

City of Portsmouth

Scioto County, Ohio

Single Audit

January 1, 2005 through December 31, 2005

Fiscal Year Audited Under GAGAS: 2005

**BALESTRA, HARR & SCHERER, CPAs, Inc.**

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

TELEPHONE (740) 289-4131

FAX (740) 289-3639

[www.bhscpas.com](http://www.bhscpas.com)





**Auditor of State  
Betty Montgomery**

Members of City Council and Mayor  
City of Portsmouth  
728 Second Street  
Portsmouth, Ohio 45662

We have reviewed the *Independent Auditor's Report* of the City of Portsmouth, Scioto County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2005 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

August 30, 2006

**This Page is Intentionally Left Blank.**

**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Schedule of Federal Awards Expenditures .....	1
Notes to the Schedule of Federal Awards Expenditures .....	2
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	3
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	5
Schedule of Findings and Questioned Costs - <i>OMB Circular A-133 §.505</i> .....	7
Schedule of Prior Audit Findings – <i>OMB Circular A-133 § .315(b)</i> .....	12
Corrective Action Plan - <i>OMB Circular A-133 §.315(c)</i> .....	13

CITY OF PORTSMOUTH  
SCIOTO COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR YEAR ENDED DECEMBER 31, 2005

Federal Grantor / Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
<i>Passed through Ohio Department of Development</i>			
Community Development Block Grants/State's Program	A-F-03-067-1	14.228	\$ 45,307
Total U.S. Department of Housing and Urban Development			<u>45,307</u>
<b><u>APPALACHIAN REGIONAL COMMISSION</u></b>			
<i>Passed through Ohio Department of Development</i>			
Appalachian Rgional Research, Technical Assistance, and Demonstration Projects	N/A	23.011	2,400
Total Appalachian Regional Commission			<u>2,400</u>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
<i>Passed through Office of Criminal Justice</i>			
Local Law Enforcement Block Grant Program	SH-WX-0121 LB-BX-2500	16.592 16.592	22,905 7,975
Total Local Law Enforcement Block Grant Program			<u>30,880</u>
Total U.S. Department of Justice			<u>30,880</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
<i>Passed through Ohio Department of Public Safety</i>			
State and Community Highway Safety Grant	2003-J8C-J/6	20.600	4,657
Total U.S. Department of Transportation			<u>4,657</u>
<b><u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u></b>			
<i>Passed through Ohio Environmental Protection Agency</i>			
Air Pollution Control Program Support	N/A	66.001	145,554
Total U.S. Environmental Protection Agency			<u>145,554</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<i>Passed through Ohio Department of Health</i>			
Center for Disease Control and Prevention Investigations and Technical Assistance	73-2-001-2-BI	93.283	198,672
HIV Prevention Activities Health Department Based	73-2-001-CF	93.940	530,455
Preventive Health Services - Sexually Transmitted Diseases Control Grant	73-2-001-2-BX	93.977	30,000
Preventive Health and Health Services Block Grant	73-2-001-2-EE	93.991	34,905
Maternal and Child Health Services Block Grant	73-2-001-1-MC	93.994	185,095
Family Planning Services	73-2-001-1-XX	93.217	104,935
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	H76HA04400AO	93.918	221,921
<i>Passed through Ross County Health District</i>			
Community Based Abstinence Education	N/A	93.010	125,224
Total U.S. Department of Health and Human Services			<u>1,431,207</u>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>			
<i>Passed through Ohio Emergency Management Agency</i>			
Public Assistance Grants	1453-DR-145-64304	97.036	9,916
Total U.S. Department of Homeland Security			<u>9,916</u>
<b>Total Federal Awards Expenditures</b>			<u>\$ 1,669,921</u>
N/A - Pass through entity number could not be located			

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

**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**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, 2005, the gross amount of loans outstanding under this program was \$325,913.

**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.

**BALESTRA, HARR & SCHERER, CPAs, INC.**

528 South West Street, P.O. Box 687  
Piketon, Ohio 45661

---

Telephone (740) 289-4131  
Fax (740) 289-3639  
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

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

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

To the members of City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, Scioto County, Ohio (“the City”), as of and for the year ended December 31, 2005, which collectively comprise the City’s basic financial statements and have issued our report thereon dated June 28, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the City’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City’s ability to initiate, record, process, 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 and Questioned Costs as item 2005-003.

A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We do not consider item 2005-003 listed above to be a material weakness.



City of Portsmouth  
Scioto County

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

Page 2

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2005-001 through 2005-002.

We also noted certain additional matters that we reported to the management of the City in a separate letter dated June 28, 2006.

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



Balestra, Harr & Scherer, CPAs, Inc.  
June 28, 2006

# BALESTRA, HARR & SCHERER, CPAs, INC.

528 South West Street, P.O. Box 687  
Piketon, Ohio 45661

---

Telephone (740) 289-4131  
Fax (740) 289-3639  
www.harscherer.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

## **Report on Compliance with Requirements Applicable to Each Major Program and on 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 City 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, 2005. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. 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 with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City'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 of the City's compliance with those requirements.

As described in item 2005-004 in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding reporting that are applicable to its Maternal and Child Health Services Block Grant. Compliance with such requirement 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, 2005.

City of Portsmouth

Scioto County

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

Page 2

### **Internal Control Over Compliance**

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could 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 the 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 the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2005-004.

A material weakness is a reportable 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 the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud 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 consider the reportable condition described above to be a material weakness.

### **Schedule of Federal Awards Expenditures**

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City as of and for the year ended December 31, 2005, and have issued our report thereon dated June 28, 2006 in which we indicated the City implemented GASB Statement No. 40. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, it is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Balestra, Harr & Scherer, CPAs, Inc.  
June 28, 2006

**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 § .505  
FOR THE YEAR ENDED DECEMBER 31, 2005**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
----------------------------------------

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	Yes
<i>(d)(1)(iii)</i>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	Yes
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	Yes
<i>(d)(1)(iv)</i>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified for HIV Prevention Activities Health Department Based (CFDA #93.940) & Grants to provide Outpatient Early Intervention Services with Respect to HIV Disease (CFDA #93.918)  Qualified for Maternal and Child Health Services Block Grant (CFDA #93.994)
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	Yes
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	HIV Prevention Activities Health Department Based – CFDA #93.940  Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease – CFDA #93.918  Maternal and Child Health Services Block Grant – CFDA #93.994
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	No

**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

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

**FOR THE YEAR ENDED DECEMBER 31, 2005  
(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
-------------------------------------------------------------------------------------------------------------

**FINDING NUMBER 2005-001**

**Noncompliance Citation**

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

However, the General Fund had original appropriations in excess of total original estimated resources.

**FINDING NUMBER 2005-002**

**Noncompliance Citation**

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

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

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

Amounts of less than \$100 for counties, or less than \$3,000 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.

Numerous expenditures tested were not properly certified.

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

**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

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

**FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
-------------------------------------------------------------------------------------------------------------------------

**FINDING NUMBER 2005-003**

**Reportable Condition**

Estimated receipts and appropriations should be posted to the accounting system so that they reflect Council approved amounts per the Appropriation Ordinance and the City Auditor's Certificate of Estimated Resources.

We noted several discrepancies between the approved amounts and the amounts entered into the system for various funds tested. This could result in misstatement in the City's budgetary statements and lead to inaccurate financial decisions made by City Council and management.

We recommend the City Auditor post appropriations to reflect the appropriations approved by the City Council in an accurate and timely manner and the City Auditor ensure all estimated receipts posted to the system reflect the amounts on the Certificate of Estimated Resources.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
------------------------------------------------------------

<b>Finding Number</b>	2005-004
<b>CFDA Title and Number</b>	Maternal and Child Health Service Block Grant – CFDA #93.994
<b>Federal Award Number</b>	73-2-001-A1
<b>Federal Agency</b>	United States Department of Health and Human Services
<b>Pass-Through Agency</b>	Ohio Department of Health

**Noncompliance/Material Weakness - Reporting**

There are no financial reporting requirements from the local level to the Federal government. Financial reporting at the local level is directly to Ohio Department of Health (ODH) through periodic Certified Expenditure Reports and an Annual Reconciliation Expenditure Report.

- The expenditure reports are to be submitted quarterly unless the sub grantee is directed otherwise in the RFP or Notice of Award.
- The information in the expenditure reports must correspond with the sub grantee's accounting records and supporting documentation.

**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

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

**FOR THE YEAR ENDED DECEMBER 31, 2004  
(Continued)**

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)</b>
------------------------------------------------------------------------

<b>Finding Number</b>	2005-004 (Continued)
<b>CFDA Title and Number</b>	Maternal and Child Health Service Block Grant – CFDA #93.994
<b>Federal Award Number</b>	73-2-001-A1
<b>Federal Agency</b>	United States Department of Health and Human Services
<b>Pass-Through Agency</b>	Ohio Department of Health

- Reports of project expenditures and revenues must be on the same accounting basis (i.e., cash or accrued expenditure) as the agency's accounting system. The accounting basis used can not be changed without ODH approval.
- The periodic expenditure report must be submitted in duplicate to the ODH Grants Administration Unit within fifteen (15) calendar days following the end of the reporting period.
- The annual expenditure report must be submitted in duplicate forty-five (45) calendar days following the end of the grant year to the ODH Grants Administration Unit. (ODH GAPP Manual section 505.1, and 505 introduction)

The Certified Expenditure Reports include financial information pertaining to the program (including: current period and year to date expenditures, outstanding obligations, grant and program income receipts for the period and year to date, available cash balance, and other financial information).

The fourth quarterly (or last periodic) Certified Expenditure Report will be considered an interim final expenditure report. If the final Annual Reconciliation Expenditure Report is not received within 45 calendar days after the end of the grant year, the fourth quarterly Certified Expenditure Report will be considered as the final. (ODH GAPP Manual section 506.3)

Both the City's quarterly and the final expenditure reports did not tie to the City's accounting ledgers or the spreadsheets maintained by the Health Department. Although the City tracks all CFHS program expenditures in account 252.443, the expenditures in that account are not just federal expenditures required to be reported to the State of Ohio. It also includes expenditures from program income, Medicaid revenue, and donations received from the women's clinic. With these expenditures included in that account, the health department had no way to identify specific expenditures that were federal. Due to this, the health department had to estimate its expenditures on their quarterly and final expenditure reports. However, the Health Department did not use a consistent manner when estimating the expenditures so the amounts reported could not be substantiated. We noted several line item expenditures in the final and quarterly reports submitted which did not agree to the City's accounting records.

**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

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

**FOR THE YEAR ENDED DECEMBER 31, 2004**

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)</b>
------------------------------------------------------------------------

<b>Finding Number</b>	2005-004 (Continued)
<b>CFDA Title and Number</b>	Maternal and Child Health Service Block Grant – CFDA #93.994
<b>Federal Award Number</b>	73-2-001-A1
<b>Federal Agency</b>	United States Department of Health and Human Services
<b>Pass-Through Agency</b>	Ohio Department of Health

Without proper support of expenditures reported to the State of Ohio, there is an increased risk of questioned costs. In order to eliminate the incorrect reporting of federal expenditures, the expenditures should be tracked in a manner that allows one to easily identify them as a federal program expenditure. One should also be able to identify which grant period the monies are being charged against. However, the City has commingled its federal, state, and program income from the Child and Family Health Services (CFHS) Program into one fund on the City's ledgers. Due to this, it is difficult to identify which expenditures are federal. It is also difficult to determine which grant year the expenditure pertains to. Without separate identification of federal expenditures, difficulty arises in determining which expenditures are subject to federal guidelines.

We recommend the City begin tracking the federal portion of the CFHS grant in a separate fund to allow for proper tracking of expenditures. This will allow for better monitoring of expenditures and the cash balances. We also recommend the City's Health Department begin reporting to the State those expenditures supported by the City's accounting records. If an estimate must be made, we recommend documenting the method in which the estimate is calculated and consistently applying that estimate for all expenditures reported.



**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A-133 § .315 (b)  
FOR THE YEAR ENDED DECEMBER 31, 2005**

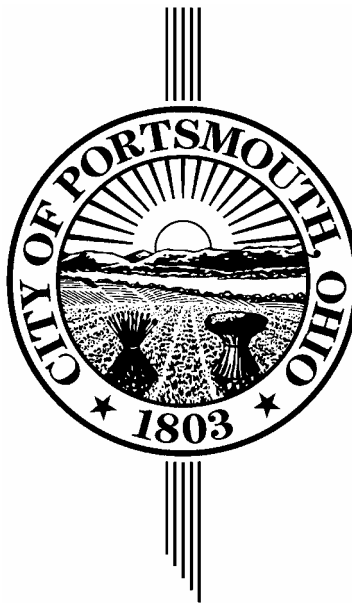
Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2004-001	Noncompliance of Ohio Rev. Code Section 5705.38, 5705.40 & 5705.42	Yes	
2004-002	Noncompliance of Ohio Rev. Code Section 5705.39	No	Not corrected. Repeated as Finding Number 2005-001
2004-003	Noncompliance of Ohio Rev. Code Section 5705.41 (B)	No	Partially corrected. Included in Management Letter.
2004-004	Noncompliance of Ohio Rev. Code Section 5705.41 (D) (1)	No	Not corrected. Repeated as Finding Number 2005 - 002
2004-005	Material Weakness – Monitoring of Municipal Court receivables and collection	Yes	
2004-006	Reportable Condition - Several discrepancies between the approved estimated receipts and appropriations and the amounts entered into the	No	Not corrected. Repeated as Finding Number 2005 -003
2004-007	Noncompliance Citation/Material Weakness for Maternal and Child Health Service Block Grant – Reporting	No	Not corrected. Repeated as Finding Number 2005 - 004
2004-008	Noncompliance Citation for Community Development Block Grants/State Program – Cash Management	No	Not corrected.

**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

**CORRECTIVE ACTION PLAN  
OMB CIRCULAR A-133 § .315 (c)  
FOR THE YEAR ENDED DECEMBER 31, 2005**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person(s)
2005-001	The Auditor certifies projected revenues to the Mayor and City Council before the budget is approved. The Auditor will continue to recommend that appropriations approved not exceed estimated revenues.	December 31, 2006	City Auditor
2005-002	Purchasing policies are in place through the City's Account Code Systems Manual. The City utilizes "Confirming" purchase orders that function essentially as "Then and Now" certificates. The Auditor has issued policy memoranda regarding City purchasing practices and will follow up with purchasing personnel through monitoring and training.	December 31, 2006	City Auditor
2005-003	As the City's system does not allow its reports to reflect both original and updated revenue, the City opted to reflect only the original budgeted revenue for use in comparison of projected revenue to actual. For 2006, the City will update its system to coincide with current estimated resources as necessary. Any under or over appropriated funds are reconciled at year-end through ordinance in December.	December 31, 2006	City Auditor
2005-004	A new spreadsheet is being designed to color code those expenses which are federal share, state share and other funds. A separate expense line will be established for the other fund distribution of expenses.	December 31, 2006	Health Commissioner

*Scioto County, Ohio*



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2005



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2005**

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. Buffington**  
Finance Clerk I

***Income Tax Department:***

**John F. Queen**  
Tax Commissioner

**David A. Lester**  
Deputy Tax Commissioner

**Emily E. Conley**  
Finance Clerk I



TABLE OF CONTENTS

CITY OF PORTSMOUTH  
SCIOTO COUNTY, OHIO

---

**I** INTRODUCTORY SECTION

**A** Letter of Transmittal .....v  
**B** List of Principal Officials .....xv  
**C** City Organizational Chart .....xvi  
**D** Certificate of Achievement for Excellence in Financial Reporting.....xvii

**II** FINANCIAL SECTION

**A** Independent Auditor’s Report.....1  
**B** Management’s Discussion and Analysis.....3  
**C** Basic Financial Statements:  
    Government-wide Financial Statements:  
        Statement of Net Assets .....13  
        Statement of Activities .....14  
    Fund Financial Statements:  
        *Governmental Funds:*  
            Balance Sheet .....16  
            Reconciliation of Total Governmental Fund Balances to Net Assets of  
            Governmental Activities .....17  
            Statement of Revenues, Expenditures and Changes in Fund Balances .....18  
            Reconciliation of the Statement of Revenues, Expenditures and Changes  
            in Fund Balances of Governmental Funds to the Statement of Activities .....19  
            Statement of Revenues, Expenditures and Changes in Fund Balance -  
            Budget and Actual (Non-GAAP Budgetary Basis)  
                General Fund .....20  
        *Proprietary Funds:*  
            Statement of Net Assets .....21  
            Statement of Revenues, Expenses and Changes in Fund Net Assets .....22  
            Statement of Cash Flows .....23  
        *Fiduciary Funds:*  
            Statement of Net Assets .....25  
            Statement of Changes in Net Assets .....26  
Notes to the Basic Financial Statements .....27

**D Combining and Individual Fund Statements and Schedules:**

Nonmajor Governmental Financial Statements:

Combining Balance Sheet.....	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	61
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	68
Combining Balance Sheet – Nonmajor Permanent Funds.....	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Permanent Funds.....	75

Individual Schedules of Revenues, Expenditures and Changes  
in Fund Balance (Budget and Actual):

Major Governmental Funds:

<i>General Fund</i> .....	76
<i>Debt Service Fund:</i>	
General Obligation Bond Retirement Fund.....	80
<i>Capital Projects Funds:</i>	
Capital Improvement Fund.....	81

Nonmajor Governmental Funds:

*Special Revenue Funds:*

Municipal Court Grants Fund.....	82
Municipal Court Special Projects Fund.....	83
Municipal Court Probation Services Fund.....	84
Municipal Court Programs Fund.....	85
Municipal Court Computer Fund.....	86
Fire Pension Fund.....	87
Police Pension Fund.....	88
D.A.R.E. State Grant Fund.....	89
Local Law Block Grant Fund.....	90
Community Oriented Policing Services (COPS) Fast Grant Fund.....	91
Indigent Drivers Alcohol Treatment Fund.....	92



Nonmajor Governmental Funds: (Continued)

Enforcement and Education Fund .....	93
Mandatory Fines Fund.....	94
Law Enforcement Fund .....	95
Street Construction, Maintenance and Repair Fund .....	96
State Highway Improvement Fund.....	97
Environmental State Grants Fund .....	98
Community Development Fund .....	99
Tourism and Cultural Development Fund.....	100
Abstinence Education Fund.....	101
State Grant Health Fund .....	102
Rural AIDS State Grant Fund.....	104
Wellness Block Grant Fund.....	105
Family Planning Fund .....	106
Federal Emergency Management Agency (FEMA) Grant Fund.....	107
Regional HIV Prevention Fund .....	108
Ryan White Title III Fund .....	109
Flood Defense Fund .....	110
Council Trust for Recreation Fund.....	111
Playground Trust Fund .....	112
<i>Permanent Funds:</i>	
Cemetery Trust Fund.....	113
Mausoleum Trust Fund .....	114
<i>Internal Service Funds:</i>	
Statement of Net Assets.....	116
Statement of Revenues, Expenses and Changes in Fund Net Assets.....	117
Statement of Cash Flows .....	118
<i>Fiduciary Funds – Agency Funds:</i>	
Combining Statement of Changes in Assets and Liabilities.....	120
<i>Capital Assets Used in the Operation of Governmental Funds:</i>	
Schedule by Source.....	123
Schedule by Function and Activity.....	124
Schedule of Changes by Function and Activity.....	126

**III**

**STATISTICAL SECTION**

General Governmental Expenditures by Function - Last Ten Years ..... S 2

General Governmental Revenues by Source - Last Ten Years..... S 3

Property Tax Levies and Collections - Last Ten Years ..... S 4

Assessed Valuations and Estimated True Values of Taxable Property - Last Ten  
Years ..... S 5

Property Tax Rates - Direct and Overlapping Governments - Last Ten Years ..... S 6

Special Assessment Billings and Collections - Last Ten Years ..... S 7

Computation of Legal Debt Margin ..... S 8

Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General  
Obligation Bonded Debt Per Capita - Last Ten Years..... S 9

Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt  
to Total General Governmental Expenditures - Last Ten Years..... S 10

Computation of All Direct and Overlapping Governmental Debt..... S 11

Revenue Bond Coverage - Water Mortgage Bonds - Last Ten Years ..... S 12

Demographic Statistics - Last Ten Years ..... S 13

Property Value and Construction Permits - Last Ten Years..... S 14

Principal Taxpayers (Personal Property Tax) ..... S 15

Principal Taxpayers (Real Property and Public Utility Personal Property Tax) ..... S 16

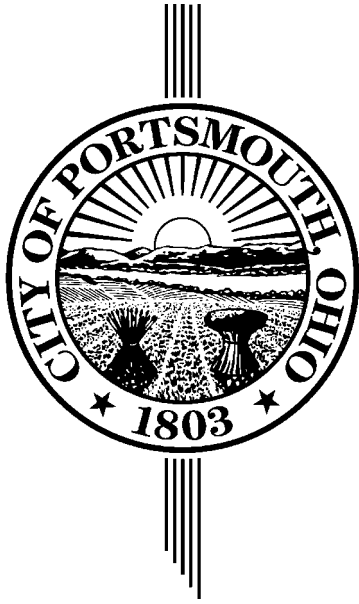
Principal Employers ..... S 17

Miscellaneous Statistics..... S 18

## *INTRODUCTORY SECTION*

---

---



# The City of Portsmouth

*"Where the Ohio and Scioto Meet"*

## Department of Finance

Municipal Building, Room 3

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

Phone (740) 354-7751 – Fax (740) 354-7751

Web: [www.ci.portsmouth.oh.us](http://www.ci.portsmouth.oh.us) – Email: [cityauditor@mail.com](mailto:cityauditor@mail.com)



State of Ohio

*M. Trent Williams, City Auditor*

June 28, 2006

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

As City Auditor, it is my pleasure to present the tenth Comprehensive Annual Financial Report (CAFR) of the City of Portsmouth, Ohio for the fiscal year ended December 31, 2005. This report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

### INTRODUCTION

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

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

### 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 which presents the City's organization, operational structure and accomplishments; an organizational chart; a list of elected officials; and the GFOA Certificate of Achievement.
2. *The Financial Section* contains the Independent Auditor's Report, Management's Discussion and Analysis, basic financial statements and notes that provide an overview of the City's financial position and operating results, the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.
3. *The Statistical Section* presents social, economic and historical data in a multi-year format useful in identifying financial trends and data relative to the fiscal capacity of the City.

