229</u> | <u>(12,611)</u> |
| <u>Cash Flows from Investing Activities:</u> | | | |
| Receipt of Interest | 1,005 | 19 | 1,024 |
| Net Cash Provided by Investing Activities | <u>1,005</u> | <u>19</u> | <u>1,024</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (11,935) | 1,248 | (10,687) |
| Cash and Cash Equivalents at Beginning of Year | 194,735 | 3,373 | 198,108 |
| Cash and Cash Equivalents at End of Year | <u>\$182,800</u> | <u>\$4,621</u> | <u>\$187,421</u> |
| <u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u> | | | |
| Operating Income | \$2,124 | \$19 | \$2,143 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | |
| Investment Earnings | (1,224) | (19) | (1,243) |
| Total Adjustments | <u>(1,224)</u> | <u>(19)</u> | <u>(1,243)</u> |
| Net Cash Provided by Operating Activities | <u>\$900</u> | <u>\$0</u> | <u>\$900</u> |

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

| | Balance December 31, 2001 | Additions | Deductions | Balance December 31, 2002 |
|--|---------------------------------|--------------------|----------------------|---------------------------------|
| <u>Performance Bonds Fund</u> | | | | |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | \$17,536 | \$38,580 | (\$14,000) | \$42,116 |
| Total Assets | <u>\$17,536</u> | <u>\$38,580</u> | <u>(\$14,000)</u> | <u>\$42,116</u> |
| Liabilities: | | | | |
| Due to Others | \$17,536 | \$38,580 | (\$14,000) | \$42,116 |
| Total Liabilities | <u>\$17,536</u> | <u>\$38,580</u> | <u>(\$14,000)</u> | <u>\$42,116</u> |
| <u>Law Library Fund</u> | | | | |
| Assets: | | | | |
| Due from Other Funds | \$2,865 | \$3,212 | (\$2,865) | \$3,212 |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | 0 | 47,007 | (47,007) | 0 |
| Total Assets | <u>\$2,865</u> | <u>\$50,219</u> | <u>(\$49,872)</u> | <u>\$3,212</u> |
| Liabilities: | | | | |
| Due to Others | \$2,865 | \$50,219 | (\$49,872) | \$3,212 |
| Total Liabilities | <u>\$2,865</u> | <u>\$50,219</u> | <u>(\$49,872)</u> | <u>\$3,212</u> |
| <u>Ohio Board of Building Standards Fund</u> | | | | |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | \$32 | \$760 | (\$703) | \$89 |
| Total Assets | <u>\$32</u> | <u>\$760</u> | <u>(\$703)</u> | <u>\$89</u> |
| Liabilities: | | | | |
| Due to Others | \$32 | \$760 | (\$703) | \$89 |
| Total Liabilities | <u>\$32</u> | <u>\$760</u> | <u>(\$703)</u> | <u>\$89</u> |
| <u>Municipal Court Fund</u> | | | | |
| Assets: | | | | |
| Accounts Receivable | \$2,453,993 | \$2,393,965 | (\$2,453,993) | \$2,393,965 |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | 144,205 | 2,309,454 | (2,190,615) | 263,044 |
| Total Assets | <u>\$2,598,198</u> | <u>\$4,703,419</u> | <u>(\$4,644,608)</u> | <u>\$2,657,009</u> |
| Liabilities: | | | | |
| Due to Other Funds | \$53,247 | \$744,637 | (\$739,585) | \$58,299 |
| Intergovernmental Payables | 35,800 | 473,966 | (471,313) | 38,453 |
| Due to Others | 2,509,151 | 3,484,816 | (3,433,710) | 2,560,257 |
| Total Liabilities | <u>\$2,598,198</u> | <u>\$4,703,419</u> | <u>(\$4,644,608)</u> | <u>\$2,657,009</u> |

(Continued)

THE CITY OF PORTSMOUTH, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

| | Balance December 31, 2001 | Additions | Deductions | Balance December 31, 2002 |
|--------------------------------------|---------------------------------|--------------------|----------------------|---------------------------------|
| <u>Insurance Fund</u> | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$0 | \$2,174,112 | (\$2,174,112) | \$0 |
| Total Assets | <u>\$0</u> | <u>\$2,174,112</u> | <u>(\$2,174,112)</u> | <u>\$0</u> |
| Liabilities: | | | | |
| Due to Others | \$0 | \$2,174,112 | (\$2,174,112) | \$0 |
| Total Liabilities | <u>\$0</u> | <u>\$2,174,112</u> | <u>(\$2,174,112)</u> | <u>\$0</u> |
| <u>Totals - All Agency Funds</u> | | | | |
| Assets: | | | | |
| Accounts Receivable | \$2,453,993 | \$2,393,965 | (\$2,453,993) | \$2,393,965 |
| Due from Other Funds | 2,865 | 3,212 | (2,865) | 3,212 |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | 161,773 | 4,569,913 | (4,426,437) | 305,249 |
| Total Assets | <u>\$2,618,631</u> | <u>\$6,967,090</u> | <u>(\$6,883,295)</u> | <u>\$2,702,426</u> |
| Liabilities: | | | | |
| Due to Other Funds | \$53,247 | \$744,637 | (\$739,585) | \$58,299 |
| Intergovernmental Payables | 35,800 | 473,966 | (471,313) | 38,453 |
| Due to Others | 2,529,584 | 5,748,487 | (5,672,397) | 2,605,674 |
| Total Liabilities | <u>\$2,618,631</u> | <u>\$6,967,090</u> | <u>(\$6,883,295)</u> | <u>\$2,702,426</u> |

