



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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CITY OF PORTSMOUTH  
SCIOTO COUNTY, OHIO

SINGLE AUDIT

For the Year Ended December 31, 2016  
Fiscal Year Audited Under GAGAS: 2016

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# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the City of Portsmouth, Scioto County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 31, 2017

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**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Schedule of Expenditures of Federal Awards.....	1
Notes to the Schedule of Expenditures of Federal Awards.....	3
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	5
Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	7
Schedule of Findings.....	10
Summary Schedule of Prior Audit Findings and Questioned Costs .....	15
Corrective Action Plan.....	16

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CITY OF PORTSMOUTH  
SCIOTO COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <b>Program / Cluster Title</b>	<b>Federal</b> <b>CFDA</b> <b>Number</b>	<b>Pass Through</b> <b>Entity Identifying</b> <b>Number</b>	<b>Passed</b> <b>Through to</b> <b>Subrecipients</b>	<b>Total Federal</b> <b>Expenditures</b>
<b><u>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
<i>Passed through Ohio Development Services Agency</i>				
Community Development Block Grants/State's Program				
Community Development Program	14.228	A-F-14-2DH-1	-	75,600
TOTAL UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			-	75,600
<b><u>UNITED STATES DEPARTMENT OF JUSTICE</u></b>				
<i>Direct from United States Department of Justice</i>				
Bulletproof Vest Partnership Program	16.607	2015	-	3,600
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-JG-LLE-5962	-	4,640
		2015-JG-A02-6819	-	8,891
		2015-JG-A01-6027	-	25,000
Total Edward Byrne Memorial Justice Assistance Grant Program			-	38,531
TOTAL UNITED STATES DEPARTMENT OF JUSTICE			-	42,131
<b><u>UNITED STATES DEPARTMENT OF TRANSPORTATION</u></b>				
<i>Passed through Ohio Department of Public Safety</i>				
Highway Safety Cluster:				
National Priority Safety Programs	20.616	GG-2016-SA-00-00-00301-00	-	32,067
TOTAL UNITED STATES DEPARTMENT OF TRANSPORTATION			-	32,067
<b><u>UNITED STATES ENVIRONMENTAL PROTECTION AGENCY</u></b>				
<i>Passed through Ohio Environmental Protection Agency</i>				
Air Pollution Control Program Support	66.001	N/A	-	149,064
TOTAL UNITED STATES ENVIRONMENTAL PROTECTION AGENCY			-	149,064
<b><u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
<i>Direct from Federal Government:</i>				
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	6H76HA04400-11-01	-	92,258
		6H76HA04400-12-02	-	156,961
Total Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease			-	249,219
<i>Passed through the Ohio Department of Health</i>				
Public Health Emergency Preparedness (B)	93.074	73-2-001-2-PH-0716	-	39,818
		73-2-001-2-PH-0717	-	37,529
Total Public Health Emergency Preparedness (B)			-	77,347
Family Planning Services	93.217	73-2-001-1-RH-0516	-	11,633
		73-2-001-1-RH-0617	-	38,023
Total Family Planning Services			-	49,656
HIV Prevention Activities_Health Department Based	93.940	73-200-12HP-0815	61,604	61,604
		73-200-12HP-0916	246,276	397,637
Total HIV Prevention Activities_Health Department Based			307,880	459,241
Preventive Health Services_Sexually Transmitted Diseases Control Grant	93.977	73-200-12ST-0715	9,239	9,239
		73-200-12ST-0816	39,827	53,368
Total Preventive Health Services_Sexually Transmitted Diseases Control Grant			49,066	62,607
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	73-200-001-4-IP-0916	-	91,907
Maternal and Child Health Services Block Grant to the States	93.994	73-2-001-1-RH-0617	-	9,828
<i>Passed through the Substance Abuse and Mental Health Services Administration</i>				
Drug-Free Communities Support Program Grant	93.276	5H79SP018684-04	-	77,121
		5H79SP018684-05	-	42,107
Total Drug-Free Communities Support Program Grant			-	119,228
TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			356,946	1,119,033
<b>TOTAL FEDERAL AWARDS EXPENDITURES</b>			<b>\$356,946</b>	<b>\$1,417,895</b>

The accompanying notes are an integral part of this schedule

**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Portsmouth (the City's) under programs of the federal government for the year ended December 31, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - SUBRECIPIENTS**

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

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



**NOTE D - MATCHING REQUIREMENTS**

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

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**Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Required by *Government Auditing Standards***

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States’ *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, Scioto County, (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated June 26, 2017.

***Internal Control over Financial Reporting***

As part of our financial statement audit, we considered the City’s internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City’s internal control. Accordingly, we have not opined on it.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City’s financial statements. We consider finding 2016-003 described in the accompanying schedule of findings to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2016-004 described in the accompanying schedule of findings to be a significant deficiency.

***Compliance and Other Matters***

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2016-001 and 2016-002.

***City's Response to Findings***

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the City's responses and, accordingly, we express no opinion on them.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BHM CPA Group, Inc.  
Piketon, Ohio  
June 26, 2017



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

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

To the City Council:

***Report on Compliance for Each Major Federal Program***

We have audited the City of Portsmouth's, Scioto County, Ohio (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the City's major federal programs for the year ended December 31, 2016. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the City's major federal programs.

***Management's Responsibility***

The City's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to opine on the City's compliance for each of the City's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect 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 our audit provides a reasonable basis for our compliance opinion on each of the City's major programs. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on the Major Federal Program***

In our opinion, the City of Portsmouth complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2016.