## ***CITY OF PORTSMOUTH, OHIO***

---

### ***Letter of Transmittal***

***For the Year Ended December 31, 2005***

---

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

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

### **Historical Information**

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

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

### **Location**

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

***Letter of Transmittal  
For the Year Ended December 31, 2005***

---

**Form of Government**

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

**ECONOMIC CONDITION AND OUTLOOK**

**Business and Industry**

Among the principal products and services provided by Portsmouth area businesses are shoelaces, castings, concrete products, and health services. Portsmouth is served by one daily and two weekly newspapers and by three local radio stations. Cable television is available, offering education and community access channels in addition to entertainment channels. Financial services are provided to the city by six banks and two credit unions. A complete range of medical services is provided to the Portsmouth area by the Southern Ohio Medical Center (SOMC). The Medical Center recently completed and opened a new wing at Scioto Memorial Hospital. The new addition houses an expanded, well equipped, emergency room and trauma center as well as a new intensive care unit and maternity facility. Several new physician office buildings and service facilities have been erected on the Scioto Memorial Campus and East Campus. SOMC has expanded its Mercy Hospital Campus with the addition of a new Dialysis Center and a new Cancer Center and offers alternatives to its Mercy LIFE Center fitness and rehabilitation location with similar facilities recently constructed outside the city. SOMC recently unveiled its 10 year plan that promises to be a tremendous benefit in meeting the health care needs of the Southern Ohio region.

***Letter of Transmittal  
For the Year Ended December 31, 2005***

---

**Unemployment Rates**

Data obtained from the State of Ohio Department of Jobs and Family Services indicates that the percentage of unemployment for Portsmouth and Scioto County averaged 8.8% for the 2005 calendar year, which is substantially above the state average of 5.9% and the national average of 5.1%. While the unemployment number is high in comparison to the state and national average, it is 0.2% lower than the 9.0% rate recorded in 2004. The state of the local economy has been improving and local initiatives are serving to promote a renewed spirit of pride in the community.

**Utilities**

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

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

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 14,140 customers both within the City and in some areas of Scioto County. The City filtration plant has the capacity to produce 12 million gallons of treated water daily and is currently producing six to seven million gallons of water per day. There are approximately 25 million gallons of water stored in reservoirs and tanks located in and around the City.

Serving 8,580 connections are two separate facilities for wastewater treatment. The main plant located in Portsmouth has the capacity to treat ten million gallons daily and is currently treating approximately five million gallons daily. A small plant is located in Sciotoville. The City is currently collecting and treating sewage for Portsmouth, New Boston Village and the Rosemount area located in Clay Township.

Solid waste collection and disposal is operated by the City of Portsmouth providing service to approximately 7,700 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.



## ***CITY OF PORTSMOUTH, OHIO***

---

### ***Letter of Transmittal***

***For the Year Ended December 31, 2005***

---

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

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

Portsmouth is ideally located on the Ohio and Scioto Rivers for all types of water related activities, including fishing, boating and water skiing. There are camping facilities along the river which are usually filled to capacity during the summer months. These facilities are owned and operated by the City. 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 2,510 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. Construction is now complete and will open to all students for the 2006-2007 school year.

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.

## ***CITY OF PORTSMOUTH, OHIO***

---

### ***Letter of Transmittal***

***For the Year Ended December 31, 2005***

---

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. Six 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 2005 was the completion of the widening of US Route 23, also known as the Scioto Trail. The widening of this major artery through the heart of Portsmouth also included the complete replacement of all 10" and 12' waterlines along this route as well as new street lighting and tying in all new service connections with cross streets between Kinneys Lane to the south and north to the city limits. The project was a joint effort between the Ohio Department of Transportation and the City of Portsmouth Public Utilities Department.

The City continued to make 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. Among the major enhancements to the sewer/flood defense system was the replacement of pumps at the 17<sup>th</sup> Street Pump Station and comminutor at the Sewage Treatment plant to grind solid waste.

The City sold the Chillicothe Street viaduct property several years ago and has since seen the construction of a telemarketing office, employing several hundred part-time workers. Recently, this site has also seen the completion of two new restaurants, an insurance office and rental car center as well as the completion of a new movie theatre, the first in Portsmouth in nearly 30 years.

### **Future**

The City continues its water line upgrade project by continuing replacement of various 6" lines throughout the City, system wide meter replacements and various filtration plant enhancements. Planned improvements also include the construction of a new 500,000 gallon water tank in the Wheelersburg area. The Filtration plant has completed a pilot study for the MIEX (Magnetic Ion Exchange) technology that would provide for long-term, more efficient removal of disinfection by-products within the City's water system. The preliminary engineering for the MIEX system was completed in 2005 with the final system design to begin in mid 2006 and projected to be in effect by the end of 2006. Several physical upgrades are planned for the plant to include repairs of concrete throughout the facility.

***Letter of Transmittal***

***For the Year Ended December 31, 2005***

---

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

Scioto County is currently constructing a new sewer system in the Rigrish Addition, near the east of the City that will be accepted by the Sciotoville sewage treatment plant.

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 late 2006. 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.

Currently renovations have been recently completed to a large downtown building that will be home to a number of senior apartments. The new dormitory facilities at Shawnee State University continue to multiply. Several new businesses have begun to spring up in the downtown and Boneyfiddle districts of Portsmouth. The City continues to explore several options in its planning process for a new municipal complex as well as having also acquired the former Adelphia Cable Television downtown office and plans to develop the structure into a separate Police station in the latter part of 2006.

**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.

# CITY OF PORTSMOUTH, OHIO

---

## *Letter of Transmittal For the Year Ended December 31, 2005*

---

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

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

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

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

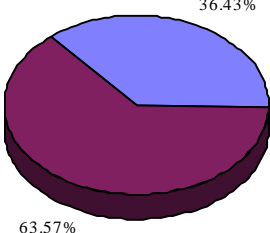
### **Cash Management**

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, 2005 as follows:

Cash Resources	2005	%
Cash and Cash Equivalents	\$3,103,674	36.43%
Repurchase Agreement	5,416,764	63.57%
Total	<u>\$8,520,438</u>	<u>100.00%</u>



A 3D pie chart illustrating the distribution of cash resources. The chart is divided into two segments: a smaller blue segment representing 36.43% (Cash and Cash Equivalents) and a larger maroon segment representing 63.57% (Repurchase Agreement).

## ***CITY OF PORTSMOUTH, OHIO***

---

### ***Letter of Transmittal***

***For the Year Ended December 31, 2005***

---

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 basic financial statements of the City of Portsmouth were audited by Balestra, Harr, Scherer, CPAs, Inc. 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 tenth 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.

***Letter of Transmittal  
For the Year Ended December 31, 2005***

---

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

Sincerely,

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

M. Trent Williams  
City Auditor

**CITY OF PORTSMOUTH, OHIO**

**List of Principal Officials  
For the Year Ended December 31, 2005**

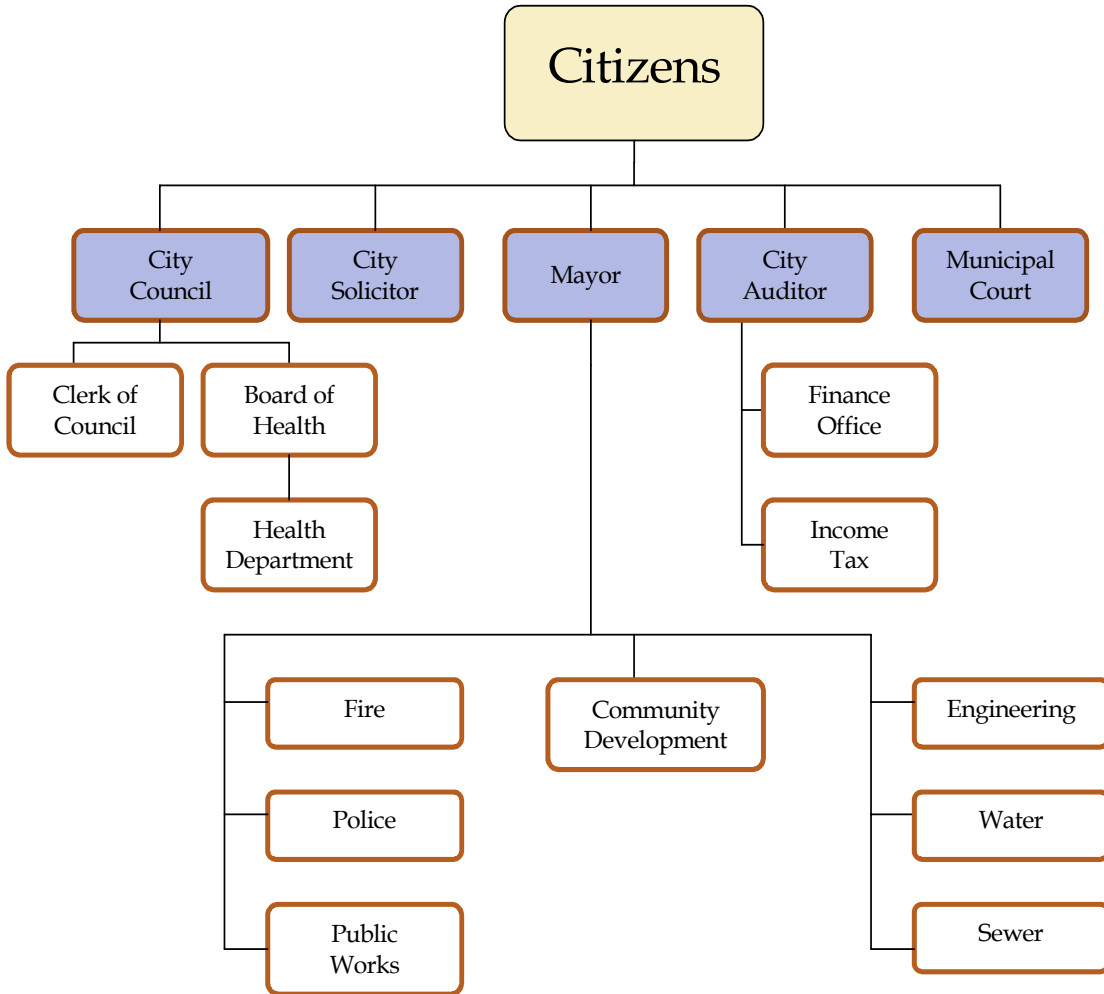
<u>Position</u>	<u>Name</u>		<u>Term of Office</u>	<u>Years with City</u>
<b><u>Executive</u></b> (Elected)				
Mayor	James D. Kalb		07/07/04 - 01/01/06	10
City Auditor	M. Trent Williams		01/05/04 - 01/06/08	7
City Solicitor	David W. Kuhn		01/05/04 - 01/06/08	17
<b><u>Legislative</u></b> (Elected)				
		<u>Ward</u>		
President of Council	Howard E. Baughman	5th	01/07/02 - 01/01/06	6
Vice-President of Council	Martin J. Mohr	6th	01/05/04 - 01/07/08	3
Member of Council	Timothy W. Loper	1st	11/18/04 - 01/01/06	1
Member of Council	David A. Malone	2nd	01/05/04 - 01/07/08	2
Member of Council	Robert W. Mollette	3rd	11/18/04 - 01/01/06	1
Member of Council	Jerrold L. Albrecht	4th	07/27/04 - 01/07/08	1
<b><u>Judicial</u></b> (Elected)				
Municipal Court Judge	Russell D. Kegley		02/03/03 - 12/31/05	3
Municipal Court Judge	Richard T. Schisler		01/01/04 - 12/31/09	26
<b><u>Administrative</u></b> (Appointed)				
Police Chief	Charles H. Horner, Jr.		Indefinite	25
Fire Chief	Robert A. Storey		Indefinite	32
Public Service Director	Christopher L. Murphy		Indefinite	5
Director of Water	Samuel J. Sutherland		Indefinite	17
Director of Waste Water	Richard K. Duncan		Indefinite	12
Community Development Director	Jennifer D. Hanlon		Indefinite	3
City Clerk	Jo Ann Aeh		Indefinite	20
Municipal Court Clerk	R. Leroy Kegley		Indefinite	27
Health Commissioner	Donald J. Walden		Indefinite	26
Income Tax Commissioner	John F. Queen		Indefinite	32
<b><u>Executive Offices:</u></b>				
<b>James D. Kalb, Mayor</b> City of Portsmouth 728 Second Street, Room 1 Portsmouth, Ohio 45662 Ph: 740-354-8807 Fax: 740-354-8809 Email: portsmouthmayor@yahoo.com	<b>M. Trent Williams, Auditor</b> City of Portsmouth 728 Second Street, Room 3 Portsmouth, Ohio 45662 Ph: 740-354-7751 Fax: 740-353-4583 Email: cityauditor@mail.com	<b>David W. Kuhn, Solicitor</b> City of Portsmouth 728 Second Street, Room 22 Portsmouth, Ohio 45662 Ph: 740-353-5229 Fax: 740-353-0136 Email: dkuhn@pmcourt.org		

**CITY OF PORTSMOUTH, OHIO**

---

**City Organizational Chart  
For the Year Ended December 31, 2005**

---



 Elected



Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of Portsmouth,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2004

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.

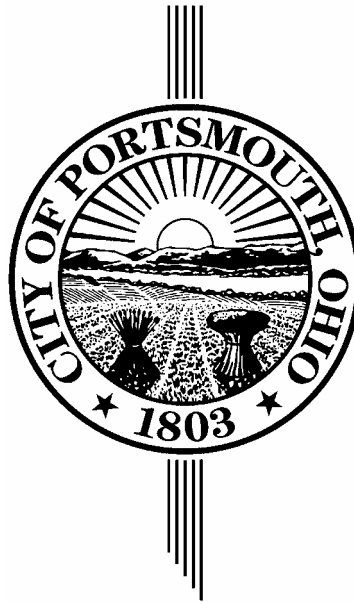


*Carla E. Perry*

President

*Jeffrey R. Emmer*

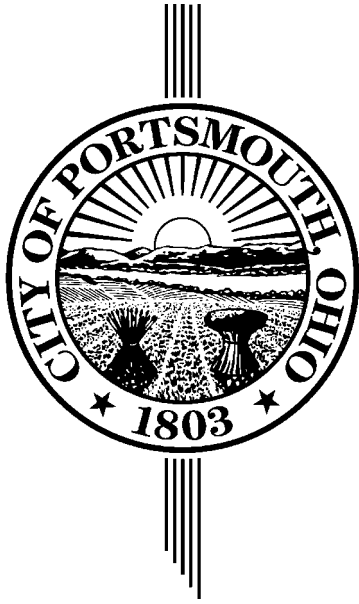
Executive Director



## *FINANCIAL SECTION*

---

---



# BALESTRA, HARR & SCHERER CPAs, INC.

CERTIFIED PUBLIC ACCOUNTANTS

528 South West Street, P.O. Box 687

Piketon, Ohio 45661

---

Telephone (740) 289-4131

Fax (740) 289-3639

www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, Ohio, (the "City"), as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

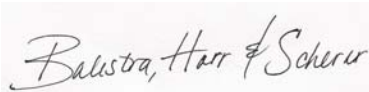
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, Ohio, as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2006 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 11 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Portsmouth's basic financial statements. The introductory section, combining and individual nonmajor fund financial schedules and statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial schedules and statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

As discussed in Note 2 to the basic financial statements, the City implemented Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*.



Balestra, Harr & Scherer CPAs, Inc.  
June 28, 2006

The discussion and analysis of the City of Portsmouth's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2005. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

## **FINANCIAL HIGHLIGHTS**

Key financial highlights for 2005 are as follows:

- ❑ In total, net assets increased \$2,047,184. Net assets of governmental activities increased \$1,028,257, which represents a 7.9 % increase from 2004. Net assets of business-type activities increased \$1,018,927, or 9.2% from 2004.
- ❑ General revenues accounted for \$10,599,269 in revenue or 42.3% of all revenues. Program specific revenues in the form of charges for services, and grants and contributions accounted for \$14,485,474 or 57.7% of total revenues of \$25,084,743.
- ❑ The City had \$14,979,694 in expenses related to governmental activities; only \$5,408,682 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$10,599,269 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$9,700,671 in revenues and other financing sources and \$10,012,492 in expenditures and other financing uses. The general fund's fund balance decreased from \$1,268,470 to \$962,581.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

These statements are as follows:

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

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

**Government-wide Statements**

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

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

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

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

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

**Fund Financial Statements**

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

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



**CITY OF PORTSMOUTH, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2005**

**Unaudited**

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

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

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The following table provides a summary of the City's net assets for 2005 compared to 2004:

	Governmental		Business-type		Total	
	Activities		Activities			
	2005	2004	2005	2004	2005	2004
Current and other assets	\$10,754,419	\$9,589,662	\$6,578,966	\$6,291,026	\$17,333,385	\$15,880,688
Capital assets, Net	8,619,018	8,585,057	12,001,430	12,132,460	20,620,448	20,717,517
Total assets	19,373,437	18,174,719	18,580,396	18,423,486	37,953,833	36,598,205
Long-term debt outstanding	2,607,875	2,723,564	5,509,650	6,061,399	8,117,525	8,784,963
Other liabilities	2,770,768	2,484,618	978,975	1,289,243	3,749,743	3,773,861
Total liabilities	5,378,643	5,208,182	6,488,625	7,350,642	11,867,268	12,558,824
Net assets						
Invested in capital assets, net of related debt	8,574,886	8,487,318	9,498,779	8,634,184	18,073,665	17,121,502
Restricted	4,497,189	4,957,419	1,956,563	1,960,378	6,453,752	6,917,797
Unrestricted	922,719	(478,200)	636,429	478,282	1,559,148	82
Total net assets	\$13,994,794	\$12,966,537	\$12,091,771	\$11,072,844	\$26,086,565	\$24,039,381

**CITY OF PORTSMOUTH, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2005**

**Unaudited**

Changes in Net Assets – The following table shows the changes in net assets for 2005 compared to 2004:

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,979,684	\$2,131,042	\$9,076,792	\$8,361,249	\$11,056,476	\$10,492,291
Operating Grants and Contributions	3,428,998	3,317,742	0	0	3,428,998	3,317,742
Capital Grants and Contributions	0	465	0	0	0	465
Total Program Revenues	5,408,682	5,449,249	9,076,792	8,361,249	14,485,474	13,810,498
General revenues:						
Property Taxes	2,046,522	2,272,297	0	0	2,046,522	2,272,297
Income Taxes	6,062,431	5,662,745	0	0	6,062,431	5,662,745
Other Local Taxes	253,264	242,771	0	0	253,264	242,771
Intergovernmental Revenue, Unrestricted	1,708,788	2,368,891	0	0	1,708,788	2,368,891
Investment Earnings	144,644	41,254	0	0	144,644	41,254
Miscellaneous	383,620	92,511	0	0	383,620	92,511
Total General Revenues	10,599,269	10,680,469	0	0	10,599,269	10,680,469
Total Revenues	16,007,951	16,129,718	9,076,792	8,361,249	25,084,743	24,490,967
Program Expenses						
Security of Persons and Property	6,509,505	6,630,365	0	0	6,509,505	6,630,365
Public Health and Welfare Services	2,861,518	2,641,865	0	0	2,861,518	2,641,865
Leisure Time Activities	118,705	80,252	0	0	118,705	80,252
Community Environment	515,633	760,350	0	0	515,633	760,350
Transportation	1,166,630	1,210,575	0	0	1,166,630	1,210,575
General Government	3,732,579	4,172,082	0	0	3,732,579	4,172,082
Interest and Fiscal Charges	75,124	150,077	0	0	75,124	150,077
Water	0	0	4,786,196	4,710,690	4,786,196	4,710,690
Sewer	0	0	2,205,402	2,012,912	2,205,402	2,012,912
Sanitation	0	0	1,066,267	1,212,221	1,066,267	1,212,221
Total Expenses	14,979,694	15,645,566	8,057,865	7,935,823	23,037,559	23,581,389
Total Change in Net Assets	1,028,257	484,152	1,018,927	425,426	2,047,184	909,578
Beginning Net Assets	12,966,537	12,482,385	11,072,844	10,647,418	24,039,381	23,129,803
Ending Net Assets	\$13,994,794	\$12,966,537	\$12,091,771	\$11,072,844	\$26,086,565	\$24,039,381

**Governmental Activities**

Net assets of the City's governmental activities increased by \$1,028,257. The increase in Net Assets is a result of reducing expenses from prior year levels.

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

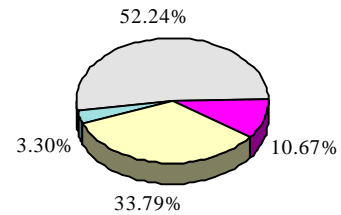
**CITY OF PORTSMOUTH, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2005**

**Unaudited**

Income taxes and property taxes made up 37.9% and 12.8% respectively of revenues for governmental activities for the City in fiscal year 2005. The City's reliance upon tax revenues is demonstrated by the following graph indicating 52.2% of total revenues from general tax revenues:

Revenue Sources	2005	Percent of Total
General Tax Revenues	\$8,362,217	52.24%
Intergovernmental Revenue, Unrestricted	1,708,788	10.67%
Program Revenues	5,408,682	33.79%
General Other	528,264	3.30%
<b>Total Revenue</b>	<b>\$16,007,951</b>	<b>100.00%</b>



**Business-Type Activities**

Net assets of the business type activities increased by \$1,018,927. The increase was due to increases in water and sewer rates.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$5,098,870, which is an increase from last year's balance of \$4,712,535. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2005 and 2004:

	Fund Balance December 31, 2005	Fund Balance December 31, 2004	Increase (Decrease)
General	\$962,581	\$1,268,470	(\$305,889)
General Obligation Bond Retirement	65,248	98,936	(33,688)
Capital Improvement	994,482	791,032	203,450
Other Governmental	3,076,559	2,554,097	522,462
<b>Total</b>	<b>\$5,098,870</b>	<b>\$4,712,535</b>	<b>\$386,335</b>

**CITY OF PORTSMOUTH, OHIO**

---

**Management's Discussion and Analysis  
For the Year Ended December 31, 2005**

**Unaudited**

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

	2005	2004	Increase
	Revenues	Revenues	(Decrease)
Property and Other Taxes	\$6,536,918	\$6,285,066	\$251,852
Intergovernmental Revenue	1,633,686	2,290,906	(657,220)
Charges for Services	334,703	477,055	(142,352)
Licenses and Permits	189,052	285,971	(96,919)
Investment Earnings	137,554	37,503	100,051
Fines and Forfeitures	717,268	645,833	71,435
All Other Revenue	129,906	77,895	52,011
Total	<u>\$9,679,087</u>	<u>\$10,100,229</u>	<u>(\$421,142)</u>

General Fund revenues in 2005 decreased approximately 4.17% compared to revenues in fiscal year 2004. This decrease was primarily due to a large receipt of estate taxes received during 2004 which was not repeated in 2005. A decrease in construction in the City also contributed to the decrease in various building permits. Some of these decrease were offset by an increase in income tax collections.