GENERAL FIXED ASSETS ACCOUNT GROUP

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

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2002

General Fixed Assets

| | |
|----------------------------|----------------------------|
| Land | \$612,891 |
| Buildings and Improvements | 5,748,969 |
| Land Improvements | 1,931,564 |
| Machinery and Equipment | 6,865,720 |
| Total General Fixed Assets | <u><u>\$15,159,144</u></u> |

Investment in General Fixed Assets

| | |
|--|----------------------------|
| General Fund | \$289,065 |
| Special Revenue Funds | 1,009,298 |
| Capital Projects Fund | 13,399,211 |
| Expendable Trust Funds | 319,366 |
| Proprietary Funds | 94,742 |
| Internal Service Funds | 10,391 |
| Grants | 29,071 |
| Donated | 8,000 |
| Total Investment in General Fixed Assets | <u><u>\$15,159,144</u></u> |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY
DECEMBER 31, 2002

| Function and Activity | Land | Buildings and Improvements | Land Improvements | Machinery and Equipment | Totals |
|---|------------------|----------------------------------|----------------------|-------------------------------|---------------------|
| <u>General Government:</u> | | | | | |
| City Council | \$50,078 | \$67,344 | \$0 | \$31,256 | \$148,678 |
| Executive | 0 | 3,921,226 | 267,106 | 332,929 | 4,521,261 |
| Legal | 0 | 0 | 0 | 12,212 | 12,212 |
| Finance | 0 | 0 | 0 | 69,126 | 69,126 |
| Municipal Court | 0 | 0 | 0 | 305,432 | 305,432 |
| Income Tax | 0 | 0 | 0 | 42,892 | 42,892 |
| Engineering | 0 | 28,042 | 0 | 510,938 | 538,980 |
| Public Service | 0 | 36,426 | 314,560 | 220,145 | 571,131 |
| City Garage | 0 | 0 | 0 | 114,726 | 114,726 |
| Total | <u>50,078</u> | <u>4,053,038</u> | <u>581,666</u> | <u>1,639,656</u> | <u>6,324,438</u> |
| <u>Security of Persons and Property:</u> | | | | | |
| Police | 3,372 | 1,649 | 0 | 1,215,430 | 1,220,451 |
| Fire | 196,346 | 526,787 | 2,000 | 1,709,925 | 2,435,058 |
| Flood Defense | 0 | 5,425 | 367,578 | 119,444 | 492,447 |
| Total | <u>199,718</u> | <u>533,861</u> | <u>369,578</u> | <u>3,044,799</u> | <u>4,147,956</u> |
| <u>Transportation:</u> | | | | | |
| General Street Construction | <u>0</u> | <u>0</u> | <u>0</u> | <u>978,847</u> | <u>978,847</u> |
| <u>Public Health and Welfare:</u> | | | | | |
| Cemetery | 17,632 | 122,998 | 0 | 153,439 | 294,069 |
| Air Pollution | 0 | 12,174 | 0 | 395,289 | 407,463 |
| Health | 0 | 0 | 0 | 250,399 | 250,399 |
| Total | <u>17,632</u> | <u>135,172</u> | <u>0</u> | <u>799,127</u> | <u>951,931</u> |
| <u>Leisure Time Activities:</u> | | | | | |
| Recreation | <u>345,463</u> | <u>676,730</u> | <u>140,400</u> | <u>1,579</u> | <u>1,164,172</u> |
| <u>Community Environment:</u> | | | | | |
| Community Development | 0 | 0 | 798,941 | 24,902 | 823,843 |
| Grounds Maintenance | 0 | 350,168 | 40,979 | 376,810 | 767,957 |
| Total | <u>0</u> | <u>350,168</u> | <u>839,920</u> | <u>401,712</u> | <u>1,591,800</u> |
| Total General Fixed Assets | <u>\$612,891</u> | <u>\$5,748,969</u> | <u>\$1,931,564</u> | <u>\$6,865,720</u> | <u>\$15,159,144</u> |

THE CITY OF PORTSMOUTH, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2002

| <u>Function and Activity</u> | <u>December 31, 2001</u> | <u>Additions</u> | <u>Deletions</u> | <u>December 31, 2002</u> |
|---|------------------------------|--------------------|--------------------|------------------------------|
| <u>General Government:</u> | | | | |
| City Council | \$151,618 | \$0 | (\$2,940) | \$148,678 |
| Executive | 2,173,504 | 2,347,757 | 0 | 4,521,261 |
| Legal | 12,212 | 0 | 0 | 12,212 |
| Finance | 61,126 | 8,000 | 0 | 69,126 |
| Municipal Court | 302,554 | 2,878 | 0 | 305,432 |
| Income Tax | 42,858 | 1,053 | (1,019) | 42,892 |
| Engineering | 435,698 | 135,500 | (32,218) | 538,980 |
| Public Service | 556,095 | 15,036 | 0 | 571,131 |
| City Garage | 114,726 | 0 | 0 | 114,726 |
| Total | <u>3,850,391</u> | <u>2,510,224</u> | <u>(36,177)</u> | <u>6,324,438</u> |
| <u>Security of Persons and Property:</u> | | | | |
| Police | 1,392,281 | 129,765 | (301,595) | 1,220,451 |
| Fire | 2,425,947 | 9,111 | 0 | 2,435,058 |
| Flood Defense | 469,765 | 29,410 | (6,728) | 492,447 |
| Total | <u>4,287,993</u> | <u>168,286</u> | <u>(308,323)</u> | <u>4,147,956</u> |
| <u>Transportation:</u> | | | | |
| General Street Construction | 1,004,241 | 20,500 | (45,894) | 978,847 |
| <u>Public Health and Welfare:</u> | | | | |
| Cemetery | 286,671 | 7,398 | 0 | 294,069 |
| Air Pollution | 493,272 | 0 | (85,809) | 407,463 |
| Health | 263,043 | 14,975 | (27,619) | 250,399 |
| Total | <u>1,042,986</u> | <u>22,373</u> | <u>(113,428)</u> | <u>951,931</u> |
| <u>Leisure Time Activities:</u> | | | | |
| Recreation | 1,116,680 | 47,492 | 0 | 1,164,172 |
| <u>Community Environment:</u> | | | | |
| Community Development | 24,902 | 798,941 | 0 | 823,843 |
| Grounds Maintenance | 762,514 | 5,443 | 0 | 767,957 |
| Total | <u>787,416</u> | <u>804,384</u> | <u>0</u> | <u>1,591,800</u> |
| Total General Fixed Assets | <u>\$12,089,707</u> | <u>\$3,573,259</u> | <u>(\$503,822)</u> | <u>\$15,159,144</u> |

STATISTICAL SECTION

STATISTICAL TABLES

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

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

| Year | Security of Persons and Property | Public Health and Welfare Services | Leisure Time Activities | Community Environment | Trans- portation | General Government | Capital Outlay | Debt Service | Other Expenditures | Total |
|-------------|---|---|--|----------------------------------|-----------------------------|-------------------------------|---------------------------|-------------------------|-------------------------------|--------------|
| 1993 | \$4,953,160 | \$1,506,893 | \$32,896 | \$1,343,850 | \$750,653 | \$1,612,184 | \$160,789 | \$181,169 | \$44,380 | \$10,585,974 |
| 1994 | 5,129,491 | 1,550,378 | 35,155 | 906,211 | 766,076 | 1,705,419 | 248,111 | 142,324 | 35,789 | 10,518,954 |
| 1995 | 5,551,715 | 1,723,341 | 31,301 | 947,433 | 821,275 | 1,777,814 | 0 | 147,919 | 23,143 | 11,023,941 |
| 1996 | 5,500,828 | 2,002,293 | 26,000 | 407,838 | 956,992 | 1,712,984 | 18,727 | 354,522 | 376,515 | 11,356,699 |
| 1997 | 6,153,104 | 2,230,704 | 31,530 | 875,748 | 869,675 | 2,093,090 | 0 | 273,230 | 0 | 12,527,081 |
| 1998 | 5,582,700 | 2,131,045 | 31,894 | 620,186 | 1,272,074 | 2,381,353 | 0 | 149,219 | 0 | 12,168,471 |
| 1999 | 6,164,798 | 2,223,463 | 0 | 629,626 | 1,232,025 | 2,796,094 | 0 | 149,017 | 0 | 13,195,023 |
| 2000 | 5,757,590 | 2,373,333 | 0 | 1,367,040 | 1,300,667 | 3,216,901 | 0 | 310,877 | 0 | 14,326,408 |
| 2001 | 5,991,355 | 2,769,406 | 0 | 626,376 | 1,307,038 | 3,572,084 | 0 | 2,354,109 | 0 | 16,620,368 |
| 2002 | 6,423,187 | 2,708,280 | 0 | 695,134 | 1,417,750 | 3,434,883 | 0 | 297,478 | 0 | 14,976,712 |