	2005	2004	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$6,231,923	\$6,037,715	\$194,208
Public Health and Welfare Services	467,123	431,118	36,005
Community Environment	206,025	255,233	(49,208)
Transportation	277,509	267,319	10,190
General Government	2,793,912	2,699,731	94,181
Total	<u>\$9,976,492</u>	<u>\$9,691,116</u>	<u>\$285,376</u>

General Fund expenditures increased by \$285,376 or 2.9% compared to the prior year. The small increase was due to efforts to keep expenditures down. The increase in security of persons and property was primarily due to the retirement payment of an employee in the Fire Department.

*General Obligation Bond Retirement Fund* – The General Obligation Bond Retirement Fund balance decreased from \$98,936 to \$65,248. The fund remained stable compared to 2004.

*Capital Improvement Fund* - The Capital Improvement Fund balance increased from \$791,032 to \$994,482. The increase is the result of discontinuing building renovation expenditures during 2005.

**CITY OF PORTSMOUTH, OHIO**

---

**Management's Discussion and Analysis  
For the Year Ended December 31, 2005**

**Unaudited**

---

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

During the course of fiscal year 2005 the City amended its General Fund budget several times, none significant.

For the General Fund, final budget basis revenue of \$10,137,000 was \$1,150,809 above original budget estimates due to conservative estimates of tax revenue. The actual revenues of \$10,076,519 were not significantly different than the final budget basis revenue.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal 2005 the City had \$20,620,448 net of accumulated depreciation invested in buildings, equipment and vehicles. Of this total, \$8,619,018 was related to governmental activities and \$12,001,430 to the business-type activities. The following table shows fiscal year 2005 and 2004 balances:

	Governmental Activities		Increase (Decrease)
	2005	2004	
Land	\$612,891	\$612,891	\$0
Buildings	5,773,868	5,771,469	2,399
Improvements	2,134,058	2,125,765	8,293
Machinery and Equipment	7,468,809	7,118,973	349,836
Infrastructure	658,803	443,913	214,890
Less: Accumulated Depreciation	(8,029,411)	(7,487,954)	(541,457)
Totals	<u>\$8,619,018</u>	<u>\$8,585,057</u>	<u>\$33,961</u>

The primary increases occurred in machinery and equipment which includes the purchase of several vehicles and upgrades in information technology systems, and infrastructure which included the resurfacing of several streets.

	Business-Type Activities		Increase (Decrease)
	2005	2004	
Land	\$55,424	\$55,424	\$0
Construction in Progress	512,618	409,712	102,906
Buildings	1,007,674	1,007,674	0
Improvements other than Buildings	23,924,495	23,924,495	0
Machinery and Equipment	3,457,480	3,194,077	263,403
Less: Accumulated Depreciation	(16,956,261)	(16,458,922)	(497,339)
Totals	<u>\$12,001,430</u>	<u>\$12,132,460</u>	<u>(\$131,030)</u>

Business type capital assets decreased by \$131,030. The major additions were machinery and equipment which included the purchase of a couple vehicles, and the beginning of a wastewater basin. Additional information on the City's capital assets can be found in Note 8.

## CITY OF PORTSMOUTH, OHIO

---

### Management's Discussion and Analysis For the Year Ended December 31, 2005

Unaudited

#### Debt

At December 31, 2005, the City had \$1,915,000 in General Obligation Bonds outstanding, \$50,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2005 and 2004:

	2005	2004
Governmental Activities:		
General Obligation Bond	\$1,915,000	\$1,960,000
Bond Anticipation Note	44,132	65,000
Compensated Absences	648,743	665,825
Capital Leases	0	32,739
Total Governmental Activities	<u>\$2,607,875</u>	<u>\$2,723,564</u>
Business-Type Activities:		
Ohio Public Works Commission Loan	\$465,000	\$495,000
Water Refunding Revenue Bond	4,540,237	4,900,285
Compensated Absences	48,135	94,193
Capital Leases	456,278	571,921
Total Business-Type Activities	<u>5,509,650</u>	<u>6,061,399</u>
Totals	<u><u>\$8,117,525</u></u>	<u><u>\$8,784,963</u></u>

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2005, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 11.

#### ECONOMIC FACTORS

New construction continues as the central economic theme in the City of Portsmouth. Groundbreakings around the City in 2004 produced major new construction jobs in 2004 and 2005. Among the major projects in progress include five new school buildings being erected on three campuses in the downtown and Sciotoville areas that will accommodate all Portsmouth city school students from kindergarten through grade twelve. East Portsmouth Elementary opened its doors to students in the second half of the school year while the remaining new buildings downtown will open after the summer break in 2006.

Two new United Methodist churches, Cornerstone UMC, downtown, and Christ UMC in Sciotoville, opened their doors welcoming their congregations to the sparkling new facilities. 2005 also saw the completion of a retail center in the east end of the city including a restaurant, two retail stores and an insurance office with room remaining to meet future expansion of retail and office needs.

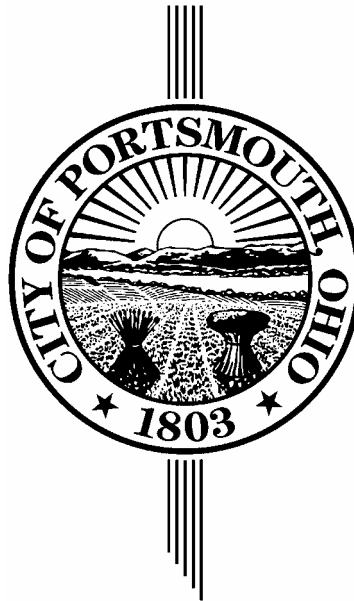
Very good things continue to happen at the Southern Ohio Medical Center as it continues the implementation of its long-term expansion plan with the addition of the new Cancer Center on Kinney's Lane and hospital expansion and additional doctors offices on the Scioto Memorial campus.

An ongoing long-term state facilitated project begun in 2001 and continuing in 2005 is the reconstruction of the US Grant Bridge. The span over the Ohio River, connecting Portsmouth to its southern neighbor in Kentucky, scheduled for opening in 2004 experienced some unexpected delays but looks to reach completion in mid 2006. The Ohio Department of Transportation has attributed the delay to poor weather conditions and high water, prohibiting continuous periods of scheduled work. This delay has no doubt contributed to lost business revenue over the past few years for area merchants on both sides of the Ohio River

Four new businesses can be found on the north entrance of the downtown area. In what formerly was a vacant piece of ground near the Chillicothe Street viaduct has become home to several new businesses. Included in the redevelopment is a marketing company, insurance and rental companies as well as two new restaurant chains and a new eight-screen, state of the art movie theatre. The theatre is the first movie facility in operation in the city of Portsmouth, since the close of the Columbia Theatre, nearly three decades ago.

#### **REQUESTS FOR INFORMATION**

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





**CITY OF PORTSMOUTH, OHIO**

**Statement of Net Assets  
December 31, 2005**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 4,148,395	\$ 1,863,063	\$ 6,011,458
Receivables:			
Taxes	3,215,659	0	3,215,659
Accounts	302,636	1,891,516	2,194,152
Intergovernmental	2,600,570	0	2,600,570
Loans	325,913	0	325,913
Internal Balances	(141,026)	141,026	0
Inventory of Supplies at Cost	57,705	328,793	386,498
Prepaid Items	49,400	50,566	99,966
Deferred Charge	0	147,069	147,069
Restricted Assets:			
Cash and Cash Equivalents	195,167	2,156,933	2,352,100
Capital Assets:			
Capital Assets Not Being Depreciated	612,891	568,042	1,180,933
Capital Assets Being Depreciated, Net of Accumulated Depreciation	8,006,127	11,433,388	19,439,515
<b>Total Assets</b>	<b>19,373,437</b>	<b>18,580,396</b>	<b>37,953,833</b>
<b>Liabilities:</b>			
Accounts Payable	218,889	119,493	338,382
Accrued Wages and Benefits	728,308	291,697	1,020,005
Intergovernmental Payable	782	0	782
Refundable Deposits	0	201,263	201,263
Unearned Revenue	1,789,200	0	1,789,200
Accrued Interest Payable	33,589	51,522	85,111
Revenue Anticipation Note Payable	0	315,000	315,000
Long-term Liabilities:			
Due within one year	121,780	557,464	679,244
Due in more than one year	2,486,095	4,952,186	7,438,281
<b>Total Liabilities</b>	<b>5,378,643</b>	<b>6,488,625</b>	<b>11,867,268</b>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	8,574,886	9,498,779	18,073,665
Restricted For:			
Streets and Highways	617,132	0	617,132
Community Development	754,687	0	754,687
Security of Persons and Property	500,105	0	500,105
Public Health and Welfare	1,034,729	0	1,034,729
Capital Projects	1,016,076	0	1,016,076
Debt Service	51,638	1,956,563	2,008,201
Perpetual Care:			
Expendable	169,023	0	169,023
Nonexpendable	26,843	0	26,843
Other Purposes	326,956	0	326,956
Unrestricted	922,719	636,429	1,559,148
<b>Total Net Assets</b>	<b>\$ 13,994,794</b>	<b>\$ 12,091,771</b>	<b>\$ 26,086,565</b>

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2005**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 6,509,505	\$ 992,341	\$ 177,366	\$ 0
Public Health and Welfare Services	2,861,518	335,412	2,219,961	0
Leisure Time Activities	118,705	65,987	1,910	0
Community Environment	515,633	157,818	0	0
Transportation	1,166,630	53,201	1,003,993	0
General Government	3,732,579	374,925	25,768	0
Interest and Fiscal Charges	75,124	0	0	0
<b>Total Governmental Activities</b>	<b>14,979,694</b>	<b>1,979,684</b>	<b>3,428,998</b>	<b>0</b>
<b>Business-Type Activities:</b>				
Water	4,786,196	5,144,913	0	0
Sewer	2,205,402	2,666,107	0	0
Sanitation	1,066,267	1,265,772	0	0
<b>Total Business-Type Activities</b>	<b>8,057,865</b>	<b>9,076,792</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>\$ 23,037,559</b>	<b>\$ 11,056,476</b>	<b>\$ 3,428,998</b>	<b>\$ 0</b>

**General Revenues**

Property Taxes Levied for:

General Purposes

Special Purpose

Debt Service

Income Taxes

Other Local Taxes

Intergovernmental Revenue, Unrestricted

Investment Earnings

Miscellaneous

**Total General Revenues**

Change in Net Assets

Net Assets Beginning of Year

**Net Assets End of Year**

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

---

Net (Expense) Revenue  
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (5,339,798)	\$ 0	\$ (5,339,798)
(306,145)	0	(306,145)
(50,808)	0	(50,808)
(357,815)	0	(357,815)
(109,436)	0	(109,436)
(3,331,886)	0	(3,331,886)
(75,124)	0	(75,124)
<u>(9,571,012)</u>	<u>0</u>	<u>(9,571,012)</u>
0	358,717	358,717
0	460,705	460,705
0	199,505	199,505
<u>0</u>	<u>1,018,927</u>	<u>1,018,927</u>
<u>(9,571,012)</u>	<u>1,018,927</u>	<u>(8,552,085)</u>
1,653,097	0	1,653,097
288,402	0	288,402
105,023	0	105,023
6,062,431	0	6,062,431
253,264	0	253,264
1,708,788	0	1,708,788
144,644	0	144,644
383,620	0	383,620
<u>10,599,269</u>	<u>0</u>	<u>10,599,269</u>
1,028,257	1,018,927	2,047,184
<u>12,966,537</u>	<u>11,072,844</u>	<u>24,039,381</u>
<u>\$ 13,994,794</u>	<u>\$ 12,091,771</u>	<u>\$ 26,086,565</u>

**CITY OF PORTSMOUTH, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2005**

	General	General Obligation Bond Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 291,699	\$ 65,248	\$ 805,030	\$ 2,496,455	\$ 3,658,432
Receivables:					
Taxes	2,564,832	105,479	246,979	298,369	3,215,659
Accounts	199,506	0	0	103,130	302,636
Intergovernmental	1,011,601	6,500	0	1,582,469	2,600,570
Loans	0	0	0	325,913	325,913
Due from Other Funds	10,554	0	0	24,453	35,007
Inventory of Supplies, at Cost	30,789	0	0	26,916	57,705
Prepaid Items	36,330	0	0	13,070	49,400
Restricted Assets:					
Cash and Cash Equivalents	0	0	0	195,167	195,167
<b>Total Assets</b>	<b>\$ 4,145,311</b>	<b>\$ 177,227</b>	<b>\$ 1,052,009</b>	<b>\$ 5,065,942</b>	<b>\$ 10,440,489</b>
<b>Liabilities:</b>					
Accounts Payable	\$ 59,500	\$ 0	\$ 35,933	\$ 123,456	\$ 218,889
Accrued Wages and Benefits Payable	567,897	0	0	160,411	728,308
Intergovernmental Payable	782	0	0	0	782
Due to Other Funds	24,453	0	0	10,554	35,007
Deferred Revenue	2,530,098	111,979	21,594	1,694,962	4,358,633
<b>Total Liabilities</b>	<b>3,182,730</b>	<b>111,979</b>	<b>57,527</b>	<b>1,989,383</b>	<b>5,341,619</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	31,357	0	213,614	70,717	315,688
Reserved for Prepaid Items	36,330	0	0	13,070	49,400
Reserved for Supplies Inventory	30,789	0	0	26,916	57,705
Reserved for Debt Service	0	65,248	0	0	65,248
Reserved for Endowments	0	0	0	26,843	26,843
Unreserved, Undesignated in:					
General Fund	864,105	0	0	0	864,105
Capital Projects Fund	0	0	780,868	0	780,868
Special Revenue Funds	0	0	0	2,770,689	2,770,689
Permanent Fund	0	0	0	168,324	168,324
<b>Total Fund Balances</b>	<b>962,581</b>	<b>65,248</b>	<b>994,482</b>	<b>3,076,559</b>	<b>5,098,870</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,145,311</b>	<b>\$ 177,227</b>	<b>\$ 1,052,009</b>	<b>\$ 5,065,942</b>	<b>\$ 10,440,489</b>

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

---

***Reconciliation Of Total Governmental Fund Balances  
To Net Assets Of Governmental Activities  
December 31, 2005***

---

<b>Total Governmental Fund Balances</b>		\$	5,098,870
<b><i>Amounts reported for governmental activities in the statement of net assets are different because</i></b>			
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.			8,619,018
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.			2,569,433
Internal Service Funds are used by management to charge the costs of insurance and use of supplies to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.			348,937
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General Obligation Bonds Payable	(1,915,000)		
Long-Term Bond Anticipation Notes Payable	(44,132)		
Compensated Absences Payable	(648,743)		
Accrued Interest Payable	(33,589)		
			<u>(2,641,464)</u>
<b><i>Net Assets of Governmental Activities</i></b>		\$	<u>13,994,794</u>

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2005**

	General	General Obligation Bond Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 6,536,918	\$ 100,968	\$ 1,292,219	\$ 320,690	\$ 8,250,795
Intergovernmental Revenues	1,633,686	12,979	0	3,476,859	5,123,524
Charges for Services	334,703	0	0	163,466	498,169
Licenses and Permits	189,052	0	50	0	189,102
Investment Earnings	137,554	0	0	7,090	144,644
Fines and Forfeitures	717,268	0	0	421,487	1,138,755
All Other Revenue	129,906	0	10,758	376,878	517,542
<b>Total Revenue</b>	<b>9,679,087</b>	<b>113,947</b>	<b>1,303,027</b>	<b>4,766,470</b>	<b>15,862,531</b>
<b>Expenditures:</b>					
Current:					
Security of Persons and Property	6,231,923	0	0	300,188	6,532,111
Public Health and Welfare Services	467,123	0	0	2,384,763	2,851,886
Leisure Time Activities	0	0	0	111,168	111,168
Community Environment	206,025	0	0	198,467	404,492
Transportation	277,509	0	0	839,607	1,117,116
General Government	2,793,912	0	0	483,775	3,277,687
Capital Outlay	0	0	985,797	0	985,797
Debt Service:					
Principal Retirement	0	45,000	53,607	0	98,607
Interest and Fiscal Charges	0	102,635	8,173	0	110,808
<b>Total Expenditures</b>	<b>9,976,492</b>	<b>147,635</b>	<b>1,047,577</b>	<b>4,317,968</b>	<b>15,489,672</b>
Excess (Deficiency) of Revenues Over Expenditures	(297,405)	(33,688)	255,450	448,502	372,859
<b>Other Financing Sources (Uses):</b>					
Sale of Assets	5,584	0	0	0	5,584
Transfers In	16,000	0	0	85,396	101,396
Transfers Out	(36,000)	0	(52,000)	(13,396)	(101,396)
<b>Total Other Financing Sources (Uses)</b>	<b>(14,416)</b>	<b>0</b>	<b>(52,000)</b>	<b>72,000</b>	<b>5,584</b>
Net Change in Fund Balances	(311,821)	(33,688)	203,450	520,502	378,443
<b>Fund Balances at Beginning of Year</b>	<b>1,268,470</b>	<b>98,936</b>	<b>791,032</b>	<b>2,554,097</b>	<b>4,712,535</b>
Increase in Inventory Reserve	5,932	0	0	1,960	7,892
<b>Fund Balances End of Year</b>	<b>\$ 962,581</b>	<b>\$ 65,248</b>	<b>\$ 994,482</b>	<b>\$ 3,076,559</b>	<b>\$ 5,098,870</b>

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

---

***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For the Year Ended December 31, 2005***

---

**Net Change in Fund Balances - Total Governmental Funds** \$ 378,443

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

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

Capital Outlay	670,731	
Depreciation Expense	<u>(577,932)</u>	92,799

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

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.	(58,838)
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	145,420
------------------------------------------------------------------------------------------------------------------------------------	---------

Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

General Obligation Bonds Payable	45,000	
Long Term Notes Payable	20,868	
Capital Leases Payable	<u>32,739</u>	98,607

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	35,684
--------------------------------------------------------------------------------------------------------------------------------------------------------	--------

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	17,082	
Change in Inventory	<u>7,892</u>	24,974

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

311,168

***Change in Net Assets of Governmental Activities***

\$ 1,028,257

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 5,450,534	\$ 6,610,000	\$ 6,729,134	\$ 119,134
Intergovernmental Revenue	1,897,300	1,897,300	1,821,797	(75,503)
Charges for Services	582,000	582,000	334,703	(247,297)
Licenses and Permits	224,357	215,700	189,052	(26,648)
Investment Earnings	30,000	30,000	137,554	107,554
Fines and Forfeitures	699,000	699,000	741,211	42,211
All Other Revenues	103,000	103,000	123,068	20,068
<b>Total Revenues</b>	<b>8,986,191</b>	<b>10,137,000</b>	<b>10,076,519</b>	<b>(60,481)</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	6,172,311	6,323,781	6,170,376	153,405
Public Health and Welfare Services	499,672	499,672	462,879	36,793
Community Environment	206,397	218,656	204,630	14,026
Transportation	276,331	283,881	278,965	4,916
General Government	2,760,248	2,816,901	2,775,818	41,083
<b>Total Expenditures</b>	<b>9,914,959</b>	<b>10,142,891</b>	<b>9,892,668</b>	<b>250,223</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(928,768)	(5,891)	183,851	189,742
<b>Other Financing Sources (Uses):</b>				
Sale of Assets	0	0	5,584	5,584
Transfers In	0	16,000	16,000	0
Transfers Out	(18,000)	(36,000)	(36,000)	0
<b>Total Other Financing Sources (Uses):</b>	<b>(18,000)</b>	<b>(20,000)</b>	<b>(14,416)</b>	<b>5,584</b>
Net Change in Fund Balance	(946,768)	(25,891)	169,435	195,326
Fund Balance at Beginning of Year	29,615	29,615	29,615	0
Prior Year Encumbrances	28,615	28,615	28,615	0
<b>Fund Balance at End of Year</b>	<b>\$ (888,538)</b>	<b>\$ 32,339</b>	<b>\$ 227,665</b>	<b>\$ 195,326</b>

See accompanying notes to the basic financial statements



**CITY OF PORTSMOUTH, OHIO**

**Statement of Net Assets  
Proprietary Funds  
December 31, 2005**

	Business-Type Activities Enterprise Funds			Total	Governmental -Activities Internal Service Funds
	Water	Sewer	Sanitation		
<b>ASSETS</b>					
Current assets:					
Cash and Cash Equivalents	\$ 1,014,858	\$ 752,266	\$ 95,939	\$ 1,863,063	\$ 489,963
Accounts receivable (net of allow for uncollectibles)	1,074,060	539,868	277,588	1,891,516	0
Inventory of Supplies at Cost	315,594	12,121	1,078	328,793	0
Prepaid Items	26,320	12,715	11,531	50,566	0
Total current assets	<u>2,430,832</u>	<u>1,316,970</u>	<u>386,136</u>	<u>4,133,938</u>	<u>489,963</u>
Noncurrent assets:					
Restricted Assets:					
Cash and Cash Equivalents	2,156,933	0	0	2,156,933	0
Deferred Charges	147,069	0	0	147,069	0
Capital assets:					
Capital Assets Not Being Depreciated	41,275	526,767	0	568,042	0
Capital Assets Being Depreciated, net of accumulated depreciation	9,823,586	831,555	778,247	11,433,388	0
Total capital assets	<u>9,864,861</u>	<u>1,358,322</u>	<u>778,247</u>	<u>12,001,430</u>	<u>0</u>
Total noncurrent assets	<u>12,168,863</u>	<u>1,358,322</u>	<u>778,247</u>	<u>14,305,432</u>	<u>0</u>
Total assets	<u>14,599,695</u>	<u>2,675,292</u>	<u>1,164,383</u>	<u>18,439,370</u>	<u>489,963</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts Payable	60,165	38,388	20,940	119,493	0
Accrued Wages and Benefits	159,602	90,772	41,323	291,697	0
Refundable Deposits	201,263	0	0	201,263	0
Accrued Interest Payable	43,626	7,896	0	51,522	0
Revenue Anticipation Note Payable	0	315,000	0	315,000	0
Capital Leases Payable - Current	21,312	11,465	118,080	150,857	0
Revenue Bond Payable - Current	370,048	0	0	370,048	0
OPWC Loans Payable - Current	0	30,000	0	30,000	0
Compensated Absences Payable - Current	3,815	1,955	789	6,559	0
Total Current Liabilities	<u>859,831</u>	<u>495,476</u>	<u>181,132</u>	<u>1,536,439</u>	<u>0</u>
Noncurrent Liabilities:					
Capital Leases Payable	33,015	116,719	155,687	305,421	0
Revenue Bonds Payable	4,170,189	0	0	4,170,189	0
OPWC Loans Payable	0	435,000	0	435,000	0
Compensated Absences Payable	32,310	7,159	2,107	41,576	0
Total noncurrent liabilities	<u>4,235,514</u>	<u>558,878</u>	<u>157,794</u>	<u>4,952,186</u>	<u>0</u>
<b>Total Liabilities</b>	<u>5,095,345</u>	<u>1,054,354</u>	<u>338,926</u>	<u>6,488,625</u>	<u>0</u>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	7,373,929	1,402,329	722,521	9,498,779	0
Restricted for Debt Service	1,956,563	0	0	1,956,563	0
Unrestricted	173,858	218,609	102,936	495,403	489,963
Total Net Assets	<u>\$ 9,504,350</u>	<u>\$ 1,620,938</u>	<u>\$ 825,457</u>	<u>\$ 11,950,745</u>	<u>\$ 489,963</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds				141,026	
Total Net Assets per the government-wide Statement of Net Assets				<u>\$ 12,091,771</u>	

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2005**

	Business-Type Activities Enterprise Funds			Total	Governmental -Activities Internal Service Funds
	Water	Sewer	Sanitation		
<b>Operating Revenues:</b>					
Charges for Services	\$ 5,093,100	\$ 2,592,474	\$ 1,265,752	\$ 8,951,326	\$ 442,807
Other Operating Revenues	7,017	63,057	20	70,094	0
<b>Total Operating Revenues</b>	<b>5,100,117</b>	<b>2,655,531</b>	<b>1,265,772</b>	<b>9,021,420</b>	<b>442,807</b>
<b>Operating Expenses:</b>					
Personal Services	2,525,211	1,417,660	714,229	4,657,100	0
Contractual Services	888,078	570,514	300,434	1,759,026	0
Materials and Supplies	832,308	172,496	2,917	1,007,721	7,137
Depreciation	379,729	74,370	68,798	522,897	0
<b>Total Operating Expenses</b>	<b>4,625,326</b>	<b>2,235,040</b>	<b>1,086,378</b>	<b>7,946,744</b>	<b>7,137</b>
<b>Operating Income</b>	<b>474,791</b>	<b>420,491</b>	<b>179,394</b>	<b>1,074,676</b>	<b>435,670</b>
<b>Non-Operating Revenue (Expenses):</b>					
Interest Income	44,796	10,576	0	55,372	0
Interest and Fiscal Charges	(226,138)	(9,485)	0	(235,623)	0
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(181,342)</b>	<b>1,091</b>	<b>0</b>	<b>(180,251)</b>	<b>0</b>
<b>Change in Net Assets</b>	<b>293,449</b>	<b>421,582</b>	<b>179,394</b>	<b>894,425</b>	<b>435,670</b>
Net Assets Beginning of Year	9,210,901	1,199,356	646,063	11,056,320	54,293
<b>Net Assets End of Year</b>	<b>\$ 9,504,350</b>	<b>\$ 1,620,938</b>	<b>\$ 825,457</b>	<b>\$ 11,950,745</b>	<b>\$ 489,963</b>
Change in Net Assets - Total Enterprise Funds				894,425	
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds				124,502	
Change in Net Assets - Total Enterprise Funds				<b>\$ 1,018,927</b>	

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2005**

	Business-Type Activities Enterprise Funds			Total	Governmental -Activities
	Water	Sewer	Sanitation		Internal Service Funds
<u>Cash Flows from Operating Activities:</u>					
Cash Received from Customers	\$5,104,883	\$2,710,015	\$1,223,051	\$9,037,949	\$442,807
Cash Payments for Goods and Services	(1,707,358)	(750,880)	(303,232)	(2,761,470)	(2,544)
Cash Payments to Employees	(2,527,984)	(1,447,879)	(710,912)	(4,686,775)	0
Customer Deposits Received	81,656	0	0	81,656	0
Customer Deposits Refunded	(80,763)	0	0	(80,763)	0
Net Cash Provided by Operating Activities	<u>870,434</u>	<u>511,256</u>	<u>208,907</u>	<u>1,590,597</u>	<u>440,263</u>
<u>Cash Flows from Noncapital Financing Activities:</u>					
Principal Paid on Lease Payable	0	0	(59,810)	(59,810)	0
Principal Paid on Ohio Public Works Commission Loan	0	(30,000)	0	(30,000)	0
Net Cash Used by Noncapital Financing Activities	<u>0</u>	<u>(30,000)</u>	<u>(59,810)</u>	<u>(89,810)</u>	<u>0</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>					
Proceeds from Revenue Anticipation Notes	0	315,000	0	315,000	0
Principal Paid on Revenue Anticipation Notes	0	(600,000)	0	(600,000)	0
Acquisition and Construction of Assets	(179,534)	(186,306)	0	(365,840)	0
Principal Paid on Mortgage Revenue Bond	(395,000)	0	0	(395,000)	0
Capital Lease Payment	(45,280)	(10,906)	(53,974)	(110,160)	0
Interest Paid on All Debt	(178,454)	(12,828)	0	(191,282)	0
Net Cash Used by Capital and Related Financing Activities	<u>(798,268)</u>	<u>(495,040)</u>	<u>(53,974)</u>	<u>(1,347,282)</u>	<u>0</u>
<u>Cash Flows from Investing Activities:</u>					
Receipt of Interest	44,796	10,576	0	55,372	0
Net Cash Provided by Investing Activities	<u>44,796</u>	<u>10,576</u>	<u>0</u>	<u>55,372</u>	<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents	116,962	(3,208)	95,123	208,877	440,263
Cash and Cash Equivalents at Beginning of Year	3,054,829	755,474	816	3,811,119	49,700
Cash and Cash Equivalents at End of Year	<u>\$3,171,791</u>	<u>\$752,266</u>	<u>\$95,939</u>	<u>\$4,019,996</u>	<u>\$489,963</u>
<u>Reconciliation of Cash and Cash Equivalent per the Balance Sheet:</u>					
Cash and Cash Equivalents	\$1,014,858	\$752,266	\$95,939	\$1,863,063	\$489,963
Restricted Cash and Cash Equivalents	2,156,933	0	0	2,156,933	0
Cash and Cash Equivalents at End of Year	<u>\$3,171,791</u>	<u>\$752,266</u>	<u>\$95,939</u>	<u>\$4,019,996</u>	<u>\$489,963</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2005**

	Business-Type Activities Enterprise Funds			Total	Governmental
	Water	Sewer	Sanitation		-Activities Internal Service Funds
<u>Reconciliation of Operating Income to Net Cash</u>					
<u>Provided by Operating Activities:</u>					
Operating Income	\$474,791	\$420,491	\$179,394	\$1,074,676	\$435,670
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation Expense	379,729	74,370	68,798	522,897	0
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	4,766	54,484	(42,721)	16,529	0
(Increase) Decrease in Inventory	13,311	1,041	(202)	14,150	0
(Increase) Decrease in Prepaid Items	1,793	(1,377)	(363)	53	4,593
Increase (Decrease) in Accounts Payable	(2,997)	(7,222)	594	(9,625)	0
Increase in Accrued Wages and Benefits	6,880	6,335	3,867	17,082	0
Increase in Customer Deposits	893	0	0	893	0
Decrease in Compensated Absences	(8,732)	(36,866)	(460)	(46,058)	0
Total Adjustments	395,643	90,765	29,513	515,921	4,593
Net Cash Provided by Operating Activities	<u>\$870,434</u>	<u>\$511,256</u>	<u>\$208,907</u>	<u>\$1,590,597</u>	<u>\$440,263</u>

Schedule of Noncash Investing, Capital and Financing Activities:

During 2005, the Water Fund entered into a \$54,327 capital lease.

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

---

**Statement of Net Assets  
Fiduciary Funds  
December 31, 2005**

---

	Private Purpose Trust	
	Private Purpose	Agency
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 89,311	\$ 0
Receivables:		
Accounts	0	136,295
Due from Other Funds	0	3,077
Restricted Assets:		
Cash and Cash Equivalents	0	67,569
<b>Total Assets</b>	<u>89,311</u>	<u>206,941</u>
<b>Liabilities:</b>		
Due to Other Funds	0	3,077
Intergovernmental Payable	0	114,732
Claims Payable	77,232	0
Due to Others	0	89,132
Compensated Absences Payable	0	0
<b>Total Liabilities</b>	<u>77,232</u>	<u>206,941</u>
Unrestricted	<u>12,079</u>	<u>0</u>
<b>Total Net Assets</b>	<u>\$ 12,079</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

---

***Statement of Changes in Net Assets  
Fiduciary Funds  
For the Year Ended December 31, 2005***

---

	<u>Private Purpose</u>
<b>Additions:</b>	
Contributions:	
Private Donations	\$ 3,528
Total Additions	<u>3,528</u>
<b>Deductions:</b>	
Administrative Expenses	<u>15</u>
Total Deductions	<u>15</u>
Change in Net Assets	3,513
Net Assets at Beginning of Year	<u>8,566</u>
Net Assets End of Year	<u><u>\$ 12,079</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The financial statements are presented as of December 31, 2005 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

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

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

**B. Basis of Presentation - Fund Accounting**

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

***Governmental Funds***

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

***Proprietary Funds***

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

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

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

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

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

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



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***Fiduciary Funds***

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

**C. Basis of Presentation – Financial Statements**

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

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

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

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

**D. Basis of Accounting**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting** (Continued)

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

Special assessment installments and related accrued interest, which are measurable but not available at December 31, are recorded as deferred revenues. Property taxes measurable as of December 31, 2005 but which are not intended to finance 2005 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenues.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds and fiduciary 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's Enterprise Proprietary Funds, Business Type Activities, and Governmental Type Activities follow GASB guidance which is applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

**E. Budgetary Process**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process** (Continued)

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

**1. Tax Budget**

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

**2. Estimated Resources**

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

On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement as final budget reflect the amounts in the final amended official certificate of estimated resources issued during 2005.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**3. Appropriations**

The appropriation ordinance establishes spending controls at the by fund level by department for the General Fund. However, the legal level of budgetary control for most of the special revenue funds is at the fund 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. Several supplemental appropriations were made during 2005. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual " are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

**4. Encumbrances**

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

**5. Lapsing of Appropriations**

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**6. Budgetary Basis of Accounting**

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

	<u>Net Change in Fund Balance</u>
	<u>General Fund</u>
GAAP Basis (as reported)	(\$311,821)
Increase (Decrease):	
Accrued Revenues at December 31, 2005 received during 2006	(1,289,073)
Accrued Revenues at December 31, 2004 received during 2005	1,686,505
Accrued Expenditures at December 31, 2005 paid during 2006	652,632
Accrued Expenditures at December 31, 2004 paid during 2005	(545,285)
2004 Prepays for 2005	44,163
2005 Prepays for 2006	(36,330)
Outstanding Encumbrances	(31,356)
Budget Basis	<u>\$169,435</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Cash Equivalents**

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

**G. Inventory**

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

**H. Capital Assets and Depreciation**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000.

**1. Property, Plant and Equipment - Governmental Activities**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Capital Assets and Depreciation** (Continued)

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

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

2. Property, Plant and Equipment - Business Type Activities

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

3. Depreciation

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

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



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Long-Term Obligations**

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

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

**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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Compensated Absences** (Continued)

Compensated absences accumulated by governmental fund type and proprietary fund type employees are reported as an expense when earned in the government-wide financial statements. For governmental 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 noncurrent portion of the liability is not reported.

**K. Net Assets**

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

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

**L. Pensions**

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

**M. Interfund Activity**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. 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.

**O. Restricted Assets**

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

**P. Operating Revenues and Expenses**

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

This space intentionally left blank.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**NOTE 2 - COMPLIANCE AND ACCOUNTABILITY**

**A. Fund Deficit**

The fund deficits of \$3,707 in the Municipal Court Grants Fund, \$24,490 in the Municipal Court Programs Fund, \$7,399 in the Fire Pension Fund and \$7,399 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. A deficit does not exist under the cash basis of accounting. Transfers are provided when cash is required, not when accruals occur.

**B. Excess Expenditures over Appropriations**

For the year ended December 31, 2005, expenditures exceeded appropriations at the legal level of budgetary control as follows:

<u>Fund</u>	<u>Excess</u>
General Fund:	
Transportation:	
Traffic Lights	\$8,309
General Government:	
Garage	124,545
Special Revenue Funds:	
Municipal Court Grant	2,019
Law Enforcement	20,940

The excess expenditures were funded from available fund balances.

**C. Change in Accounting Principle**

The City has implemented GASB Statement No. 40, *Deposits and Investment Disclosures*, which amends GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*. Implementation of this GASB had no impact on the City's financial position or results of operation.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS**

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)**

**A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the City's deposits was \$659,920 and the bank balance was \$1,439,387. Federal depository insurance covered \$200,000 of the bank balance and \$1,239,387 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and uncollateralized	<u>\$1,239,387</u>
Total Balance	<u><u>\$1,239,387</u></u>

Investment earnings of \$127,435 earned by other funds was credited to the General Fund as required by state statute.

This space intentionally left blank.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

**NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)**

**B. Investments**

The City's investments at December 31, 2005 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>	
			<u>less than 1</u>	<u>1-2</u>
Repurchase Agreements	\$5,416,764	N/A	\$5,416,764	\$0
First American Treasury Obligation	<u>2,443,754</u>	AAAm	<u>2,443,754</u>	<u>0</u>
Total Investments	<u>\$7,860,518</u>		<u>\$7,860,518</u>	<u>\$0</u>

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

*Concentration of Credit Risk* – The City places no limit on the amount the City may invest in one issuer. The City's investments in First American Treasury Obligation and repurchase agreements represent 31% and 69% of the City's total investments.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Of the City's investment in repurchase agreements, the entire balance is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the City.

**C. Reconciliation of Cash, Cash Equivalents and Investments**

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

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Financial Statements	\$8,520,438	\$0
Repurchase Agreements	(5,416,764)	5,416,764
First American Treasury Obligation	<u>(2,443,754)</u>	<u>2,443,754</u>
Per GASB Statement No. 3	<u>\$659,920</u>	<u>\$7,860,518</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**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 2005 were levied after October 1, 2004 on assessed values as of January 1, 2004, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 2004. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder payable by June 20.

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

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

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

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

The full tax rate for all City operations for the year ended December 31, 2005 was \$10.05 per \$1,000 of assessed value. The assessed value upon which the 2005 tax collections were based was \$219,358,780. This amount constituted \$184,712,720 in real property assessed value, \$14,672,060 in public utility assessed value and \$19,974,000 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 .1005% (10.05 mills) of assessed value.



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

---

**NOTE 4 - TAXES (Continued)**

**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, 2005 consisted of taxes, intergovernmental, accounts receivable, and loans.

**NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES**

Individual interfund receivables and payables balances at December 31, 2005 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$10,554	\$24,453
Nonmajor Special Revenue Funds	<u>24,453</u>	<u>10,554</u>
	35,007	35,007
Agency Funds:		
Law Library Fund	3,077	0
Municipal Court Fund	<u>0</u>	<u>3,077</u>
Total Agency Funds	<u>3,077</u>	<u>3,077</u>
Totals	<u><u>\$38,084</u></u>	<u><u>\$38,084</u></u>

On the Statement of Net Assets, the Business-Type Activities reported an internal balance at December 31, 2005 of \$141,026, which was offset in the Governmental Activities by the same amount. The Due from Other Funds in the General Fund is for an overdraft in a Special Revenue Fund. The Due to Other Funds is for reimbursement of expenditures made by another fund for the General Fund.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

**NOTE 7 - TRANSFERS**

Following is a summary of Transfers in and out for all funds for 2005:

Fund	Transfer In	Transfer Out
Governmental Funds:		
General Fund	\$16,000	\$36,000
Capital Improvement Fund	0	52,000
Nonmajor Governmental Funds	85,396	13,396
Totals	<u>\$101,396</u>	<u>\$101,396</u>

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

**NOTE 8 - CAPITAL ASSETS**

**A. Governmental Capital Assets**

Summary by category of changes in Governmental Capital Assets:

*Historical Cost:*

Class	December 31, 2004	Additions	Deletions	December 31, 2005
<i>Capital assets not being depreciated:</i>				
Land	\$612,891	\$0	\$0	\$612,891
Subtotal	612,891	0	0	612,891
<i>Capital assets being depreciated:</i>				
Buildings	5,771,469	2,399	0	5,773,868
Improvements	2,125,765	8,293	0	2,134,058
Machinery and Equipment	7,118,973	445,149	(95,313)	7,468,809
Infrastructure	443,913	214,890	0	658,803
Subtotal	15,460,120	670,731	(95,313)	16,035,538
Total Cost	<u>\$16,073,011</u>	<u>\$670,731</u>	<u>(\$95,313)</u>	<u>\$16,648,429</u>

*Accumulated Depreciation:*

Class	December 31, 2004	Additions	Deletions	December 31, 2005
Buildings	(\$1,305,233)	(\$114,223)	\$0	(\$1,419,456)
Improvements	(545,543)	(77,050)	0	(622,593)
Machinery and Equipment	(5,619,844)	(360,987)	36,475	(5,944,356)
Infrastructure	(17,334)	(25,672)	0	(43,006)
Total Depreciation	<u>(\$7,487,954)</u>	<u>(\$577,932) *</u>	<u>\$36,475</u>	<u>(\$8,029,411)</u>
<b>Net Value:</b>	<u>\$8,585,057</u>			<u>\$8,619,018</u>

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

**NOTE 8 - CAPITAL ASSETS (Continued)**

**A. Governmental Capital Assets (Continued)**

\* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$165,990
Leisure Time Activities	7,537
Community Development	73,589
Transportation	78,861
Public Health & Welfare	60,537
General Government	191,418
Total Depreciation Expense	<u>\$577,932</u>

**B. Business Type Capital Assets**

Summary by Category at December 31, 2005:

**Historical Cost:**

Class	December 31, 2004	Additions	Deletions	December 31, 2005
<b>Capital assets not being depreciated:</b>				
Land	\$55,424	\$0	\$0	\$55,424
Construction in Progress	409,712	102,906	0	512,618
Subtotal	<u>465,136</u>	<u>102,906</u>	<u>0</u>	<u>568,042</u>
<b>Capital assets being depreciated:</b>				
Buildings	1,007,674	0	0	1,007,674
Improvements other than Buildings	23,924,495	0	0	23,924,495
Machinery and Equipment	3,194,077	289,296	(25,893)	3,457,480
Subtotal	<u>28,126,246</u>	<u>289,296</u>	<u>(25,893)</u>	<u>28,389,649</u>
Total Cost	<u>\$28,591,382</u>	<u>\$392,202</u>	<u>(\$25,893)</u>	<u>\$28,957,691</u>

**Accumulated Depreciation:**

Class	December 31, 2004	Additions	Deletions	December 31, 2005
Buildings	(\$331,147)	(\$20,717)	\$0	(\$351,864)
Improvements other than Buildings	(14,158,917)	(300,595)	0	(14,459,512)
Machinery and Equipment	(1,968,858)	(201,585)	25,558	(2,144,885)
Total Depreciation	<u>(\$16,458,922)</u>	<u>(\$522,897)</u>	<u>\$25,558</u>	<u>(\$16,956,261)</u>
<b>Net Value:</b>	<u>\$12,132,460</u>			<u>\$12,001,430</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

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

The Ohio PERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for 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) 222-6701 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2005, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 8.5%. The 2005 employer contribution rate for local government employer units was 13.55%, of covered payroll, 9.55% to fund the pension and 4.0% 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, 2005, 2004, and 2003 were \$845,280, \$832,146, and \$847,901, respectively, which were equal to the required contributions for each year.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

The Ohio PERS provides postemployment health care benefits to age and service retirees with ten or more years of qualifying Ohio service credit under the TP and CO plans and to primary survivor recipients of such retirees. 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 2005 employer contribution rate (identified above) that was used to fund health care for the year 2005 was 4.0% of covered payroll which amounted to \$249,529.

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, 2004. 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 2004 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 plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond) health care costs were assumed to increase 4% (the projected wage inflation rate).

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants for the TP and CO Plans was 376,109. The actuarial value of the Ohio PERS net assets available for OPEB at December 31, 2004 is \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.5 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. In addition to the HCPP, Ohio PERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

**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, 2005, 2004, and 2003 were \$303,695, \$304,216 and \$303,163 for police and \$418,649, \$396,614 and \$400,275 for firefighters, respectively, which were equal to the required contributions for each year.

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

The portion of the 2005 covered payroll that was used to fund postemployment health care benefits was \$120,699 representing 7.75% of covered payroll for police and \$135,189 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. Beginning in 2001, all retirees and survivors have monthly health care contributions. As of December 31, 2004, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 13,812 for police and 10,528 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, 2004 were \$102,173,796, which was net of member contributions of \$55,665,341.

**CITY OF PORTSMOUTH, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

**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. Revenue bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available funds of the City or a combination of these sources.

	Maturity Date	Balance January 1, 2005	Issued	(Retired)	Balance December 31, 2005
Sewer Fund Note Payable:					
2.15% Sewer Improvement	2/15/2005	\$600,000	\$0	(\$600,000)	\$0
Sewer Fund Note Payable:					
2.99% Sewer Improvement	2/28/2005	0	315,000	0	315,000

The Notes Payable were issued for sewer system improvements.