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

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

| <u>Year</u> | <u>Taxes</u> | <u>Inter-Governmental Revenues</u> | <u>Charges for Services</u> | <u>Licenses and Permits</u> | <u>Investment Earnings</u> | <u>Special Assessments</u> | <u>Fines and Forfeitures</u> | <u>All Other</u> | <u>Total</u> |
|-------------|--------------|------------------------------------|-----------------------------|-----------------------------|----------------------------|----------------------------|------------------------------|------------------|--------------|
| 1993 | \$5,789,641 | \$3,735,129 | \$70,706 | \$469,353 | \$121,467 | \$0 | \$579,287 | \$214,955 | \$10,980,538 |
| 1994 | 5,336,650 | 3,576,812 | 204,923 | 158,172 | 258,449 | 142,673 | 708,961 | 230,979 | 10,617,619 |
| 1995 | 5,455,624 | 3,925,048 | 242,290 | 150,948 | 444,030 | 176,846 | 803,757 | 166,279 | 11,364,822 |
| 1996 | 6,523,779 | 3,020,356 | 646,521 | 369,651 | 243,060 | 153,023 | 526,276 | 74,512 | 11,557,178 |
| 1997 | 5,937,500 | 5,437,149 | 159,324 | 181,608 | 225,588 | 155,328 | 639,164 | 418,313 | 13,153,974 |
| 1998 | 6,278,109 | 5,193,377 | 311,426 | 135,488 | 348,187 | 153,762 | 759,546 | 980,986 | 14,160,881 |
| 1999 | 6,362,924 | 5,523,929 | 482,319 | 143,608 | 297,843 | 150,666 | 886,273 | 302,438 | 14,150,000 |
| 2000 | 6,527,317 | 6,276,285 | 447,215 | 115,686 | 616,196 | 154,473 | 919,845 | 378,961 | 15,435,978 |
| 2001 | 6,660,757 | 5,015,661 | 402,186 | 193,154 | 339,097 | 156,083 | 933,608 | 505,475 | 14,206,021 |
| 2002 | 6,836,768 | 5,593,175 | 471,528 | 177,004 | 136,409 | 154,864 | 917,757 | 374,085 | 14,661,590 |

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

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

| <u>Collection Year</u> | <u>Total Tax Levy</u> | <u>Current Tax Collections</u> | <u>Delinquent Tax Collections</u> | <u>Total Tax Collections</u> | <u>Percent of Total Tax Collections To Tax Levy</u> | <u>Accumulated Outstanding Delinquent Taxes</u> | <u>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</u> |
|------------------------|-----------------------|--------------------------------|-----------------------------------|------------------------------|---|---|---|
| 1993 | \$1,550,660 | \$1,231,188 | \$56,604 | \$1,287,792 | 83.05% | \$138,984 | 8.96% |
| 1994 | 1,591,789 | 1,267,021 | 64,375 | 1,331,396 | 83.64% | 143,747 | 9.03% |
| 1995 | 1,646,035 | 1,301,373 | 56,857 | 1,358,230 | 82.52% | 154,741 | 9.40% |
| 1996 | 1,672,774 | 1,242,636 | 88,206 | 1,330,842 | 79.56% | 184,250 | 11.01% |
| 1997 | 1,722,059 | 1,275,753 | 53,156 | 1,328,909 | 77.17% | 206,764 | 12.01% |
| 1998 | 1,752,294 | 1,267,799 | 65,714 | 1,333,513 | 76.10% | 209,353 | 11.95% |
| 1999 | 2,003,568 | 1,703,494 | 84,586 | 1,788,080 | 89.24% | 215,489 | 10.76% |
| 2000 | 1,495,334 | 1,229,187 | 66,651 | 1,295,838 | 86.66% | 113,661 | 7.60% |
| 2001 | 1,496,141 | 1,225,283 | 63,807 | 1,289,090 | 86.16% | 185,024 | 12.37% |
| 2002 | 2,165,793 | 1,816,732 | 93,992 | 1,910,724 | 88.22% | 134,105 | 6.19% |

Source: Scioto County Auditor

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

| <u>Year Paid</u> | <u>Amount</u> |
|------------------|---------------|
| 1993 | \$162,445 |
| 1994 | 166,956 |
| 1995 | 258,316 |
| 1996 | 268,551 |
| 1997 | 252,094 |
| 1998 | 286,439 |
| 1999 | 284,762 |
| 2000 | 253,013 |
| 2001 | 255,756 |
| 2002 | 271,385 |