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

Long-term debt and other long-term obligations of the City at December 31, 2005 were as follows:

				Balance December 31, 2004	Additions	(Deletions)	Balance December 31, 2005	Amount due Within One Year
<b>Business-Type Activities Long-Term Debt:</b>								
Ohio Public Works Commission Loans:								
2000	0.0%	Wastewater Improvement	2021	\$495,000	\$0	(\$30,000)	\$465,000	\$30,000
Water Refunding Revenue Bond:								
2003	1.6-4.15%	Waterworks Improvement	2015	5,110,000	0	(395,000)	4,715,000	405,000
		Deferred Loss on Refunding		(209,715)	0	34,952	(174,763)	(34,952)
		Total Revenue Bonds Payable		4,900,285	0	(360,048)	4,540,237	370,048
		Compensated Absences		94,193	48,135	(94,193)	48,135	6,559
		Capital Lease - Enterprise Funds		571,921	54,327	(169,970)	456,278	150,857
		Total Business-Type Long-Term Debt		\$6,061,399	\$102,462	(\$654,211)	\$5,509,650	\$557,464
<b>Governmental Activities Long-Term Debt:</b>								
General Obligation Bond								
2001	3.6-5.5%	Police and Fireman's Disability and Pension	2027	\$1,960,000	\$0	(\$45,000)	\$1,915,000	\$50,000
2004	3.78	Bond Anticipation Note	2007	65,000	0	(20,868)	44,132	21,657
		Compensated Absences		665,825	648,743	(665,825)	648,743	50,123
		Capital Lease Payable		32,739	0	(32,739)	0	0
		Total Governmental Activities		\$2,723,564	\$648,743	(\$764,432)	\$2,607,875	\$121,780

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

**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, 2005 follows:

<b>Business-Type Activities:</b>				
<u>Years</u>	<u>Mortgage Revenue Bond</u>		<u>OPWC Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$405,000	\$169,443	\$30,000	\$0
2007	415,000	158,155	30,000	0
2008	425,000	145,024	30,000	0
2009	440,000	130,418	30,000	0
2010	455,000	114,187	30,000	0
2011-2015	2,575,000	274,360	150,000	0
2016-2020	0	0	150,000	0
2021-2024	0	0	15,000	0
<b>Totals</b>	<b>\$4,715,000</b>	<b>\$991,587</b>	<b>\$465,000</b>	<b>\$0</b>

<b>Governmental Activities:</b>				
<u>Years</u>	<u>General Obligation Bonds</u>		<u>Bond Anticipation Note</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$50,000	\$100,768	\$21,657	\$1,668
2007	50,000	98,642	22,475	850
2008	55,000	96,468	0	0
2009	55,000	94,020	0	0
2010	60,000	91,490	0	0
2011-2015	340,000	410,910	0	0
2016-2020	445,000	311,360	0	0
2021-2025	580,000	176,000	0	0
2026-2027	280,000	23,375	0	0
<b>Totals</b>	<b>\$1,915,000</b>	<b>\$1,403,033</b>	<b>\$44,132</b>	<b>\$2,518</b>



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005**

---

**NOTE 11 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

**B. Defeased Debt**

In April 2003, the City defeased \$2,485,000 of General Obligation Bonds and \$594,400 of Mortgage Revenue Bonds for Water System Improvements dated April 1, 1996 (the "1996 Bonds") and July 1, 2001 (the "2001 Bonds"), respectively through the issuance of \$5,500,000 of Mortgage Revenue Bonds for Water System Improvement (the "2003 Bonds"). A portion of the net proceeds of the 2003 Bonds have been invested in obligations guaranteed as to both principal and interest by the United States and placed in irrevocable escrow accounts which, including interest earned, will be used to pay the principal and interest on the refunded bonds. The refunded bonds, which have an outstanding balance of \$1,870,000 at December 31, 2005, are not included in the City's outstanding debt since the City has in-substance satisfied its obligations through the advance refunding.

**NOTE 12 - CAPITALIZED LEASES**

The City leases twenty-three vehicles, and sewer-cleaning equipment, all classified as machinery and equipment under capital leases. The cost of the equipment obtained under capital leases is \$266,883 in the Water Fund, \$209,331 in the Sewer Fund, and \$585,419 in the Sanitation Fund. The related liability is included in the Water Fund, the Sewer Fund, and the Sanitation 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, 2005

<u>Year Ending December 31,</u>	<u>Business-Type Activities</u>
2006	\$172,079
2007	276,745
2008	<u>45,928</u>
Minimum Lease Payments	494,752
Less amount representing interest at the City's incremental borrowing rate of interest	<u>(38,474)</u>
Present value of minimum lease payments	<u><u>\$456,278</u></u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2005***

---

**NOTE 13 - 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 14 - INSURANCE AND RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has provided bodily injury, personal injury, general liability, boiler and machinery coverage and fleet (automotive) insurance through the Portsmouth Insurance Agency and the Berndt Murfin 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 15 – 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 basic financial statements.

As of December 31, 2005, there was one series of Industrial Revenue Bonds outstanding, with a principal amount payable of \$800,000.

**NOTE 16 – SUBSEQUENT EVENT**

On April 24, 2006, City Council authorized the Mayor to enter into a contract with PAE/Quest Engineering to design and install MIEX Treatment Project in an amount not to exceed \$3,348,000 to be paid from the Water Fund.



*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

---

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

***Nonmajor Governmental Funds***

---

***Special Revenue Funds***

---

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

**Municipal Court Grants Fund**

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

**Municipal Court Special Projects Fund**

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

**Municipal Court Probation Services Fund**

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

**Municipal Court Programs Fund**

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

**Municipal Court Computer Fund**

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

**Fire Pension Fund**

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

**Police Pension Fund**

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

**D.A.R.E. State Grant Fund**

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

**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.

(Continued)

***Special Revenue Funds***

---

**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.

**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.

**Abstinence Education Fund**

To account for a Federal grant to be used to cover the costs of education related to teenage abstinence program.

**State Grant Health Fund**

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

**Rural AIDS State Grant Fund**

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

(Continued)

***Special Revenue Funds***

---

**Litter Control Grant Fund**

To account for monies received from the Ohio Department of Natural Resources for the purpose of litter control. (The Balance Sheet is not presented because there are no assets or liabilities at year end. This fund only exists on a GAAP basis and is not part of the County's appropriated budget, therefore no budgetary schedule is presented.)

**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. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

**Family Planning Fund**

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

**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.

**Ryan White Title III Fund**

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

**Flood Defense Fund**

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

**Council Trust for Recreation Fund**

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

**Playground Trust Fund**

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

***Permanent Funds***

---

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

**Cemetery Trust Fund**

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

**Mausoleum Trust Fund**

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

**CITY OF PORTSMOUTH, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2005**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 2,496,455	\$ 0	\$ 2,496,455
Receivables (net of allowance for doubtful accounts):			
Taxes	298,369	0	298,369
Accounts	103,130	0	103,130
Intergovernmental	1,582,469	0	1,582,469
Loans	325,913	0	325,913
Due from Other Funds	24,453	0	24,453
Inventory of Supplies, at Cost	26,916	0	26,916
Prepaid Items	12,371	699	13,070
Restricted Assets:			
Cash and Cash Equivalents	0	195,167	195,167
<b>Total Assets</b>	<u>\$ 4,870,076</u>	<u>\$ 195,866</u>	<u>\$ 5,065,942</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 123,456	\$ 0	\$ 123,456
Accrued Wages and Benefits Payable	160,411	0	160,411
Due to Other Funds	10,554	0	10,554
Deferred Revenue	1,694,962	0	1,694,962
<b>Total Liabilities</b>	<u>1,989,383</u>	<u>0</u>	<u>1,989,383</u>
<b>Fund Balances:</b>			
Reserved for Encumbrances	70,717	0	70,717
Reserved for Prepaid Items	12,371	699	13,070
Reserved for Supplies Inventory	26,916	0	26,916
Reserved for Endowments	0	26,843	26,843
Unreserved, Undesignated in:			
Special Revenue Funds	2,770,689	0	2,770,689
Permanent Funds	0	168,324	168,324
<b>Total Fund Balances</b>	<u>2,880,693</u>	<u>195,866</u>	<u>3,076,559</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 4,870,076</u>	<u>\$ 195,866</u>	<u>\$ 5,065,942</u>



**CITY OF PORTSMOUTH, OHIO**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2005***

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 320,690	\$ 0	\$ 320,690
Intergovernmental Revenues	3,476,859	0	3,476,859
Charges for Services	153,465	10,001	163,466
Investment Earnings	5,756	1,334	7,090
Fines and Forfeitures	421,487	0	421,487
All Other Revenue	376,878	0	376,878
<b>Total Revenue</b>	<b>4,755,135</b>	<b>11,335</b>	<b>4,766,470</b>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	300,188	0	300,188
Public Health and Welfare Services	2,368,940	15,823	2,384,763
Leisure Time Activities	111,168	0	111,168
Community Environment	198,467	0	198,467
Transportation	839,607	0	839,607
General Government	483,775	0	483,775
<b>Total Expenditures</b>	<b>4,302,145</b>	<b>15,823</b>	<b>4,317,968</b>
Excess (Deficiency) of Revenues Over Expenditures	452,990	(4,488)	448,502
<b>Other Financing Sources (Uses):</b>			
Transfers In	85,396	0	85,396
Transfers Out	(13,396)	0	(13,396)
<b>Total Other Financing Sources (Uses)</b>	<b>72,000</b>	<b>0</b>	<b>72,000</b>
Net Change in Fund Balances	524,990	(4,488)	520,502
<b>Fund Balances at Beginning of Year</b>	<b>2,353,743</b>	<b>200,354</b>	<b>2,554,097</b>
Increase in Inventory Reserve	1,960	0	1,960
<b>Fund Balances End of Year</b>	<b>\$ 2,880,693</b>	<b>\$ 195,866</b>	<b>\$ 3,076,559</b>

**CITY OF PORTSMOUTH, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2005**

	Municipal Court Grants	Municipal Court Special Project	Municipal Court Probation Services	Municipal Court Programs
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 0	\$ 166,291	\$ 4,677	\$ 534
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	0
Accounts	0	54,197	27,149	3,398
Intergovernmental	0	0	0	0
Loans	0	0	0	0
Due from Other Funds	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	0	188	0	0
<b>Total Assets</b>	<b>\$ 0</b>	<b>\$ 220,676</b>	<b>\$ 31,826</b>	<b>\$ 3,932</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 5,351	\$ 0	\$ 22,242
Accrued Wages and Benefits Payable	3,707	826	3,258	3,829
Due to Other Funds	0	0	0	0
Deferred Revenue	0	37,499	18,784	2,351
<b>Total Liabilities</b>	<b>3,707</b>	<b>43,676</b>	<b>22,042</b>	<b>28,422</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	0	0	0	0
Reserved for Prepaid Items	0	188	0	0
Reserved for Supplies Inventory	0	0	0	0
Unreserved, Undesignated in:				
Special Revenue Funds	(3,707)	176,812	9,784	(24,490)
<b>Total Fund Balances</b>	<b>(3,707)</b>	<b>177,000</b>	<b>9,784</b>	<b>(24,490)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 0</b>	<b>\$ 220,676</b>	<b>\$ 31,826</b>	<b>\$ 3,932</b>

**CITY OF PORTSMOUTH, OHIO**

---

<u>Municipal Court Computer</u>	<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>
\$ 17,191	\$ 2,601	\$ 2,601	\$ 55,056	\$ 38,996	\$ 102,563
0	60,187	60,187	0	0	0
11,373	0	0	0	0	0
0	3,950	3,950	0	10,293	85,022
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
112	0	0	0	0	0
<u>\$ 28,676</u>	<u>\$ 66,738</u>	<u>\$ 66,738</u>	<u>\$ 55,056</u>	<u>\$ 49,289</u>	<u>\$ 187,585</u>
\$ 3,192	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
899	10,000	10,000	0	0	2,110
0	0	0	0	0	0
7,869	64,137	64,137	0	10,293	85,022
<u>11,960</u>	<u>74,137</u>	<u>74,137</u>	<u>0</u>	<u>10,293</u>	<u>87,132</u>
0	0	0	0	0	0
112	0	0	0	0	0
0	0	0	0	0	0
<u>16,604</u>	<u>(7,399)</u>	<u>(7,399)</u>	<u>55,056</u>	<u>38,996</u>	<u>100,453</u>
<u>16,716</u>	<u>(7,399)</u>	<u>(7,399)</u>	<u>55,056</u>	<u>38,996</u>	<u>100,453</u>
<u>\$ 28,676</u>	<u>\$ 66,738</u>	<u>\$ 66,738</u>	<u>\$ 55,056</u>	<u>\$ 49,289</u>	<u>\$ 187,585</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2005**

	Indigent Drivers Alcohol Treatment	Enforcement and Education	Mandatory Fines	Law Enforcement
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 11,887	\$ 8,102	\$ 48,866	\$ 161,182
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	0
Accounts	5,021	1,483	509	0
Intergovernmental	0	0	80	0
Loans	0	0	0	0
Due from Other Funds	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	0	0	0	0
<b>Total Assets</b>	<b>\$ 16,908</b>	<b>\$ 9,585</b>	<b>\$ 49,455</b>	<b>\$ 161,182</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 730	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	430	0	0
Due to Other Funds	0	0	0	0
Deferred Revenue	3,474	1,026	352	0
<b>Total Liabilities</b>	<b>4,204</b>	<b>1,456</b>	<b>352</b>	<b>0</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	0	0	0	0
Reserved for Prepaid Items	0	0	0	0
Reserved for Supplies Inventory	0	0	0	0
Unreserved, Undesignated in:				
Special Revenue Funds	12,704	8,129	49,103	161,182
<b>Total Fund Balances</b>	<b>12,704</b>	<b>8,129</b>	<b>49,103</b>	<b>161,182</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 16,908</b>	<b>\$ 9,585</b>	<b>\$ 49,455</b>	<b>\$ 161,182</b>

**CITY OF PORTSMOUTH, OHIO**

Street Construction, Maintenance and Repair	State Highway Improvement	Environmental State Grants	Community Development	Tourism and Cultural Development	Abstinence Education Prevention
\$ 184,411	\$ 3,536	\$ 96,172	\$ 329,740	\$ 8,338	\$ 610
0	0	0	0	9,789	0
0	0	0	0	0	0
490,860	36,273	398,917	118,400	0	62,533
0	0	0	325,913	0	0
0	0	0	24,453	0	0
12,638	0	2,178	0	0	0
2,816	0	3,556	864	0	39
<u>\$ 690,725</u>	<u>\$ 39,809</u>	<u>\$ 500,823</u>	<u>\$ 799,370</u>	<u>\$ 18,127</u>	<u>\$ 63,182</u>
\$ 4,974	\$ 0	\$ 1,810	\$ 0	\$ 0	\$ 2,505
36,690	3,153	28,836	1,222	0	6,158
0	0	0	0	0	0
327,240	24,182	310,134	333,513	0	33,752
<u>368,904</u>	<u>27,335</u>	<u>340,780</u>	<u>334,735</u>	<u>0</u>	<u>42,415</u>
7,459	0	0	0	0	0
2,816	0	3,556	864	0	39
12,638	0	2,178	0	0	0
<u>298,908</u>	<u>12,474</u>	<u>154,309</u>	<u>463,771</u>	<u>18,127</u>	<u>20,728</u>
<u>321,821</u>	<u>12,474</u>	<u>160,043</u>	<u>464,635</u>	<u>18,127</u>	<u>20,767</u>
<u>\$ 690,725</u>	<u>\$ 39,809</u>	<u>\$ 500,823</u>	<u>\$ 799,370</u>	<u>\$ 18,127</u>	<u>\$ 63,182</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2005**

	State Grant Health	Rural AIDS State Grant	Family Planning	F.E.M.A. Grant
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 283,613	\$ 20,004	\$ 1,680	\$ 70,397
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	164,934	0	48,203	0
Loans	0	0	0	0
Due from Other Funds	0	0	0	0
Inventory of Supplies, at Cost	11,650	450	0	0
Prepaid Items	2,689	475	145	0
<b>Total Assets</b>	<b>\$ 462,886</b>	<b>\$ 20,929</b>	<b>\$ 50,028</b>	<b>\$ 70,397</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 7,523	\$ 4,661	\$ 258	\$ 0
Accrued Wages and Benefits Payable	13,994	15,194	8,749	0
Due to Other Funds	0	0	0	0
Deferred Revenue	135,769	0	3,168	0
<b>Total Liabilities</b>	<b>157,286</b>	<b>19,855</b>	<b>12,175</b>	<b>0</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	0	0	0	15,258
Reserved for Prepaid Items	2,689	475	145	0
Reserved for Supplies Inventory	11,650	450	0	0
Unreserved, Undesignated in:				
Special Revenue Funds	291,261	149	37,708	55,139
<b>Total Fund Balances</b>	<b>305,600</b>	<b>1,074</b>	<b>37,853</b>	<b>70,397</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 462,886</b>	<b>\$ 20,929</b>	<b>\$ 50,028</b>	<b>\$ 70,397</b>

**CITY OF PORTSMOUTH, OHIO**

---

Regional HIV Prevention	Ryan White Title III	Flood Defense	Council Trust for Recreation	Playground Trust	Total Nonmajor Special Revenue Funds
\$ 2,084	\$ 0	\$ 809,694	\$ 57,902	\$ 7,727	\$ 2,496,455
0	0	168,206	0	0	298,369
0	0	0	0	0	103,130
0	150,554	8,500	0	0	1,582,469
0	0	0	0	0	325,913
0	0	0	0	0	24,453
0	0	0	0	0	26,916
0	1,359	0	128	0	12,371
<u>\$ 2,084</u>	<u>\$ 151,913</u>	<u>\$ 986,400</u>	<u>\$ 58,030</u>	<u>\$ 7,727</u>	<u>\$ 4,870,076</u>
\$ 0	\$ 70,163	\$ 0	\$ 47	\$ 0	\$ 123,456
0	6,777	0	4,495	84	160,411
0	10,554	0	0	0	10,554
0	55,554	176,706	0	0	1,694,962
<u>0</u>	<u>143,048</u>	<u>176,706</u>	<u>4,542</u>	<u>84</u>	<u>1,989,383</u>
0	0	48,000	0	0	70,717
0	1,359	0	128	0	12,371
0	0	0	0	0	26,916
<u>2,084</u>	<u>7,506</u>	<u>761,694</u>	<u>53,360</u>	<u>7,643</u>	<u>2,770,689</u>
<u>2,084</u>	<u>8,865</u>	<u>809,694</u>	<u>53,488</u>	<u>7,643</u>	<u>2,880,693</u>
<u>\$ 2,084</u>	<u>\$ 151,913</u>	<u>\$ 986,400</u>	<u>\$ 58,030</u>	<u>\$ 7,727</u>	<u>\$ 4,870,076</u>

**CITY OF PORTSMOUTH, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

	Municipal Court Grants	Municipal Court Special Project	Municipal Court Probation Services	Municipal Court Programs
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	25,768	0	0	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	178,101	72,069	64,418
All Other Revenue	0	0	0	0
<b>Total Revenue</b>	<b>25,768</b>	<b>178,101</b>	<b>72,069</b>	<b>64,418</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	63,138	115,563	60,666	117,099
<b>Total Expenditures</b>	<b>63,138</b>	<b>115,563</b>	<b>60,666</b>	<b>117,099</b>
Excess (Deficiency) of Revenues				
Over Expenditures	(37,370)	62,538	11,403	(52,681)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	13,396
Transfers Out	0	(13,396)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>(13,396)</b>	<b>0</b>	<b>13,396</b>
Net Change in Fund Balances	(37,370)	49,142	11,403	(39,285)
<b>Fund Balances at Beginning of Year</b>	<b>33,663</b>	<b>127,858</b>	<b>(1,619)</b>	<b>14,795</b>
Increase (Decrease) in Inventory Reserve	0	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ (3,707)</b>	<b>\$ 177,000</b>	<b>\$ 9,784</b>	<b>\$ (24,490)</b>



**CITY OF PORTSMOUTH, OHIO**

---

<u>Municipal Court Computer</u>	<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>
\$ 0	\$ 59,814	\$ 59,814	\$ 0	\$ 0	\$ 0
0	7,787	7,787	0	36,430	82,892
0	0	0	0	0	0
0	0	0	0	173	0
45,195	0	0	3,910	0	0
0	0	0	47,930	0	0
<u>45,195</u>	<u>67,601</u>	<u>67,601</u>	<u>51,840</u>	<u>36,603</u>	<u>82,892</u>
0	60,000	60,000	0	8,895	47,013
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
49,932	0	0	0	0	0
<u>49,932</u>	<u>60,000</u>	<u>60,000</u>	<u>0</u>	<u>8,895</u>	<u>47,013</u>
(4,737)	7,601	7,601	51,840	27,708	35,879
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(4,737)	7,601	7,601	51,840	27,708	35,879
21,453	(15,000)	(15,000)	3,216	11,288	64,574
0	0	0	0	0	0
<u>\$ 16,716</u>	<u>\$ (7,399)</u>	<u>\$ (7,399)</u>	<u>\$ 55,056</u>	<u>\$ 38,996</u>	<u>\$ 100,453</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

	Indigent Drivers Alcohol Treatment	Enforcement and Education	Mandatory Fines	Law Enforcement
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	0	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	742
Fines and Forfeitures	9,196	2,705	7,327	38,566
All Other Revenue	0	0	20,000	156,235
<b>Total Revenue</b>	<b>9,196</b>	<b>2,705</b>	<b>27,327</b>	<b>195,543</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	24,100	41,031
Public Health and Welfare Services	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	11,791	8,646	0	0
<b>Total Expenditures</b>	<b>11,791</b>	<b>8,646</b>	<b>24,100</b>	<b>41,031</b>
Excess (Deficiency) of Revenues Over Expenditures	(2,595)	(5,941)	3,227	154,512
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	(2,595)	(5,941)	3,227	154,512
<b>Fund Balances at Beginning of Year</b>	<b>15,299</b>	<b>14,070</b>	<b>45,876</b>	<b>6,670</b>
Increase (Decrease) in Inventory Reserve	0	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 12,704</b>	<b>\$ 8,129</b>	<b>\$ 49,103</b>	<b>\$ 161,182</b>

**CITY OF PORTSMOUTH, OHIO**

Street Construction, Maintenance and Repair	State Highway Improvement	Environmental State Grants	Community Development	Tourism and Cultural Development	Abstinence Education Prevention	State Grant Health
\$ 0	\$ 0	\$ 0	\$ 0	\$ 43,140	\$ 0	\$ 0
885,819	62,752	487,417	152,200	0	150,553	290,577
0	0	0	0	0	0	88,828
2,752	1,484	0	569	0	0	0
0	0	0	0	0	0	0
20,556	0	5,986	61,799	0	0	34,690
<u>909,127</u>	<u>64,236</u>	<u>493,403</u>	<u>214,568</u>	<u>43,140</u>	<u>150,553</u>	<u>414,095</u>
0	0	0	0	0	0	0
0	0	560,062	0	0	131,687	466,437
0	0	0	0	0	0	0
0	0	0	156,441	42,026	0	0
780,454	59,153	0	0	0	0	0
0	0	0	0	0	0	0
<u>780,454</u>	<u>59,153</u>	<u>560,062</u>	<u>156,441</u>	<u>42,026</u>	<u>131,687</u>	<u>466,437</u>
128,673	5,083	(66,659)	58,127	1,114	18,866	(52,342)
0	0	18,000	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>18,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
128,673	5,083	(48,659)	58,127	1,114	18,866	(52,342)
192,195	7,391	209,773	406,508	17,013	1,901	351,129
953	0	(1,071)	0	0	0	6,813
<u>\$ 321,821</u>	<u>\$ 12,474</u>	<u>\$ 160,043</u>	<u>\$ 464,635</u>	<u>\$ 18,127</u>	<u>\$ 20,767</u>	<u>\$ 305,600</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

	Rural AIDS State Grant	Litter Control Grant	Wellness Block Grant	Family Planning
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	335,299	0	0	116,634
Charges for Services	0	0	0	24,582
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	279	0	0	26,865
<b>Total Revenue</b>	<b>335,578</b>	<b>0</b>	<b>0</b>	<b>168,081</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	0	0
Public Health and Welfare Services	350,106	121	995	130,228
Leisure Time Activities	0	0	0	0
Community Environment	0	0	0	0
Transportation	0	0	0	0
General Government	0	0	0	0
<b>Total Expenditures</b>	<b>350,106</b>	<b>121</b>	<b>995</b>	<b>130,228</b>
Excess (Deficiency) of Revenues Over Expenditures	(14,528)	(121)	(995)	37,853
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	(14,528)	(121)	(995)	37,853
<b>Fund Balances at Beginning of Year</b>	<b>20,337</b>	<b>121</b>	<b>995</b>	<b>0</b>
Increase (Decrease) in Inventory Reserve	(4,735)	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 1,074</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 37,853</b>

**CITY OF PORTSMOUTH, OHIO**

F.E.M.A. Grant	Regional HIV Prevention	Ryan White Title III	Flood Defense	Council Trust for Recreation	Playground Trust	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 157,922	\$ 0	\$ 0	\$ 320,690
77,661	376,504	361,906	18,873	0	0	3,476,859
0	0	0	0	40,055	0	153,465
0	0	0	0	0	36	5,756
0	0	0	0	0	0	421,487
0	0	0	0	628	1,910	376,878
<u>77,661</u>	<u>376,504</u>	<u>361,906</u>	<u>176,795</u>	<u>40,683</u>	<u>1,946</u>	<u>4,755,135</u>
0	0	0	59,149	0	0	300,188
0	376,263	353,041	0	0	0	2,368,940
0	0	0	0	109,584	1,584	111,168
0	0	0	0	0	0	198,467
0	0	0	0	0	0	839,607
9,916	0	0	0	47,024	0	483,775
<u>9,916</u>	<u>376,263</u>	<u>353,041</u>	<u>59,149</u>	<u>156,608</u>	<u>1,584</u>	<u>4,302,145</u>
67,745	241	8,865	117,646	(115,925)	362	452,990
0	0	0	0	54,000	0	85,396
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(13,396)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>54,000</u>	<u>0</u>	<u>72,000</u>
67,745	241	8,865	117,646	(61,925)	362	524,990
2,652	1,843	0	692,048	115,413	7,281	2,353,743
0	0	0	0	0	0	1,960
<u>\$ 70,397</u>	<u>\$ 2,084</u>	<u>\$ 8,865</u>	<u>\$ 809,694</u>	<u>\$ 53,488</u>	<u>\$ 7,643</u>	<u>\$ 2,880,693</u>

**CITY OF PORTSMOUTH, OHIO**

---

***Combining Balance Sheet  
Nonmajor Permanent Funds  
December 31, 2005***

---

	<u>Cemetery Trust</u>	<u>Mausoleum Trust</u>	<u>Total Nonmajor Permanent Funds</u>
<b>Assets:</b>			
Prepaid Items	\$ 699	\$ 0	\$ 699
Restricted Assets:			
Cash and Cash Equivalents	190,500	4,667	195,167
<b>Total Assets</b>	<u>\$ 191,199</u>	<u>\$ 4,667</u>	<u>\$ 195,866</u>
<b>Liabilities:</b>			
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Fund Balances:</b>			
Reserved for Prepaid Items	699	0	699
Reserved for Endowments	22,339	4,504	26,843
Unreserved, Undesignated in:			
Permanent Funds	168,161	163	168,324
<b>Total Fund Balances</b>	<u>191,199</u>	<u>4,667</u>	<u>195,866</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 191,199</u>	<u>\$ 4,667</u>	<u>\$ 195,866</u>

**CITY OF PORTSMOUTH, OHIO**

---

***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2005***

---

	<u>Cemetery Trust</u>	<u>Mausoleum Trust</u>	<u>Total Nonmajor Permanent Funds</u>
<b>Revenues:</b>			
Charges for Services	\$ 10,001	\$ 0	\$ 10,001
Investment Earnings	1,305	29	1,334
<b>Total Revenue</b>	<u>11,306</u>	<u>29</u>	<u>11,335</u>
<b>Expenditures:</b>			
Current:			
Public Health and Welfare Services	<u>15,823</u>	<u>0</u>	<u>15,823</u>
<b>Total Expenditures</b>	<u>15,823</u>	<u>0</u>	<u>15,823</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,517)	29	(4,488)
<b>Fund Balances at Beginning of Year</b>	<u>195,716</u>	<u>4,638</u>	<u>200,354</u>
<b>Fund Balances End of Year</b>	<u>\$ 191,199</u>	<u>\$ 4,667</u>	<u>\$ 195,866</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 5,450,534	\$ 6,610,000	\$ 6,729,134	\$ 119,134
Intergovernmental Revenues	1,897,300	1,897,300	1,821,797	(75,503)
Charges for Services	582,000	582,000	334,703	(247,297)
Licenses and Permits	224,357	215,700	189,052	(26,648)
Investment Earnings	30,000	30,000	137,554	107,554
Fines and Forfeitures	699,000	699,000	741,211	42,211
All Other Revenues	103,000	103,000	123,068	20,068
Total Revenues	<u>8,986,191</u>	<u>10,137,000</u>	<u>10,076,519</u>	<u>(60,481)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Police:				
Personal Services	2,861,794	2,861,994	2,742,375	119,619
Materials and Supplies	11,300	15,803	12,517	3,286
Contractual Services	63,850	83,134	72,421	10,713
Total Police	<u>2,936,944</u>	<u>2,960,931</u>	<u>2,827,313</u>	<u>133,618</u>
Fire:				
Personal Services	3,009,927	3,103,927	3,091,758	12,169
Materials and Supplies	6,100	22,426	21,633	793
Contractual Services	47,340	64,497	60,486	4,011
Total Fire	<u>3,063,367</u>	<u>3,190,850</u>	<u>3,173,877</u>	<u>16,973</u>
Street Lighting:				
Contractual Services	172,000	172,000	169,186	2,814
Total Street Lighting	<u>172,000</u>	<u>172,000</u>	<u>169,186</u>	<u>2,814</u>
Total Security of Persons and Property	<u>6,172,311</u>	<u>6,323,781</u>	<u>6,170,376</u>	<u>153,405</u>
Public Health and Welfare Services:				
Health:				
Personal Services	387,562	386,716	358,942	27,774
Materials and Supplies	4,400	5,246	4,630	616
Contractual Services	105,710	105,710	97,347	8,363
Capital Outlay	2,000	2,000	1,960	40
Total Health	<u>499,672</u>	<u>499,672</u>	<u>462,879</u>	<u>36,793</u>
Total Public Health and Welfare Services	<u>499,672</u>	<u>499,672</u>	<u>462,879</u>	<u>36,793</u>

(Continued)



**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Community Environment:				
Building Inspection:				
Personal Services	153,046	152,796	143,888	8,908
Materials and Supplies	1,200	1,450	1,266	184
Contractual Services	32,250	44,509	41,092	3,417
Total Building Inspection	186,496	198,755	186,246	12,509
Administration:				
Personal Services	18,201	18,201	17,374	827
Materials and Supplies	100	100	70	30
Contractual Services	1,600	1,600	940	660
Total Administration	19,901	19,901	18,384	1,517
Total Community Environment	206,397	218,656	204,630	14,026
Transportation:				
Traffic Lights:				
Personal Services	74,782	75,872	83,948	(8,076)
Materials and Supplies	22,276	21,642	21,651	(9)
Contractual Services	34,160	33,704	34,027	(323)
Capital Outlay	0	4,873	4,774	99
Total Traffic Lights	131,218	136,091	144,400	(8,309)
Cemetery Grounds:				
Personal Services	63,938	64,198	66,820	(2,622)
Materials and Supplies	700	800	794	6
Contractual Services	28,800	28,940	25,908	3,032
Total Cemetery Grounds	93,438	93,938	93,522	416
Recreational Grounds:				
Personal Services	48,775	49,031	36,323	12,708
Materials and Supplies	1,800	3,721	3,648	73
Contractual Services	1,100	1,100	1,072	28
Total Recreational Grounds	51,675	53,852	41,043	12,809
Total Transportation	276,331	283,881	278,965	4,916
General Government:				
City Council:				
Personal Services	45,942	45,942	44,280	1,662
Materials and Supplies	600	600	542	58
Contractual Services	2,050	2,050	472	1,578
Total City Council	48,592	48,592	45,294	3,298

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Executive:</b>				
Personal Services	54,360	54,360	47,115	7,245
Materials and Supplies	1,700	1,700	1,296	404
Contractual Services	16,287	16,287	8,002	8,285
Total Executive	72,347	72,347	56,413	15,934
<b>Legal:</b>				
Personal Services	204,527	204,527	195,595	8,932
Materials and Supplies	1,000	1,010	1,001	9
Contractual Services	22,375	36,238	35,666	572
Total Legal	227,902	241,775	232,262	9,513
<b>Finance:</b>				
Personal Services	153,683	154,483	154,936	(453)
Materials and Supplies	4,000	3,450	3,357	93
Contractual Services	51,539	49,889	49,536	353
Capital Outlay	250	1,650	1,638	12
Total Finance	209,472	209,472	209,467	5
<b>Civil Service:</b>				
Personal Services	12,248	12,248	10,836	1,412
Contractual Services	3,050	4,550	4,350	200
Total Civil Service	15,298	16,798	15,186	1,612
<b>Municipal Court:</b>				
Personal Services	700,791	700,791	693,575	7,216
Materials and Supplies	5,750	3,950	3,599	351
Contractual Services	117,350	134,150	130,443	3,707
Capital Outlay	0	0	70	(70)
Total Municipal Court	823,891	838,891	827,687	11,204
<b>Income Tax:</b>				
Personal Services	153,030	152,581	151,419	1,162
Materials and Supplies	1,350	602	545	57
Contractual Services	101,800	152,596	129,600	22,996
Capital Outlay	0	400	387	13
Total Income Tax	256,180	306,179	281,951	24,228
<b>Engineering:</b>				
Personal Services	48,474	48,474	44,638	3,836
Materials and Supplies	650	650	624	26
Contractual Services	16,700	16,700	11,691	5,009
Capital Outlay	150	150	0	150
Total Engineering	65,974	65,974	56,953	9,021

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Service:				
Personal Services	30,595	30,595	31,034	(439)
Materials and Supplies	2,200	2,000	1,483	517
Contractual Services	12,150	12,350	9,692	2,658
Total Public Service	44,945	44,945	42,209	2,736
City Building:				
Personal Services	80,603	76,203	69,584	6,619
Materials and Supplies	4,000	4,700	4,601	99
Contractual Services	71,300	90,000	63,426	26,574
Total City Building	155,903	170,903	137,611	33,292
Garage:				
Personal Services	97,944	98,005	92,211	5,794
Materials and Supplies	(4,250)	27,174	159,219	(132,045)
Contractual Services	26,650	28,077	26,371	1,706
Total Garage	120,344	153,256	277,801	(124,545)
Non-Departmental:				
Personal Services	51,000	54,731	43,954	10,777
Contractual Services	668,400	593,038	549,030	44,008
Total Non-Departmental	719,400	647,769	592,984	54,785
Total General Government	2,760,248	2,816,901	2,775,818	41,083
Total Expenditures	9,914,959	10,142,891	9,892,668	250,223
Excess (Deficiency) of Revenues Over (Under) Expenditures	(928,768)	(5,891)	183,851	189,742
<b>Other Financing Sources (Uses):</b>				
Sale of Assets	0	0	5,584	5,584
Transfers In	0	16,000	16,000	0
Transfers Out	(18,000)	(36,000)	(36,000)	0
Total Other Financing Sources (Uses)	(18,000)	(20,000)	(14,416)	5,584
Net Change in Fund Balance	(946,768)	(25,891)	169,435	195,326
Fund Balance at Beginning of Year	29,615	29,615	29,615	0
Prior Year Encumbrances	28,615	28,615	28,615	0
Fund Balance at End of Year	\$ (888,538)	\$ 32,339	\$ 227,665	\$ 195,326

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Debt Service Fund  
For the Year Ended December 31, 2005**

GENERAL OBLIGATION BOND RETIREMENT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 93,000	\$ 102,000	\$ 100,966	\$ (1,034)
Intergovernmental Revenues	12,000	12,000	12,979	979
Total Revenues	<u>105,000</u>	<u>114,000</u>	<u>113,945</u>	<u>(55)</u>
<b>Expenditures:</b>				
Debt Service:				
Principal Retirement	45,000	45,000	45,000	0
Interest and Fiscal Charges	105,000	105,000	102,635	2,365
Total Expenditures	<u>150,000</u>	<u>150,000</u>	<u>147,635</u>	<u>2,365</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,000)	(36,000)	(33,690)	2,310
Fund Balance at Beginning of Year	98,936	98,936	98,936	0
Fund Balance at End of Year	<u>\$ 53,936</u>	<u>\$ 62,936</u>	<u>\$ 65,246</u>	<u>\$ 2,310</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Project Funds  
For the Year Ended December 31, 2005**

	CAPITAL IMPROVEMENT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 1,100,000	\$ 1,350,000	\$ 1,344,646	\$ (5,354)
Licenses and Permits and Fees	0	0	50	50
All Other Revenues	0	0	10,758	10,758
Total Revenues	<u>1,100,000</u>	<u>1,350,000</u>	<u>1,355,454</u>	<u>5,454</u>
<b>Expenditures:</b>				
Capital Outlay	127,312	1,217,212	1,210,767	6,445
Debt Service:				
Principal Retirement	53,607	53,607	53,607	0
Interest and Fiscal Charges	8,173	8,173	8,173	0
Total Expenditures	<u>189,092</u>	<u>1,278,992</u>	<u>1,272,547</u>	<u>6,445</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	910,908	71,008	82,907	11,899
<b>Other Financing Sources (Uses):</b>				
Transfers Out	0	(52,000)	(52,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(52,000)</u>	<u>(52,000)</u>	<u>0</u>
Net Change in Fund Balance	910,908	19,008	30,907	11,899
Fund Balance at Beginning of Year	371,418	371,418	371,418	0
Prior Year Encumbrances	<u>189,092</u>	<u>189,092</u>	<u>189,092</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,471,418</u>	<u>\$ 579,518</u>	<u>\$ 591,417</u>	<u>\$ 11,899</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

	MUNICIPAL COURT GRANTS FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 50,000	\$ 39,000	\$ 39,316	\$ 316
Total Revenues	<u>50,000</u>	<u>39,000</u>	<u>39,316</u>	<u>316</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	59,900	59,900	61,741	(1,841)
Materials and Supplies	0	0	240	(240)
Contractual Services	100	100	38	62
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>62,019</u>	<u>(2,019)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(21,000)	(22,703)	(1,703)
Fund Balance at Beginning of Year	<u>22,703</u>	<u>22,703</u>	<u>22,703</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,703</u>	<u>\$ 1,703</u>	<u>\$ 0</u>	<u>\$ (1,703)</u>

**CITY OF PORTSMOUTH, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 100,000	\$ 169,000	\$ 180,666	\$ 11,666
Total Revenues	<u>100,000</u>	<u>169,000</u>	<u>180,666</u>	<u>11,666</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	65,000	46,500	15,768	30,732
Materials and Supplies	52,000	44,500	23,992	20,508
Contractual Services	10,000	21,043	19,021	2,022
Capital Outlay	73,000	74,000	58,841	15,159
Total Expenditures	<u>200,000</u>	<u>186,043</u>	<u>117,622</u>	<u>68,421</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,000)	(17,043)	63,044	80,087
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>0</u>	<u>(13,957)</u>	<u>(13,396)</u>	<u>561</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(13,957)</u>	<u>(13,396)</u>	<u>561</u>
Net Change in Fund Balance	(100,000)	(31,000)	49,648	80,648
Fund Balance at Beginning of Year	<u>106,078</u>	<u>106,078</u>	<u>106,078</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 6,078</u>	<u>\$ 75,078</u>	<u>\$ 155,726</u>	<u>\$ 80,648</u>

**CITY OF PORTSMOUTH, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005***

---

**MUNICIPAL COURT PROBATION SERVICES FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 65,000	\$ 70,000	\$ 71,229	\$ 1,229
Total Revenues	<u>65,000</u>	<u>70,000</u>	<u>71,229</u>	<u>1,229</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	100,000	89,628	60,857	28,771
Contractual Services	0	10,372	10,372	0
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>71,229</u>	<u>28,771</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35,000)	(30,000)	0	30,000
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u><u>\$ (35,000)</u></u>	<u><u>\$ (30,000)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 30,000</u></u>



**CITY OF PORTSMOUTH, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>MUNICIPAL COURT PROGRAMS FUND</b>				
<b>Revenues:</b>				
Fines and Forfeitures	\$ 100,000	\$ 80,000	\$ 66,854	\$ (13,146)
Total Revenues	<u>100,000</u>	<u>80,000</u>	<u>66,854</u>	<u>(13,146)</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	50,000	50,000	51,143	(1,143)
Contractual Services	<u>50,000</u>	<u>50,000</u>	<u>43,302</u>	<u>6,698</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>94,445</u>	<u>5,555</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(20,000)	(27,591)	(7,591)
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>0</u>	<u>0</u>	<u>13,396</u>	<u>13,396</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>13,396</u>	<u>13,396</u>
Net Change in Fund Balance	0	(20,000)	(14,195)	5,805
Fund Balance at Beginning of Year	<u>14,195</u>	<u>14,195</u>	<u>14,195</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,195</u>	<u>\$ (5,805)</u>	<u>\$ 0</u>	<u>\$ 5,805</u>

**CITY OF PORTSMOUTH, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>MUNICIPAL COURT COMPUTER FUND</b>				
<b>Revenues:</b>				
Fines and Forfeitures	\$ 40,000	\$ 43,000	\$ 46,620	\$ 3,620
Total Revenues	<u>40,000</u>	<u>43,000</u>	<u>46,620</u>	<u>3,620</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	13,000	11,700	10,401	1,299
Materials and Supplies	17,000	16,300	16,087	213
Contractual Services	20,000	21,300	21,041	259
Capital Outlay	0	700	682	18
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>48,211</u>	<u>1,789</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(7,000)	(1,591)	5,409
Fund Balance at Beginning of Year	<u>15,905</u>	<u>15,905</u>	<u>15,905</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,905</u>	<u>\$ 8,905</u>	<u>\$ 14,314</u>	<u>\$ 5,409</u>

**CITY OF PORTSMOUTH, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

---

	<b>FIRE PENSION FUND</b>			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 50,000	\$ 60,000	\$ 59,814	\$ (186)
Intergovernmental Revenues	8,000	8,000	7,787	(213)
Total Revenues	<u>58,000</u>	<u>68,000</u>	<u>67,601</u>	<u>(399)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	58,000	68,000	65,000	3,000
Total Expenditures	<u>58,000</u>	<u>68,000</u>	<u>65,000</u>	<u>3,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	2,601	2,601
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 2,601</u></u>	<u><u>\$ 2,601</u></u>

**CITY OF PORTSMOUTH, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

---

<b>POLICE PENSION FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 50,000	\$ 60,000	\$ 59,814	\$ (186)
Intergovernmental Revenues	8,000	8,000	7,787	(213)
Total Revenues	<u>58,000</u>	<u>68,000</u>	<u>67,601</u>	<u>(399)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	58,000	68,000	65,000	3,000
Total Expenditures	<u>58,000</u>	<u>68,000</u>	<u>65,000</u>	<u>3,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	2,601	2,601
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 2,601</u></u>	<u><u>\$ 2,601</u></u>

**CITY OF PORTSMOUTH, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>D.A.R.E. STATE GRANT FUND</b>				
<b>Revenues:</b>				
Fines and Forfeitures	\$ 0	\$ 0	\$ 3,910	\$ 3,910
All Other Revenues	0	0	47,930	47,930
Total Revenues	<u>0</u>	<u>0</u>	<u>51,840</u>	<u>51,840</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	(5,000)	51,840	56,840
Fund Balance at Beginning of Year	<u>3,216</u>	<u>3,216</u>	<u>3,216</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (1,784)</u>	<u>\$ (1,784)</u>	<u>\$ 55,056</u>	<u>\$ 56,840</u>

**CITY OF PORTSMOUTH, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 15,000	\$ 30,000	\$ 36,430	\$ 6,430
Investment Earnings	0	0	173	173
Total Revenues	<u>15,000</u>	<u>30,000</u>	<u>36,603</u>	<u>6,603</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Capital Outlay	<u>50,000</u>	<u>50,000</u>	<u>8,895</u>	<u>41,105</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>8,895</u>	<u>41,105</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35,000)	(20,000)	27,708	47,708
Fund Balance at Beginning of Year	<u>11,288</u>	<u>11,288</u>	<u>11,288</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ (23,712)</u></u>	<u><u>\$ (8,712)</u></u>	<u><u>\$ 38,996</u></u>	<u><u>\$ 47,708</u></u>

**CITY OF PORTSMOUTH, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 10,000	\$ 83,000	\$ 82,892	\$ (108)
Total Revenues	<u>10,000</u>	<u>83,000</u>	<u>82,892</u>	<u>(108)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	74,000	61,960	37,260	24,700
Materials and Supplies	0	3,230	2,209	1,021
Contractual Services	1,000	9,810	6,647	3,163
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>46,116</u>	<u>28,884</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,000)	8,000	36,776	28,776
Fund Balance at Beginning of Year	<u>65,787</u>	<u>65,787</u>	<u>65,787</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 787</u>	<u>\$ 73,787</u>	<u>\$ 102,563</u>	<u>\$ 28,776</u>

**CITY OF PORTSMOUTH, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 20,000	\$ 15,000	\$ 15,376	\$ 376
Total Revenues	<u>20,000</u>	<u>15,000</u>	<u>15,376</u>	<u>376</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	<u>50,000</u>	<u>50,000</u>	<u>11,061</u>	<u>38,939</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>11,061</u>	<u>38,939</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,000)	(35,000)	4,315	39,315
Fund Balance at Beginning of Year	<u>6,783</u>	<u>6,783</u>	<u>6,783</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (23,217)</u>	<u>\$ (28,217)</u>	<u>\$ 11,098</u>	<u>\$ 39,315</u>



**CITY OF PORTSMOUTH, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005***

<b>ENFORCEMENT AND EDUCATION FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Fines and Forfeitures	\$ 2,000	\$ 2,000	\$ 2,399	\$ 399
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>2,399</u>	<u>399</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	0	19,229	8,017	11,212
Contractual Services	25,000	5,771	284	5,487
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>8,301</u>	<u>16,699</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,000)	(23,000)	(5,902)	17,098
Fund Balance at Beginning of Year	13,771	13,771	13,771	0
Fund Balance at End of Year	<u>\$ (9,229)</u>	<u>\$ (9,229)</u>	<u>\$ 7,869</u>	<u>\$ 17,098</u>

**CITY OF PORTSMOUTH, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 10,000	\$ 6,000	\$ 7,758	\$ 1,758
All Other Revenues	0	0	20,000	20,000
Total Revenues	<u>10,000</u>	<u>6,000</u>	<u>27,758</u>	<u>21,758</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	<u>50,000</u>	<u>50,000</u>	<u>24,100</u>	<u>25,900</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>24,100</u>	<u>25,900</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,000)	(44,000)	3,658	47,658
Fund Balance at Beginning of Year	<u>45,037</u>	<u>45,037</u>	<u>45,037</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,037</u>	<u>\$ 1,037</u>	<u>\$ 48,695</u>	<u>\$ 47,658</u>