Source: Scioto County Auditor

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

| Tax Year | Real Property | | Public Utility Personal | | Tangible Personal Property | | Total | | Assessed Value as a Percent of Actual Value |
|---------------------|----------------------|---------------|--------------------------------|---------------|-----------------------------------|---------------|-----------------|---------------|--|
| | Assessed | Actual | Assessed | Actual | Assessed | Actual | Assessed | Actual | |
| 1993 | \$130,246,900 | \$372,134,000 | \$21,834,250 | \$21,834,250 | \$19,746,437 | \$78,985,748 | \$171,827,587 | \$472,953,998 | 36.33% |
| 1994 | 130,247,500 | 372,135,714 | 22,617,210 | 22,617,210 | 19,508,895 | 78,035,580 | 172,373,605 | 472,788,504 | 36.46% |
| 1995 | 133,642,900 | 381,836,857 | 21,001,600 | 21,001,600 | 20,777,570 | 83,110,280 | 175,422,070 | 485,948,737 | 36.10% |
| 1996 | 133,504,450 | 381,441,286 | 20,350,420 | 20,350,420 | 21,938,600 | 87,754,400 | 175,793,470 | 489,546,106 | 35.91% |
| 1997 | 133,223,830 | 380,639,517 | 19,590,920 | 19,590,920 | 21,359,650 | 85,438,600 | 174,174,400 | 485,669,037 | 35.86% |
| 1998 | 149,596,150 | 427,417,570 | 20,887,470 | 20,887,470 | 22,480,710 | 89,922,840 | 192,964,330 | 538,227,880 | 35.85% |
| 1999 | 148,070,350 | 423,058,143 | 19,303,220 | 19,303,220 | 23,251,320 | 93,005,280 | 190,624,890 | 535,366,643 | 35.61% |
| 2000 | 148,177,780 | 423,365,086 | 19,557,500 | 19,557,500 | 22,747,690 | 90,990,760 | 190,482,970 | 533,913,346 | 35.68% |
| 2001 | 169,636,340 | 484,675,258 | 14,586,270 | 14,586,270 | 23,466,960 | 93,867,840 | 207,689,570 | 593,129,368 | 35.02% |
| 2002 | 169,259,180 | 483,597,657 | 14,562,350 | 41,606,714 | 22,426,530 | 89,706,120 | 206,248,060 | 614,910,491 | 33.54% |

Source: Scioto County Auditor

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

| Collection Year | City of Portsmouth | | | | | | Portsmouth School District | Scioto County Joint Vocational School District | Scioto County | Total |
|-----------------|--------------------|-------------------|-------------------|---------------------|--------------------|------------|----------------------------|--|---------------|-------|
| | General Fund | Bond Payment Fund | Fire Pension Fund | Police Pension Fund | Flood Defense Fund | Total City | | | | |
| 1993 | 8.15 | 2.60 | 0.30 | 0.30 | 1.00 | 12.35 | 34.32 | 4.63 | 7.68 | 58.98 |
| 1994 | 8.15 | 2.60 | 0.30 | 0.30 | 1.00 | 12.35 | 34.53 | 4.37 | 7.68 | 58.93 |
| 1995 | 8.15 | 2.60 | 0.30 | 0.30 | 1.00 | 12.35 | 34.53 | 5.37 | 7.98 | 60.23 |
| 1996 | 8.15 | 2.60 | 0.30 | 0.30 | 1.00 | 12.35 | 34.53 | 5.37 | 7.98 | 60.23 |
| 1997 | 8.15 | 2.60 | 0.30 | 0.30 | 1.00 | 12.35 | 34.53 | 5.37 | 7.98 | 60.23 |
| 1998 | 8.15 | 2.60 | 0.30 | 0.30 | 1.00 | 12.35 | 34.53 | 5.37 | 7.98 | 60.23 |
| 1999 | 8.15 | 2.50 | 0.30 | 0.30 | 1.00 | 12.25 | 34.53 | 5.37 | 7.98 | 60.13 |
| 2000 | 8.15 | 2.50 | 0.30 | 0.30 | 1.00 | 12.25 | 34.53 | 5.37 | 7.98 | 60.13 |
| 2001 | 8.15 | 2.50 | 0.30 | 0.30 | 1.00 | 12.25 | 34.53 | 5.37 | 7.98 | 60.13 |
| 2002 | 8.15 | 2.50 | 0.30 | 0.30 | 1.00 | 12.25 | 41.03 | 5.37 | 7.98 | 66.63 |

Source: Scioto County Auditor
Scioto County Treasurer

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

| Collection Year | Amount Billed | Amount Collected | Percent Collected |
|----------------------------|--------------------------|-----------------------------|------------------------------|
| 1993 | N/A | N/A | 0.00% |
| 1994 | \$148,270 | \$142,673 | 96.23% |
| 1995 | 392,794 | 160,493 | 40.86% |
| 1996 | 423,642 | 160,622 | 37.91% |
| 1997 | 475,990 | 181,440 | 38.12% |
| 1998 | 154,496 | 150,974 | 97.72% |
| 1999 | 168,238 | 180,069 | 107.03% |
| 2000 | 166,174 | 176,376 | 106.14% |
| 2001 | 171,829 | 148,062 | 86.17% |
| 2002 | 237,523 | 154,864 | 65.20% |

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

THE CITY OF PORTSMOUTH, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2002

| | Total Debt | Unvoted Debt |
|--|-------------------|---------------------|
| Net Assessed Valuation | \$206,248,060 | \$206,248,060 |
| Legal Debt Limitation (%) (1) | 10.50% | 5.50% |
| Legal Debt Limitation (\$) (1) | 21,656,046 | 11,343,643 |
| Applicable City Debt Outstanding (2) | 4,050,000 | 4,050,000 |
| Less: Applicable Debt Service Fund Amounts | (2,303,009) | (2,303,009) |
| Net Indebtedness Subject to Limitation | 1,746,991 | 1,746,991 |
| Legal Debt Margin | \$19,909,055 | \$9,596,652 |

(1) Direct Debt Limitation Based Upon Section 133, The Uniform Bond Act of the Ohio Revised Code

(2) City Debt Outstanding Includes Non Self-Supporting General Obligation Notes and Bonds Only
Enterprise Debt is Not Considered in the Computation of the Legal Debt Margin

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

| Year | Population (1) | Assessed Value (2) | Gross Bonded Debt (3) | Debt Service Funds Available | Net Bonded Debt | Ratio of Net Bonded Debt to Assessed Valuation | Net Bonded Debt Per Capita |
|-------------|-----------------------|---------------------------|------------------------------|-------------------------------------|------------------------|---|-----------------------------------|
| 1993 | 22,676 | \$171,827,587 | \$0 | \$328,161 | \$0 | 0.00% | \$0.00 |
| 1994 | 22,676 | 172,373,605 | 0 | 433,095 | 0 | 0.00% | 0.00 |
| 1995 | 22,676 | 175,422,070 | 0 | 698,595 | 0 | 0.00% | 0.00 |
| 1996 | 22,676 | 175,793,470 | 0 | 645,596 | 0 | 0.00% | 0.00 |
| 1997 | 22,676 | 174,174,400 | 0 | 778,312 | 0 | 0.00% | 0.00 |
| 1998 | 22,676 | 192,964,330 | 0 | 669,529 | 0 | 0.00% | 0.00 |
| 1999 | 22,676 | 190,624,890 | 0 | 1,158,517 | 0 | 0.00% | 0.00 |
| 2000 | 20,909 | 190,482,970 | 0 | 1,616,429 | 0 | 0.00% | 0.00 |
| 2001 | 20,909 | 207,689,570 | 2,090,000 | 2,108,332 | 0 | 0.00% | 0.00 |
| 2002 | 20,909 | 206,248,060 | 2,050,000 | 2,303,009 | 0 | 0.00% | 0.00 |

(1) Source: U.S. Bureau of Census, Federal 1990 Census (1993-1999) and Federal 2000 Census (2000-2002)

(2) Source: Scioto County Auditor

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

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

| <u>Year</u> | <u>Debt Principal</u> | <u>Debt Interest</u> | <u>Total Debt Service</u> | <u>Total General Governmental Expenditures</u> | <u>Ratio of Tax Debt Service to General Fund Expenditures</u> |
|-------------|---------------------------|--------------------------|-------------------------------|--|---|
| 1993 | \$0 | \$0 | \$0 | \$10,585,974 | 0.00% |
| 1994 | 0 | 0 | 0 | 10,518,954 | 0.00% |
| 1995 | 0 | 0 | 0 | 11,023,941 | 0.00% |
| 1996 | 0 | 0 | 0 | 11,356,699 | 0.00% |
| 1997 | 0 | 0 | 0 | 12,527,081 | 0.00% |
| 1998 | 0 | 0 | 0 | 12,168,471 | 0.00% |
| 1999 | 0 | 0 | 0 | 13,195,023 | 0.00% |
| 2000 | 0 | 0 | 0 | 14,326,408 | 0.00% |
| 2001 | 0 | 0 | 0 | 16,620,368 | 0.00% |
| 2002 | 40,000 | 107,608 | 147,608 | 14,976,712 | 0.99% |

THE CITY OF PORTSMOUTH, OHIO
COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
DECEMBER 31, 2002

| <u>Jurisdiction</u> | <u>Net Debt Outstanding</u> | <u>Percentage Applicable to City of Portsmouth</u> | <u>Amount Applicable to City of Portsmouth</u> |
|---------------------------------|---------------------------------|--|--|
| Direct | | | |
| City of Portsmouth | \$1,746,991 | 100.00% | \$1,746,991 |
| Overlapping Subdivisions | | | |
| Scioto County | 18,253,100 | 26.12% | 4,767,710 |
| Portsmouth City School District | 17,070,000 | 94.56% | 16,141,392 |
| | | Subtotal | 20,909,102 |
| | | Total | <u>\$22,656,093</u> |

Source: Scioto County Auditor

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

| <u>Year</u> | <u>Gross Revenues</u> | <u>Direct Operating Expenses (1)</u> | <u>Net Revenue Available For Debt Service</u> | <u>Debt Service Requirement</u> | <u>Coverage</u> |
|-------------|-----------------------|--------------------------------------|---|---------------------------------|-----------------|
| 1993 | \$2,662,472 | \$2,760,427 | (\$97,955) | \$237,080 | (0.41) |
| 1994 | 3,150,566 | 2,671,403 | 479,163 | 0 | N/A |
| 1995 | 3,089,897 | 3,227,120 | (137,223) | 0 | N/A |
| 1996 | 4,087,239 | 4,069,622 | 17,617 | 0 | N/A |
| 1997 | 3,366,141 | 2,917,188 | 448,953 | 0 | N/A |
| 1998 | 3,877,192 | 3,031,008 | 846,184 | 0 | N/A |
| 1999 | 4,418,882 | 3,131,048 | 1,287,834 | 0 | N/A |
| 2000 | 4,149,244 | 3,030,217 | 1,119,027 | 0 | N/A |
| 2001 | 4,095,407 | 3,209,930 | 885,477 | 0 | N/A |
| 2002 | 4,258,687 | 3,268,930 | 989,757 | 32,600 | 30.36 |