**CITY OF PORTSMOUTH, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 0	\$ 0	\$ 742	\$ 742
Fines and Forfeitures	0	4,000	38,566	34,566
All Other Revenues	0	10,000	156,235	146,235
Total Revenues	<u>0</u>	<u>14,000</u>	<u>195,543</u>	<u>181,543</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Materials and Supplies	<u>20,000</u>	<u>20,000</u>	<u>40,940</u>	<u>(20,940)</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>40,940</u>	<u>(20,940)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,000)	(6,000)	154,603	160,603
Fund Balance at Beginning of Year	<u>6,579</u>	<u>6,579</u>	<u>6,579</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (13,421)</u>	<u>\$ 579</u>	<u>\$ 161,182</u>	<u>\$ 160,603</u>

**CITY OF PORTSMOUTH, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 750,000	\$ 890,000	\$ 860,549	\$ (29,451)
Investment Earnings	0	3,000	2,752	(248)
All Other Revenues	0	7,000	20,556	13,556
Total Revenues	<u>750,000</u>	<u>900,000</u>	<u>883,857</u>	<u>(16,143)</u>
<b>Expenditures:</b>				
Transportation:				
Personal Services	653,075	653,526	622,809	30,717
Materials and Supplies	42,950	50,748	49,532	1,216
Contractual Services	70,280	89,643	80,194	9,449
Capital Outlay	0	32,910	25,666	7,244
Total Expenditures	<u>766,305</u>	<u>826,827</u>	<u>778,201</u>	<u>48,626</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,305)	73,173	105,656	32,483
Fund Balance at Beginning of Year	<u>71,296</u>	<u>71,296</u>	<u>71,296</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 54,991</u>	<u>\$ 144,469</u>	<u>\$ 176,952</u>	<u>\$ 32,483</u>

**CITY OF PORTSMOUTH, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 50,000	\$ 61,000	\$ 60,727	\$ (273)
Investment Earnings	0	1,000	1,484	484
Total Revenues	<u>50,000</u>	<u>62,000</u>	<u>62,211</u>	<u>211</u>
<b>Expenditures:</b>				
Transportation:				
Personal Services	<u>56,000</u>	<u>59,000</u>	<u>58,675</u>	<u>325</u>
Total Expenditures	<u>56,000</u>	<u>59,000</u>	<u>58,675</u>	<u>325</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,000)	3,000	3,536	536
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (6,000)</u>	<u>\$ 3,000</u>	<u>\$ 3,536</u>	<u>\$ 536</u>

**CITY OF PORTSMOUTH, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005***

<b>ENVIRONMENTAL STATE GRANTS FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 425,000	\$ 502,000	\$ 499,431	\$ (2,569)
All Other Revenues	0	5,000	5,986	986
Total Revenues	<u>425,000</u>	<u>507,000</u>	<u>505,417</u>	<u>(1,583)</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	474,886	550,456	465,742	84,714
Materials and Supplies	9,000	9,000	7,624	1,376
Contractual Services	67,281	84,084	72,633	11,451
Capital Outlay	0	12,627	12,539	88
Total Expenditures	<u>551,167</u>	<u>656,167</u>	<u>558,538</u>	<u>97,629</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(126,167)	(149,167)	(53,121)	96,046
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	18,000	18,000	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>18,000</u>	<u>18,000</u>	<u>0</u>
Net Change in Fund Balance	(126,167)	(131,167)	(35,121)	96,046
Fund Balance at Beginning of Year	126,126	126,126	126,126	0
Prior Year Encumbrances	5,167	5,167	5,167	0
Fund Balance at End of Year	<u>\$ 5,126</u>	<u>\$ 126</u>	<u>\$ 96,172</u>	<u>\$ 96,046</u>

**CITY OF PORTSMOUTH, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005***

<b>COMMUNITY DEVELOPMENT FUND</b>				
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 250,000	\$ 48,000	\$ 48,400	\$ 400
Investment Earnings	0	1,000	569	(431)
All Other Revenues	0	62,000	61,799	(201)
Total Revenues	<u>250,000</u>	<u>111,000</u>	<u>110,768</u>	<u>(232)</u>
<b>Expenditures:</b>				
Community Environment:				
Personal Services	0	23,044	21,919	1,125
Materials and Supplies	0	2,241	2,241	0
Contractual Services	39,080	165,000	131,608	33,392
Total Expenditures	<u>39,080</u>	<u>190,285</u>	<u>155,768</u>	<u>34,517</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	210,920	(79,285)	(45,000)	34,285
Fund Balance at Beginning of Year	<u>374,740</u>	<u>374,740</u>	<u>374,740</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 585,660</u>	<u>\$ 295,455</u>	<u>\$ 329,740</u>	<u>\$ 34,285</u>

**CITY OF PORTSMOUTH, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

---

<b>TOURISM AND CULTURAL DEVELOPMENT FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes	\$ 45,000	\$ 42,000	\$ 41,947	\$ (53)
Total Revenues	<u>45,000</u>	<u>42,000</u>	<u>41,947</u>	<u>(53)</u>
<b>Expenditures:</b>				
Community Environment:				
Contractual Services	<u>50,000</u>	<u>50,000</u>	<u>42,026</u>	<u>7,974</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>42,026</u>	<u>7,974</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	(8,000)	(79)	7,921
Fund Balance at Beginning of Year	<u>8,417</u>	<u>8,417</u>	<u>8,417</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,417</u>	<u>\$ 417</u>	<u>\$ 8,338</u>	<u>\$ 7,921</u>



**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

	ABSTINENCE EDUCATION FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 135,000	\$ 135,948	\$ 948
Total Revenues	<u>0</u>	<u>135,000</u>	<u>135,948</u>	<u>948</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	102,960	102,960	94,490	8,470
Materials and Supplies	1,400	20,800	27,841	(7,041)
Contractual Services	1,500	2,100	2,948	(848)
Total Expenditures	<u>105,860</u>	<u>125,860</u>	<u>125,279</u>	<u>581</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(105,860)	9,140	10,669	1,529
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(4,140)	(4,140)	0	4,140
Total Other Financing Sources (Uses)	<u>(4,140)</u>	<u>(4,140)</u>	<u>0</u>	<u>4,140</u>
Net Change in Fund Balance	(110,000)	5,000	10,669	5,669
Fund Balance at Beginning of Year	(10,059)	(10,059)	(10,059)	0
Fund Balance at End of Year	<u>\$ (120,059)</u>	<u>\$ (5,059)</u>	<u>\$ 610</u>	<u>\$ 5,669</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

STATE GRANT HEALTH FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 800,000	\$ 448,000	\$ 348,152	\$ (99,848)
Charges for Services	0	118,000	88,828	(29,172)
All Other Revenues	0	34,000	34,690	690
Total Revenues	<u>800,000</u>	<u>600,000</u>	<u>471,670</u>	<u>(128,330)</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Child Abuse:				
Personal Services	0	0	57	(57)
Contractual Services	0	0	(1,434)	1,434
Total Child Abuse	<u>0</u>	<u>0</u>	<u>(1,377)</u>	<u>1,377</u>
Child and Family Health:				
Materials and Supplies	5,000	5,000	4,145	855
Contractual Services	15,000	15,000	13,160	1,840
Total Child and Family Health	<u>20,000</u>	<u>20,000</u>	<u>17,305</u>	<u>2,695</u>
State Grant - Health:				
Personal Services	256,592	256,592	100,811	155,781
Materials and Supplies	82,000	82,000	12,610	69,390
Contractual Services	125,016	125,016	71,674	53,342
Total State Grant - Health	<u>463,608</u>	<u>463,608</u>	<u>185,095</u>	<u>278,513</u>
Prevention:				
Personal Services	15,169	13,054	14,791	(1,737)
Materials and Supplies	3,455	4,904	4,558	346
Contractual Services	16,376	17,042	15,553	1,489
Total Prevention	<u>35,000</u>	<u>35,000</u>	<u>34,902</u>	<u>98</u>
AIDS Grant:				
Personal Services	0	0	312	(312)
Total AIDS Grant	<u>0</u>	<u>0</u>	<u>312</u>	<u>(312)</u>
State Grant - Family Living:				
Materials and Supplies	500	1,800	475	1,325
Contractual Services	2,593	1,293	1,020	273
Total State Grant - Family Living	<u>3,093</u>	<u>3,093</u>	<u>1,495</u>	<u>1,598</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005***

<b>STATE GRANT HEALTH FUND</b>				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Gene Screening:</b>				
Materials and Supplies	6,838	6,838	5,766	1,072
Contractual Services	4,660	4,660	2,712	1,948
<b>Total Gene Screening</b>	<b>11,498</b>	<b>11,498</b>	<b>8,478</b>	<b>3,020</b>
<b>State Grant - Cardiovascular:</b>				
Personal Services	1,652	1,652	1,578	74
Materials and Supplies	300	300	0	300
Contractual Services	60	60	0	60
<b>Total State Grant - Cardiovascular</b>	<b>2,012</b>	<b>2,012</b>	<b>1,578</b>	<b>434</b>
<b>State Grant - Safety Grant:</b>				
Personal Services	43,862	43,482	39,976	3,506
Materials and Supplies	5,415	5,215	2,068	3,147
Contractual Services	5,750	6,330	4,517	1,813
<b>Total State Grant - Safety Grant</b>	<b>55,027</b>	<b>55,027</b>	<b>46,561</b>	<b>8,466</b>
<b>Bioterrorism Grant:</b>				
Personal Services	126,448	111,315	104,990	6,325
Materials and Supplies	5,181	11,181	10,924	257
Contractual Services	16,500	24,505	21,766	2,739
Capital Outlay	42,020	75,067	72,961	2,106
<b>Total Bioterrorism Grant</b>	<b>190,149</b>	<b>222,068</b>	<b>210,641</b>	<b>11,427</b>
<b>Total Expenditures</b>	<b>780,387</b>	<b>812,306</b>	<b>504,990</b>	<b>307,316</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,613	(212,306)	(33,320)	178,986
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(69,913)	(69,913)	0	69,913
<b>Total Other Financing Sources (Uses)</b>	<b>(69,913)</b>	<b>(69,913)</b>	<b>0</b>	<b>69,913</b>
Net Change in Fund Balance	(50,300)	(282,219)	(33,320)	248,899
Fund Balance at Beginning of Year	316,633	316,633	316,633	0
Prior Year Encumbrances	300	300	300	0
Fund Balance at End of Year	<u>\$ 266,633</u>	<u>\$ 34,714</u>	<u>\$ 283,613</u>	<u>\$ 248,899</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

	RURAL AIDS STATE GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 250,000	\$ 335,000	\$ 335,299	\$ 299
All Other Revenues	0	0	279	279
Total Revenues	<u>250,000</u>	<u>335,000</u>	<u>335,578</u>	<u>578</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	225,912	227,272	237,164	(9,892)
Materials and Supplies	22,962	38,177	32,511	5,666
Contractual Services	84,318	83,551	76,255	7,296
Total Expenditures	<u>333,192</u>	<u>349,000</u>	<u>345,930</u>	<u>3,070</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(83,192)	(14,000)	(10,352)	3,648
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(16,808)</u>	<u>(16,808)</u>	0	16,808
Total Other Financing Sources (Uses)	<u>(16,808)</u>	<u>(16,808)</u>	0	16,808
Net Change in Fund Balance	(100,000)	(30,808)	(10,352)	20,456
Fund Balance at Beginning of Year	<u>30,356</u>	<u>30,356</u>	<u>30,356</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ (69,644)</u></u>	<u><u>\$ (452)</u></u>	<u><u>\$ 20,004</u></u>	<u><u>\$ 20,456</u></u>

**CITY OF PORTSMOUTH, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 25,000	\$ 0	\$ 0	\$ 0
Total Revenues	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Materials and Supplies	<u>2,000</u>	<u>2,000</u>	<u>995</u>	<u>1,005</u>
Total Expenditures	<u>2,000</u>	<u>2,000</u>	<u>995</u>	<u>1,005</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	23,000	(2,000)	(995)	1,005
Fund Balance at Beginning of Year	<u>995</u>	<u>995</u>	<u>995</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 23,995</u>	<u>\$ (1,005)</u>	<u>\$ 0</u>	<u>\$ 1,005</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

	FAMILY PLANNING FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 70,000	\$ 71,599	\$ 1,599
Charges for Services	0	10,000	24,582	14,582
All Other Revenues	0	10,000	26,865	16,865
Total Revenues	<u>0</u>	<u>90,000</u>	<u>123,046</u>	<u>33,046</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	0	108,249	94,613	13,636
Materials and Supplies	0	18,625	16,752	1,873
Contractual Services	0	9,531	10,001	(470)
Total Expenditures	<u>0</u>	<u>136,405</u>	<u>121,366</u>	<u>15,039</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(46,405)	1,680	48,085
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (46,405)</u>	<u>\$ 1,680</u>	<u>\$ 48,085</u>

**CITY OF PORTSMOUTH, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

---

	F.E.M.A. GRANT FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 68,000	\$ 77,661	\$ 9,661
Total Revenues	<u>0</u>	<u>68,000</u>	<u>77,661</u>	<u>9,661</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Contractual Services	<u>5,000</u>	<u>53,363</u>	<u>25,174</u>	<u>28,189</u>
Total Expenditures	<u>5,000</u>	<u>53,363</u>	<u>25,174</u>	<u>28,189</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	14,637	52,487	37,850
Fund Balance at Beginning of Year	<u>2,652</u>	<u>2,652</u>	<u>2,652</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (2,348)</u>	<u>\$ 17,289</u>	<u>\$ 55,139</u>	<u>\$ 37,850</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

	REGIONAL HIV PREVENTION FUND			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 420,000	\$ 300,000	\$ 376,504	\$ 76,504
Total Revenues	<u>420,000</u>	<u>300,000</u>	<u>376,504</u>	<u>76,504</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Contractual Services	376,263	500,000	376,263	123,737
Total Expenditures	<u>376,263</u>	<u>500,000</u>	<u>376,263</u>	<u>123,737</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	43,737	(200,000)	241	200,241
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(123,737)	0	0	0
Total Other Financing Sources (Uses)	<u>(123,737)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(80,000)	(200,000)	241	200,241
Fund Balance at Beginning of Year	1,843	1,843	1,843	0
Fund Balance at End of Year	<u>\$ (78,157)</u>	<u>\$ (198,157)</u>	<u>\$ 2,084</u>	<u>\$ 200,241</u>



**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

**RYAN WHITE TITLE III FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 270,000	\$ 266,906	\$ (3,094)
Total Revenues	<u>0</u>	<u>270,000</u>	<u>266,906</u>	<u>(3,094)</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	112,906	94,642	94,642	0
Materials and Supplies	27,202	257,247	118,216	139,031
Contractual Services	88,955	64,602	64,602	0
Total Expenditures	<u>229,063</u>	<u>416,491</u>	<u>277,460</u>	<u>139,031</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(229,063)	(146,491)	(10,554)	135,937
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(937)	0	0	0
Total Other Financing Sources (Uses)	<u>(937)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(230,000)	(146,491)	(10,554)	135,937
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (230,000)</u>	<u>\$ (146,491)</u>	<u>\$ (10,554)</u>	<u>\$ 135,937</u>

**CITY OF PORTSMOUTH, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

---

**FLOOD DEFENSE FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 150,000	\$ 160,000	\$ 157,922	\$ (2,078)
Intergovernmental Revenues	20,000	20,000	18,873	(1,127)
Total Revenues	<u>170,000</u>	<u>180,000</u>	<u>176,795</u>	<u>(3,205)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	0	11,000	10,948	52
Capital Outlay	6,600	139,000	96,201	42,799
Total Expenditures	<u>6,600</u>	<u>150,000</u>	<u>107,149</u>	<u>42,851</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	163,400	30,000	69,646	39,646
Fund Balance at Beginning of Year	685,448	685,448	685,448	0
Prior Year Encumbrances	6,600	6,600	6,600	0
Fund Balance at End of Year	<u>\$ 855,448</u>	<u>\$ 722,048</u>	<u>\$ 761,694</u>	<u>\$ 39,646</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

**COUNCIL TRUST FOR RECREATION FUND**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 140,000	\$ 90,000	\$ 40,055	\$ (49,945)
All Other Revenues	0	0	628	628
Total Revenues	<u>140,000</u>	<u>90,000</u>	<u>40,683</u>	<u>(49,317)</u>
<b>Expenditures:</b>				
Leisure Time Activities:				
Personal Services	85,550	85,550	81,505	4,045
Materials and Supplies	3,200	7,850	6,489	1,361
Contractual Services	7,250	24,600	24,210	390
Capital Outlay	27,000	89,000	42,047	46,953
Total Expenditures	<u>123,000</u>	<u>207,000</u>	<u>154,251</u>	<u>52,749</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,000	(117,000)	(113,568)	3,432
<b>Other Financing Sources (Uses):</b>				
Transfers In	50,000	52,000	54,000	2,000
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>52,000</u>	<u>54,000</u>	<u>2,000</u>
Net Change in Fund Balance	67,000	(65,000)	(59,568)	5,432
Fund Balance at Beginning of Year	90,470	90,470	90,470	0
Prior Year Encumbrances	27,000	27,000	27,000	0
Fund Balance at End of Year	<u>\$ 184,470</u>	<u>\$ 52,470</u>	<u>\$ 57,902</u>	<u>\$ 5,432</u>

**CITY OF PORTSMOUTH, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2005**

---

**PLAYGROUND TRUST FUND**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 0	\$ 0	\$ 36	\$ 36
All Other Revenues	2,000	2,000	1,910	(90)
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>1,946</u>	<u>(54)</u>
<b>Expenditures:</b>				
Leisure Time Activity:				
Personal Services	2,000	2,000	1,556	444
Contractual Services	0	1,910	0	1,910
Total Expenditures	<u>2,000</u>	<u>3,910</u>	<u>1,556</u>	<u>2,354</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(1,910)	390	2,300
Fund Balance at Beginning of Year	<u>7,337</u>	<u>7,337</u>	<u>7,337</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,337</u>	<u>\$ 5,427</u>	<u>\$ 7,727</u>	<u>\$ 2,300</u>

**CITY OF PORTSMOUTH, OHIO**

---

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Fund  
For the Year Ended December 31, 2005**

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for Services	\$ 5,000	\$ 10,001	\$ 10,001	\$ 0
Investment Earnings	0	1,000	1,305	305
Total Revenues	<u>5,000</u>	<u>11,001</u>	<u>11,306</u>	<u>305</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	0	200	200	0
Contractual Services	0	1,990	1,990	0
Capital Outlay	0	19,500	14,532	4,968
Total Expenditures	<u>0</u>	<u>21,690</u>	<u>16,722</u>	<u>4,968</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,000	(10,689)	(5,416)	5,273
Fund Balance at Beginning of Year	<u>195,916</u>	<u>195,916</u>	<u>195,916</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 200,916</u>	<u>\$ 185,227</u>	<u>\$ 190,500</u>	<u>\$ 5,273</u>

**CITY OF PORTSMOUTH, OHIO**

---

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Fund  
For the Year Ended December 31, 2005***

---

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Investment Earnings	\$ 0	\$ 0	\$ 29	\$ 29
Total Revenues	<u>0</u>	<u>0</u>	<u>29</u>	<u>29</u>
<b>Expenditures:</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	29	29
Fund Balance at Beginning of Year	<u>4,638</u>	<u>4,638</u>	<u>4,638</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,638</u>	<u>\$ 4,638</u>	<u>\$ 4,667</u>	<u>\$ 29</u>

***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.

**Storeroom Revolving Fund**

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

**Employee Insurance Account “B” Fund**

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

**CITY OF PORTSMOUTH, OHIO**

---

**Statement of Net Assets  
Internal Service Funds  
December 31, 2005**

---

	Storeroom Revolving	Employee Insurance Account "B"	Total
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 10,984	\$ 478,979	\$ 489,963
<b>Total Assets</b>	<u>10,984</u>	<u>478,979</u>	<u>489,963</u>
<b>Liabilities:</b>			
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Assets:</b>			
Unrestricted	10,984	478,979	489,963
<b>Total Net Assets</b>	<u>\$ 10,984</u>	<u>\$ 478,979</u>	<u>\$ 489,963</u>



**CITY OF PORTSMOUTH, OHIO**

---

**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the Year Ended December 31, 2005**

---

	Storeroom Revolving	Employee Insurance Account "B"	Total
<b>Operating Revenues:</b>			
Charges for Services	\$ 0	\$ 442,807	\$ 442,807
<b>Total Operating Revenues</b>	<u>0</u>	<u>442,807</u>	<u>442,807</u>
<b>Operating Expenses:</b>			
Materials and Supplies	7,137	0	7,137
<b>Total Operating Expenses</b>	<u>7,137</u>	<u>0</u>	<u>7,137</u>
Operating Income (Loss)	(7,137)	442,807	435,670
Net Assets Beginning of Year	18,121	36,172	54,293
Net Assets End of Year	<u>\$ 10,984</u>	<u>\$ 478,979</u>	<u>\$ 489,963</u>

**CITY OF PORTSMOUTH, OHIO**

---

**Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2005**

---

	<u>Storeroom Revolving</u>	<u>Employee Insurance Account "B"</u>	<u>Total</u>
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$0	\$442,807	\$442,807
Cash Payments for Goods and Services	<u>(2,544)</u>	<u>0</u>	<u>(2,544)</u>
Net Cash Provided (Used) by Operating Activities	<u>(2,544)</u>	<u>442,807</u>	<u>440,263</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,544)	442,807	440,263
Cash and Cash Equivalents at Beginning of Year	<u>13,528</u>	<u>36,172</u>	<u>49,700</u>
Cash and Cash Equivalents at End of Year	<u><u>\$10,984</u></u>	<u><u>\$478,979</u></u>	<u><u>\$489,963</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$7,137)	\$442,807	\$435,670
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Changes in Assets and Liabilities:			
Decrease in Prepaid Expenses	<u>4,593</u>	<u>0</u>	<u>4,593</u>
Total Adjustments	<u>4,593</u>	<u>0</u>	<u>4,593</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$2,544)</u></u>	<u><u>\$442,807</u></u>	<u><u>\$440,263</u></u>