(1) Total expenses include operating expenses less depreciation

THE CITY OF PORTSMOUTH, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

| Year | City of Portsmouth Population (1) | Scioto County Population (1) | Unemployment Rate County Area (2) | School Enrollment (3) |
|-------------|--|---|--|----------------------------------|
| 1993 | 22,676 | 80,327 | 10.20% | 3,982 |
| 1994 | 22,676 | 80,327 | 9.40% | 3,996 |
| 1995 | 22,676 | 80,327 | 8.70% | 3,413 |
| 1996 | 22,676 | 80,327 | 9.70% | 3,285 |
| 1997 | 22,676 | 80,327 | 9.90% | 3,207 |
| 1998 | 22,676 | 80,327 | 9.50% | 3,081 |
| 1999 | 22,676 | 80,327 | 8.50% | 3,059 |
| 2000 | 20,909 | 79,195 | 8.80% | 2,918 |
| 2001 | 20,909 | 79,195 | 7.00% | 2,628 |
| 2002 | 20,909 | 79,195 | 7.80% | 2,587 |

Source: (1) U.S. Bureau of Census of Population - Federal 1990 Census (1993-1999) and Federal 2000 Census (2000-2002)
(2) Ohio Department of Job and Family Services
(3) Portsmouth City School District, Board of Education

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

| Year | Residential | | Commercial | |
|-------------|--------------------------|-------------------------|--------------------------|-------------------------|
| | Number of Permits | Property Value * | Number of Permits | Property Value * |
| 1993 | 247 | \$1,999,477 | 77 | \$6,202,966 |
| 1994 | 273 | 1,278,968 | 101 | 10,700,905 |
| 1995 | 775 | 1,411,631 | 46 | 3,610,304 |
| 1996 | 572 | 5,113,193 | 97 | 12,174,791 |
| 1997 | 550 | 6,772,679 | 148 | 11,468,737 |
| 1998 | 555 | 8,770,768 | 95 | 10,531,766 |
| 1999 | 597 | 1,689,196 | 72 | 15,358,210 |
| 2000 | 449 | 1,021,482 | 53 | 6,207,912 |
| 2001 | 408 | 4,029,613 | 133 | 4,812,500 |
| 2002 | 573 | 2,367,269 | 59 | 5,136,350 |

Source: City of Portsmouth Engineering Department - Building Division
 * Values are estimated cost of improvement or construction.

THE CITY OF PORTSMOUTH, OHIO
PRINCIPAL TAXPAYERS (PERSONAL PROPERTY TAX)
DECEMBER 31, 2002

| | <u>Taxpayer</u> | <u>Type of Business</u> | <u>2002 Assessed Valuation (Tax Duplicate)</u> | <u>Percentage of Total Assessed Valuation</u> |
|----|-------------------------------------|-------------------------|--|---|
| 1 | Oscos Industries Inc. | Manufacturing | \$3,087,930 | 13.77% |
| 2 | Mitchellace Inc. | Manufacturing | 1,178,960 | 5.26% |
| 3 | Oberling Ford Inc. | Automobile Sales | 1,010,280 | 4.50% |
| 4 | KSA Limited Partnership | Construction | 926,040 | 4.13% |
| 5 | Kroger Company | Grocery | 663,180 | 2.96% |
| 6 | Century Ohio Cable Television Corp. | Television Cable | 519,070 | 2.31% |
| 7 | B.P. AMOCO Corporation | Gasoline Distributor | 513,810 | 2.29% |
| 8 | Siemens Credit Corporation | Finance | 456,860 | 2.04% |
| 9 | Martings Brothers Company | Retail | 429,200 | 1.91% |
| 10 | COMDISCO Health Care Group, Inc. | Medical | 362,710 | 1.62% |
| | | Subtotal | <u>9,148,040</u> | <u>40.79%</u> |
| | | All Others | <u>13,278,490</u> | <u>59.21%</u> |
| | | Total | <u><u>\$22,426,530</u></u> | <u><u>100.00%</u></u> |