***Fiduciary Funds***

---

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

***Agency Funds***

---

**Performance Bonds Fund**

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

**Law Library Fund**

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

**Ohio Board of Building Standards Fund**

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

**Municipal Court Fund**

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

**Insurance Fund**

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

**CITY OF PORTSMOUTH, OHIO**

***Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2005***

	Balance December 31, 2004	Additions	Deductions	Balance December 31, 2005
<b><u>Performance Bonds Fund</u></b>				
Restricted Assets:				
Cash and Cash Equivalents	\$11,046	\$28,693	(\$20,182)	\$19,557
Total Assets	<u>\$11,046</u>	<u>\$28,693</u>	<u>(\$20,182)</u>	<u>\$19,557</u>
Liabilities:				
Due to Others	\$11,046	\$28,693	(\$20,182)	\$19,557
Total Liabilities	<u>\$11,046</u>	<u>\$28,693</u>	<u>(\$20,182)</u>	<u>\$19,557</u>
<b><u>Law Library Fund</u></b>				
Assets:				
Accounts Receivable	\$13,783	\$19,582	(\$13,783)	\$19,582
Due from Other Funds	4,901	3,077	(4,901)	3,077
Restricted Assets:				
Cash and Cash Equivalents	0	39,233	(39,233)	0
Total Assets	<u>\$18,684</u>	<u>\$61,892</u>	<u>(\$57,917)</u>	<u>\$22,659</u>
Liabilities:				
Due to Others	\$18,684	\$61,892	(\$57,917)	\$22,659
Total Liabilities	<u>\$18,684</u>	<u>\$61,892</u>	<u>(\$57,917)</u>	<u>\$22,659</u>
<b><u>Ohio Board of Building Standards Fund</u></b>				
Restricted Assets:				
Cash and Cash Equivalents	\$300	\$1,794	(\$2,020)	\$74
Total Assets	<u>\$300</u>	<u>\$1,794</u>	<u>(\$2,020)</u>	<u>\$74</u>
Liabilities:				
Due to Others	\$300	\$1,794	(\$2,020)	\$74
Total Liabilities	<u>\$300</u>	<u>\$1,794</u>	<u>(\$2,020)</u>	<u>\$74</u>
<b><u>Municipal Court Fund</u></b>				
Assets:				
Accounts Receivable	\$151,539	\$116,713	(\$151,539)	\$116,713
Restricted Assets:				
Cash and Cash Equivalents	183,494	2,409,417	(2,544,973)	47,938
Total Assets	<u>\$335,033</u>	<u>\$2,526,130</u>	<u>(\$2,696,512)</u>	<u>\$164,651</u>
Liabilities:				
Due to Other Funds	\$4,901	\$926,890	(\$928,714)	\$3,077
Intergovernmental Payables	57,366	491,567	(434,201)	114,732
Due to Others	272,766	1,107,673	(1,333,597)	46,842
Total Liabilities	<u>\$335,033</u>	<u>\$2,526,130</u>	<u>(\$2,696,512)</u>	<u>\$164,651</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

---

***Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2005***

---

	Balance December 31, 2004	Additions	Deductions	Balance December 31, 2005
<u>Insurance Fund</u>				
Assets:				
Cash and Cash Equivalents	\$0	\$1,772,670	(\$1,772,670)	\$0
Total Assets	<u>\$0</u>	<u>\$1,772,670</u>	<u>(\$1,772,670)</u>	<u>\$0</u>
Liabilities:				
Due to Others	\$0	\$1,772,670	(\$1,772,670)	\$0
Total Liabilities	<u>\$0</u>	<u>\$1,772,670</u>	<u>(\$1,772,670)</u>	<u>\$0</u>
 <u>Totals - All Agency Funds</u>				
Assets:				
Accounts Receivable	\$165,322	\$136,295	(\$165,322)	\$136,295
Due from Other Funds	4,901	3,077	(4,901)	3,077
Restricted Assets:				
Cash and Cash Equivalents	194,840	4,251,807	(4,379,078)	67,569
Total Assets	<u>\$365,063</u>	<u>\$4,391,179</u>	<u>(\$4,549,301)</u>	<u>\$206,941</u>
Liabilities:				
Due to Other Funds	\$4,901	\$926,890	(\$928,714)	\$3,077
Intergovernmental Payables	57,366	491,567	(434,201)	114,732
Due to Others	302,796	2,972,722	(3,186,386)	89,132
Total Liabilities	<u>\$365,063</u>	<u>\$4,391,179</u>	<u>(\$4,549,301)</u>	<u>\$206,941</u>

*CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS*

---

**CITY OF PORTSMOUTH, OHIO**

---

***Capital Assets Used in the Operation of Governmental Funds  
Schedule by Source  
December 31, 2005***

---

<u>Capital Assets</u>	
Land	\$612,891
Buildings and Improvements	5,773,868
Land Improvements	2,134,058
Machinery and Equipment	7,468,809
Infrastructure	<u>658,803</u>
Total Capital Assets	<u><u>\$16,648,429</u></u>
<u>Investment in Capital Assets</u>	
General Fund	\$320,335
Special Revenue Funds	1,829,146
Capital Projects Fund	13,940,598
Expendable Trust Funds	353,901
Proprietary Funds	102,702
Internal Service Funds	10,391
Grants	83,356
Donated	<u>8,000</u>
Total Investment in Capital Assets	<u><u>\$16,648,429</u></u>

**CITY OF PORTSMOUTH, OHIO**

**Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
December 31, 2005**

Function and Activity	Land	Buildings and Improvements	Land Improvements
<u>General Government:</u>			
City Council	\$50,078	\$67,344	\$0
Executive	0	3,921,226	267,106
Legal	0	0	0
Finance	0	0	0
Municipal Court	0	0	0
Income Tax	0	0	0
Engineering	0	52,941	0
Public Service	0	36,426	322,853
City Garage	0	0	0
Total	50,078	4,077,937	589,959
<u>Security of Persons and Property:</u>			
Police	3,372	1,649	0
Fire	196,346	526,787	2,000
Flood Defense	0	5,425	367,578
Total	199,718	533,861	369,578
<u>Transportation:</u>			
General Street Construction	0	0	0
<u>Public Health and Welfare:</u>			
Cemetery	17,632	122,998	0
Air Pollution	0	12,174	0
Health	0	0	0
Total	17,632	135,172	0
<u>Leisure Time Activities:</u>			
Recreation	345,463	676,730	140,400
<u>Community Environment:</u>			
Community Development	0	0	993,142
Grounds Maintenance	0	350,168	40,979
Total	0	350,168	1,034,121
Total Capital Assets	\$612,891	\$5,773,868	\$2,134,058



**CITY OF PORTSMOUTH, OHIO**

---

Machinery and Equipment	Infrastructure	Totals
\$32,400	\$0	\$149,822
338,379	0	4,526,711
12,212	0	12,212
75,561	0	75,561
382,317	0	382,317
42,892	0	42,892
390,774	0	443,715
330,404	0	689,683
114,726	0	114,726
<u>1,719,665</u>	<u>0</u>	<u>6,437,639</u>
1,355,438	0	1,360,459
1,874,615	0	2,599,748
146,741	0	519,744
<u>3,376,794</u>	<u>0</u>	<u>4,479,951</u>
<u>1,026,911</u>	<u>658,803</u>	<u>1,685,714</u>
175,445	0	316,075
514,035	0	526,209
250,628	0	250,628
<u>940,108</u>	<u>0</u>	<u>1,092,912</u>
<u>2,929</u>	<u>0</u>	<u>1,165,522</u>
41,781	0	1,034,923
360,621	0	751,768
402,402	0	1,786,691
<u>\$7,468,809</u>	<u>\$658,803</u>	<u>\$16,648,429</u>

**CITY OF PORTSMOUTH, OHIO**

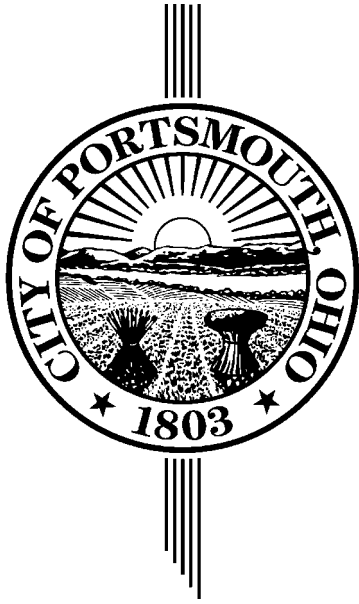
**Capital Assets Used in the Operation of Governmental Funds  
Schedule Changes by Function and Activity  
For Year Ended December 31, 2005**

Function and Activity	December 31, 2004	Additions	Deletions	December 31, 2005
<u>General Government:</u>				
City Council	\$147,810	\$2,012	\$0	\$149,822
Executive	4,526,711	0	0	4,526,711
Legal	12,212	0	0	12,212
Finance	75,561	0	0	75,561
Municipal Court	327,470	54,847	0	382,317
Income Tax	42,892	0	0	42,892
Engineering	384,538	68,248	(9,071)	443,715
Public Service	662,465	27,218	0	689,683
City Garage	114,726	0	0	114,726
Total	6,294,385	152,325	(9,071)	6,437,639
<u>Security of Persons and Property:</u>				
Police	1,287,369	93,866	(20,776)	1,360,459
Fire	2,510,056	89,692	0	2,599,748
Flood Defense	492,447	27,297	0	519,744
Total	4,289,872	210,855	(20,776)	4,479,951
<u>Transportation:</u>				
General Street Construction	1,462,284	260,336	(36,906)	1,685,714
<u>Public Health and Welfare:</u>				
Cemetery	294,217	21,858	0	316,075
Air Pollution	514,802	11,407	0	526,209
Health	250,399	12,600	(12,371)	250,628
Total	1,059,418	45,865	(12,371)	1,092,912
<u>Leisure Time Activities:</u>				
Recreation	1,164,172	1,350	0	1,165,522
<u>Community Environment:</u>				
Community Development	1,034,923	0	0	1,034,923
Grounds Maintenance	767,957	0	(16,189)	751,768
Total	1,802,880	0	(16,189)	1,786,691
Total Capital Assets	\$16,073,011	\$670,731	(\$95,313)	\$16,648,429

# *STATISTICAL SECTION*

---

---



*STATISTICAL TABLES*

---

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

**CITY OF PORTSMOUTH, OHIO**

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)  
LAST TEN YEARS**

<b>Year</b>	<b>Security of Persons and Property</b>	<b>Public Health and Welfare Services</b>	<b>Leisure Time Activities</b>	<b>Community Environment</b>	<b>Trans- portation</b>	<b>General Government</b>	<b>Capital Outlay</b>	<b>Debt Service</b>	<b>Other Expenditures</b>	<b>Total</b>
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
2003	6,572,469	2,561,485	73,507	371,813	2,292,674	3,403,628	0	304,291	0	15,579,867
2004	6,349,582	2,528,924	72,782	677,336	1,110,311	3,203,359	0	149,435	0	14,091,729
2005	6,532,111	2,836,063	111,168	404,492	1,117,116	3,277,687	0	147,635	0	14,426,272

(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.

**CITY OF PORTSMOUTH, OHIO**

---

**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)  
LAST TEN YEARS**

<b>Year</b>	<b>Taxes</b>	<b>Inter- Governmental Revenues</b>	<b>Charges for Services</b>	<b>Licenses and Permits</b>	<b>Investment Earnings</b>	<b>Special Assessments</b>	<b>Fines and Forfeitures</b>	<b>All Other</b>	<b>Total</b>
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
2003	6,549,858	5,268,332	633,525	230,950	47,146	0	994,915	379,093	14,103,819
2004	7,124,007	5,484,792	665,254	285,971	39,876	465	1,013,920	280,917	14,895,202
2005	6,958,576	5,123,524	488,168	189,052	143,310	0	1,138,755	506,784	14,548,169

- 53 -

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

**CITY OF PORTSMOUTH, OHIO**

---

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS**

<b>Collection Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections To Tax Levy</b>	<b>Accumulated Outstanding Delinquent Taxes</b>	<b>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</b>
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%
2003	2,075,248	1,595,325	89,368	1,684,693	81.18%	184,852	8.91%
2004	2,515,951	2,248,194	96,592	2,344,786	93.20%	171,165	6.80%
2005	2,189,476	1,833,585	84,931	1,918,516	87.62%	270,960	12.38%

Source: Scioto County Auditor



**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	
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%
2003	170,532,520	487,235,770	14,908,310	42,595,170	22,019,080	88,076,320	207,459,910	617,907,260	33.57%
2004	184,712,720	527,750,629	14,672,060	41,920,171	19,974,000	79,896,000	219,358,780	649,566,800	33.77%
2005	187,150,580	534,715,943	14,229,200	40,654,857	22,249,670	88,998,680	223,629,450	664,369,480	33.66%

Source: Scioto County Auditor

**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	Scioto County	Total
	General Fund	Bond Payment Fund	Fire Pension Fund	Police Pension Fund	Flood Defense Fund	Total City		Joint Vocational School District		
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
2003	7.95	0.00	0.30	0.30	1.00	9.55	41.03	5.37	7.98	63.93
2004	7.95	2.95	0.30	0.30	1.00	12.50	41.03	5.37	7.98	66.88
2005	7.95	0.50	0.30	0.30	1.00	10.05	41.03	5.37	7.98	64.43

Source: Scioto County Auditor  
Scioto County Treasurer

***CITY OF PORTSMOUTH, OHIO***

---

***SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS  
LAST TEN YEARS***

<b><u>Collection Year</u></b>	<b><u>Amount Billed</u></b>	<b><u>Amount Collected</u></b>	<b><u>Percent Collected</u></b>
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%
2003	215,509	149,637	69.43%
2004	756	465	61.51%
2005	2,290	0	0.00%

Special Assessment Bonds Payable were paid off in 2003.

These figures represent amounts certified to and collected by the Scioto County Auditor.

Source: Scioto County, Ohio: County Auditor

**COMPUTATION OF LEGAL DEBT MARGIN  
DECEMBER 31, 2005**

	<u>Total Debt</u>	<u>Unvoted Debt</u>
Net Assessed Valuation	\$223,629,450	\$223,629,450
Legal Debt Limitation (%) (1)	1.00%	1.00%
Legal Debt Limitation (\$) (1)	2,236,295	2,236,295
Applicable City Debt Outstanding (2)	1,959,132	1,959,132
Less: Applicable Debt Service Fund Amounts	(65,248)	(65,248)
Net Indebtedness Subject to Limitation	<u>1,893,884</u>	<u>1,893,884</u>
Legal Debt Margin	<u><u>\$342,411</u></u>	<u><u>\$342,411</u></u>

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

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

**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**

<b>Year</b>	<b>Population (1)</b>	<b>Assessed Value (2)</b>	<b>Gross Bonded Debt (3)</b>	<b>Debt Service Funds Available</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Valuation</b>	<b>Net Bonded Debt Per Capita</b>
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
2003	20,909	207,459,910	2,005,000	102,150	1,902,850	0.92%	91.01
2004	20,909	219,358,780	2,025,000	98,936	1,926,064	0.88%	92.12
2005	20,909	223,629,450	1,959,132	65,248	1,893,884	0.85%	90.58

(1) Source: U.S. Bureau of Census, Federal 1990 Census (1996-1999) and Federal 2000 Census (2000-2005)

(2) Source: Scioto County Auditor

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

**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>
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%
2003	45,000	106,167	151,167	15,579,867	0.97%
2004	45,000	104,435	149,435	14,091,729	1.06%
2005	65,868	105,099	170,967	14,426,272	1.19%

**CITY OF PORTSMOUTH, OHIO**

---

**COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT  
DECEMBER 31, 2005**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Portsmouth</u>	<u>Amount Applicable to City of Portsmouth</u>
<b>Direct</b>			
City of Portsmouth	\$1,893,884	100.00%	\$1,893,884
<b>Overlapping Subdivisions</b>			
Scioto County	20,253,990	25.36%	5,136,412
Portsmouth City School District	16,085,000	93.94%	15,110,249
		Subtotal	20,246,661
		Total	<u>\$22,140,545</u>

Source: Scioto County Auditor

**CITY OF PORTSMOUTH, OHIO**

---

**REVENUE BOND COVERAGE - WATER MORTGAGE BONDS  
LAST TEN YEARS**

<u>Year</u>	<u>Gross Revenues (1)</u>	<u>Direct Operating Expenses (2)</u>	<u>Net Revenue Available For Debt Service</u>	<u>Debt Service Requirement</u>	<u>Coverage</u>
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
2003	4,810,736	3,695,797	1,114,939	121,070	9.21
2004	4,739,065	4,083,172	655,893	575,525	1.14
2005	5,144,913	4,245,597	899,316	573,456	1.57

(1) Total revenues include operating revenues plus interest income

(2) Total expenses include operating expenses less depreciation



# ***CITY OF PORTSMOUTH, OHIO***

---

## ***DEMOGRAPHIC STATISTICS LAST TEN YEARS***

<b><u>Year</u></b>	<b><u>City of Portsmouth Population (1)</u></b>	<b><u>Scioto County Population (1)</u></b>	<b><u>Unemployment Rate County Area (2)</u></b>	<b><u>School Enrollment (3)</u></b>
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
2003	20,909	79,195	8.60%	2,525
2004	20,909	79,195	9.00%	2,535
2005	20,909	79,195	8.80%	2,510

Source: (1) U.S. Bureau of Census of Population - Federal 1990 Census (1996-1999) and Federal 2000 Census (2000-2005)  
(2) Ohio Department of Job and Family Services  
(3) Portsmouth City School District, Board of Education; Sciotoville Community Schools, Governing Board

**CITY OF PORTSMOUTH, OHIO**

---

**PROPERTY VALUE AND CONSTRUCTION PERMITS  
LAST TEN YEARS**

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>	
	<u>Number of Permits</u>	<u>Property Value *</u>	<u>Number of Permits</u>	<u>Property Value *</u>
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
2003	801	1,515,346	78	46,380,200
2004	296 **	1,376,109	116**	40,905,800
2005	241**	1,756,106	85**	4,680,463

Source: City of Portsmouth Engineering Department - Building Division

\* Values are estimated cost of improvement or construction.

\*\* Building permits only - previous years included electrical, sewer and plumbing permits in addition to building permits

**CITY OF PORTSMOUTH, OHIO**

---

**PRINCIPAL TAXPAYERS (PERSONAL PROPERTY TAX)  
DECEMBER 31, 2005**

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>2005 Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1	OSCO Industries Inc.	Manufacturing	\$3,135,210	14.09%
2	Siemens Credit Corporation	Finance	1,497,110	6.73%
3	Oberling Ford Inc.	Automobile Sales	1,310,570	5.89%
4	Mitchellace Inc.	Manufacturing	1,201,900	5.40%
5	Century Ohio Cable Television Corp.	Television Cable	1,167,630	5.25%
6	B.P. America, Inc.	Gasoline Distributor	833,560	3.75%
7	KSA Limited Partnership	Construction	730,580	3.28%
8	Kroger Company	Grocery	600,070	2.70%
9	General Electric Credit	Finance	530,890	2.39%
10	Revco Discount Drug	Retail	346,030	1.56%
		Subtotal	11,353,550	51.04%
		All Others	10,896,120	48.96%
		Total	\$22,249,670	100.00%

Source: Scioto County Auditor - Land and Buildings

# CITY OF PORTSMOUTH, OHIO

## PRINCIPAL TAXPAYERS (REAL PROPERTY AND PUBLIC UTILITY PERSONAL PROPERTY TAX) DECEMBER 31, 2005

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>2005 Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1	Ohio Power	Utility - Electric	\$8,603,480	4.27%
2	SOMC Title Holding Company	Medical Offices	4,090,640	2.03%
3	Norfolk & Southern Railway Company	Railway	2,217,170	1.10%
4	Neal and Vicky Hatcher	Real Estate	2,185,330	1.09%
5	Verizon North	Telecommunications	2,069,690	1.03%
6	Hillview Retirement	Retirement Community	1,956,360	0.97%
7	Columbia Gas	Utility - Gas	1,425,830	0.71%
8	Liberty Nursing Properties of Portsmouth LTD	Assisted Living/Continuing Care Nursing Services	1,310,210	0.65%
9	Fifth Third Bank	Bank	1,076,120	0.53%
10	OSCO Industries Inc.	Manufacturing	1,008,460	0.50%
		Subtotal	25,943,290	12.88%
		All Others	175,436,490	87.12%
		Total	\$201,379,780	100.00%

Source: Scioto County Auditor - Land and Buildings

**CITY OF PORTSMOUTH, OHIO**

---

**PRINCIPAL EMPLOYERS  
DECEMBER 31, 2005**

	<u>Employer</u>	<u>Type of Business</u>	<u>Average Number of Employees</u>
1	Southern Ohio Medical Center	Health Care Services	2,042
2	Shawnee State University	Education	1,483
3	Scioto County	Government	662
4	State of Ohio	Government	327
5	Osco Industries	Manufacturing	292
6	City of Portsmouth	Government	286
7	Portsmouth City Schools	Education	271
8	Community Action Organization	Government/Social Services	250
9	Ohio Troopers Coalition	Marketing	200
10	Kroger	Retail Grocery	176

Source: City of Portsmouth Income Tax Division

**CITY OF PORTSMOUTH, OHIO**

---

**MISCELLANEOUS STATISTICS  
DECEMBER 31, 2005**

Date of Incorporation	1815	Police Services:		Water System:	
Form of Government	Council/Mayor	Number of Stations	1	Number of Purification Plants	1
		Number of Police Personnel		Number of Fire Hydrants	865
Area (square miles)	12	and Officers	42	Number of Service Connections	14,140
		Number of Patrol Units	27	Average Daily Consumption (gallons)	7 Million
Facilities and Services:		Number of Law Violations:		Maximum Daily Capacity	
Miles of Streets	220	Criminal /Juvenile Citations		of Plant (gallons)	12 Million
Number of Street Lights	1,475	and Charges	2,346		
		Traffic Citations Issued	2,955	Sewerage System:	
Recreation and Culture:		Parking Tickets Written	614	Number of Treatment Plants	2
Number of Parks	17			Miles of Storm Sewers	30
Park Area (acres)	223	Fire/Emergency Medical Services:		Number of Service Connections	8,580
Number of Ball Fields:		Number of Stations	3	Average Daily Treatment (gallons)	5 Million
Lighted	7	Number of Fire Officers		Maximum Daily Capacity	
Unlighted	4	and Firefighters/Paramedics:		of Treatment (gallons)	10 Million
Number of Tennis Courts:		Fire Personnel	38		
Lighted	4	Fire Dispatchers - 911	8	Education:	
Unlighted	7	Number of Calls Answered	683	Elementary Schools	4
		Number of Inspections	131	Elementary Students	1,347
Number of Libraries	1	Number of Investigations	50	Secondary Schools	2
				Secondary School Students	1,163
Number of Hospitals	1	Cemeteries		Elementary/Secondary Instructors	194
Number of Patient Beds	421	Number of Cemeteries	1	Colleges	1
Number of Bassinets	23	Cemetery Area (acres)	40	College Students	3,820



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
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  
SEPTEMBER 12, 2006**