Source: Scioto County Auditor - Land and Buildings

THE CITY OF PORTSMOUTH, OHIO
PRINCIPAL TAXPAYERS (REAL PROPERTY AND PUBLIC UTILITY PERSONAL PROPERTY TAX)
DECEMBER 31, 2002

| | <u>Taxpayer</u> | <u>Type of Business</u> | <u>2002 Assessed Valuation (Tax Duplicate)</u> | <u>Percentage of Total Assessed Valuation</u> |
|----|------------------------------------|-------------------------|--|---|
| 1 | Ohio Power | Utility - Electric | \$7,868,280 | 4.28% |
| 2 | SOMC Title Holding Company | Medical Offices | 3,322,120 | 1.81% |
| 3 | Verizon North | Telecommunications | 3,033,670 | 1.65% |
| 4 | Neal and Vicky Hatcher | Real Estate | 2,036,570 | 1.11% |
| 5 | Norfolk & Southern Railway Company | Railway | 2,036,570 | 1.11% |
| 6 | Hillview Retirement | Retirement Community | 1,813,110 | 0.99% |
| 7 | Columbia Gas | Utility - Gas | 1,370,710 | 0.75% |
| 8 | Fifth Third Bank | Bank | 1,029,840 | 0.56% |
| 9 | Scioto Memorial Hospital | Hospital | 912,420 | 0.50% |
| 10 | City of Portsmouth | Government | 797,520 | 0.43% |
| | | Subtotal | 24,220,810 | 13.19% |
| | | All Others | 159,600,720 | 86.81% |
| | | Total | <u>\$183,821,530</u> | <u>100.00%</u> |

Source: Scioto County Auditor - Land and Buildings

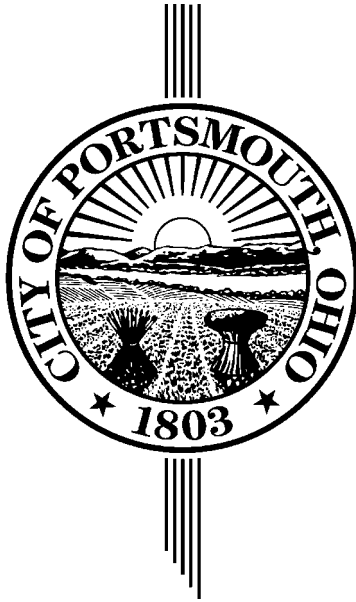
THE CITY OF PORTSMOUTH, OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 2002

| | <u>Employer</u> | <u>Type of Business</u> | <u>Number of Employees</u> |
|----|--------------------------------|----------------------------|----------------------------|
| 1 | Southern Ohio Medical Center | Health Care Services | 2,367 |
| 2 | Shawnee State University | Education | 1,371 |
| 3 | Scioto County | Government | 754 |
| 4 | State of Ohio | Government | 361 |
| 5 | Portsmouth City Schools | Education | 295 |
| 6 | City of Portsmouth | Government | 290 |
| 7 | Osco Industries | Manufacturing | 239 |
| 8 | Kroger | Retail Grocery | 220 |
| 9 | Community Action Organization | Government/Social Services | 215 |
| 10 | United States Enrichment Corp. | Uranium Enrichment Plant | 134 |

Source: City of Portsmouth Income Tax Division

THE CITY OF PORTSMOUTH, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2002

| | | | | | |
|--------------------------|---------------|---|-------|--|-------------|
| Date of Incorporation | 1815 | Police Services: | | Water System: | |
| Form of Government | Council/Mayor | Number of Stations | 1 | Number of Purification Plants | 1 |
| Area (square miles) | 12 | Number of Police Personnel and Officers | 44 | Number of Fire Hydrants | 865 |
| Facilities and Services: | | Number of Patrol Units | 35 | Number of Service Connections | 14,338 |
| Miles of Streets | 220 | Number of Law Violations: | | Average Daily Consumption (gallons) | 7 Million |
| Number of Street Lights | 1,488 | Criminal /Juvenile Citations and Charges | 1,896 | Maximum Daily Capacity of Plant (gallons) | 12 Million |
| Recreation and Culture: | | Traffic Citations Issued | 2,239 | Sewerage System: | |
| Number of Parks | 17 | Parking Tickets Written | 775 | Number of Treatment Plants | 2 |
| Park Area (acres) | 223 | Fire/Emergency Medical Services: | | Miles of Storm Sewers | 30 |
| Number of Ball Fields: | | Number of Stations | 3 | Number of Service Connections | 9,117 |
| Lighted | 4 | Number of Fire Officers and Firefighters/Paramedics: | | Average Daily Treatment (gallons) | 4 Million |
| Unlighted | 7 | Fire Personnel | 40 | Maximum Daily Capacity of Treatment (gallons) | 6.5 Million |
| Number of Tennis Courts: | | Fire Dispatchers - 911 | 8 | Education: | |
| Lighted | 4 | Number of Calls Answered | 738 | Elementary Schools | 4 |
| Unlighted | 7 | Number of Inspections | 172 | Elementary Students | 1,373 |
| Number of Libraries | 1 | Number of Investigations | 17 | Secondary Schools | 3 |
| Number of Hospitals | 1 | Cemeteries | | Secondary School Students | 1,214 |
| Number of Patient Beds | 421 | Number of Cemeteries | 1 | Elementary/Secondary School Instructors | 204 |
| Number of Bassinets | 23 | Cemetery Area (acres) | 40 | Colleges | 1 |
| | | | | College Students | 3,606 |





**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

CITY OF PORTSMOUTH

SCIOTO COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 13, 2003**