***Report on Internal Control Over Compliance***

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on the major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

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

We have also 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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 26, 2017. We conducted our audit to opine on the City's' basic financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The Schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this Schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



BHM CPA Group, Inc.  
Piketon, Ohio  
June 26, 2017

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**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2016**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unmodified
<i>(d)(1)(ii)</i>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<i>(d)(1)(ii)</i>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<i>(d)(1)(iv)</i>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Qualified for HIV Prevention Activities – Health Department Based - CFDA #93.940 Drug-Free Communities Support Program Grant – CFDA #93.276
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	HIV Prevention Activities - Health Department Based - CFDA #93.940 Drug-Free Communities Support Program Grant – CFDA #93.276
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	No

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

**FINDING NUMBER 2016-001**

**Noncompliance**

Ohio Rev. Code § 5705.10(I) states that money paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another fund.

The following fund had a negative cash fund balance at December 31, 2016: Sewage System Revenue Fund (\$1,421,818).

We recommend the City Auditor monitor to ensure that one fund is not used to cover the expenses of another fund.

**Officials' Response:** The City submitted a revised Financial Recovery Plan in June 2017 and is currently working through this plan to eliminate the sewer fund deficit as well any other fund deficiencies. In accordance with the Financial Recovery Plan, currently all fund deficits have been eliminated except for the Sewer Fund deficit. In August the City of Portsmouth will increase wastewater rates again. This increase in 2017 is expected to generate an additional \$600,000 in revenue. Pursuant to the revised Financial Recovery Plan, the City of Portsmouth will continue to raise rates on an annual basis until the deficit is eliminated and there is sufficient reserve built.

**FINDING NUMBER 2016-002**

**Noncompliance**

Ohio Rev. Code § 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is 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.

Appropriations were greater than estimated resources at December 31, 2016 in the following fund:

<b>Fund:</b>	<b>Estimated Resources</b>	<b>Appropriation Authority</b>	<b>Variance</b>
Sewage System Revenue Fund	\$ 2,534,802	\$ 3,590,401	\$ (1,055,599)

We recommend the City Council only adopt appropriations that do not exceed estimated resources.

**Officials' Response:** Appropriations in excess of estimated current resources in the Sewer Fund are due to its deficit fund condition. It is anticipated that this fund deficit will be corrected by the end of 2019 as a result of the sewer rate increase. This correction will resolve appropriations in excess of estimated resources.

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

**FINDING NUMBER 2016-003**

**Material Weakness**

While the City has a capital assets policy, the policy was not updated to comply with the requirements of GASB Statement No. 34 for the reporting of capital assets. The capital assets policy should include, but not be limited to, the following: capitalization threshold, categories or classes of assets, method of cost determination, method of depreciation, useful lives and methods of acquisition. Further, the policy should establish procedures relating to the recording of infrastructure including the following items: determination of values / method of capitalization, useful lives, items to be included in infrastructure for both Governmental Activities and Business-Type Activities, condition by each type of asset, and documentation to indicate at what point an asset has had an improvement that increases its efficiency to the point the old asset value needs removed and the new value recorded (such as total repaving and not just patching of a street).

A review of the City's current capital asset policy in comparison to the City's recorded capital assets revealed the following:

- The current policy was revised several years ago to increase the capital asset threshold to \$5,000. However, the policy does not state whether this threshold applies to infrastructure.
- The current policy states, in part, that infrastructure fixed assets will not be reported for roads, bridges, curbs, gutters, streets, sidewalks, storm sewers and similar assets of value only to the City. The policy currently also states that proprietary infrastructure including all water and wastewater lines and appurtenances are to be included. However, in accordance with GASB Statement No. 34, the City properly included streets (including land and site preparation; pavement including the base course, intermediate course and surface course; and curbing and sidewalks directly related to the streets), curbing and sidewalks (related to parks).
- The current policy includes the classification of Improvements Other Than Buildings which is to include improvements such as park facilities, parking lots, baseball fields, tennis courts, swimming pools and infrastructure associated with City owned assets (water and sanitary sewer systems). However, Improvements Other Than Buildings is being reported on the City's financial statements under Business-Type Activities which only includes water and sanitary sewer lines and systems.
- Useful lives are indicated in the policy; however, the policy does not include the useful lives for Governmental Activities' infrastructure.
- The current policy states that depreciation will not be taken on general fixed assets. However, the City recorded depreciation expense for all Governmental Activities' capital assets with the exception of land.
- The current policy does not include a process for identifying unrecorded items such as reviewing the City Council's minute record, the City's detailed expense reports, etc.
- The City included leased vehicles in capital assets as additions in the first year of a capital lease. The current policy does not address leased vehicles.

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

**FINDING NUMBER 2016-003 (Continued)**

**Material Weakness (Continued)**

The City was in direct conflict with its written policy in that Governmental Activities infrastructure along with Governmental Activities depreciation expense are reported on the financial statements while the policy indicates that it will not be included.

The City should ensure the capital assets policy is updated to comply with the requirements of GASB Statement No. 34 for the reporting of capital assets to prevent material misstatement of the City's financial statements.

We recommend the following regarding the City's Capital Assets Policy:

- The Capital Assets Policy should be revised to include the threshold for infrastructure. The policy should be reviewed to determine whether different thresholds are desired for infrastructure.
- The Capital Assets Policy should be revised to include the classification of infrastructure for both Governmental Activities and Business-Type Activities. The policy should include what assets are to be classified as infrastructure such as: streets (including land and site preparation; pavement including the base course, intermediate course and surface course; and curbing and sidewalks directly related to the streets), curbing and sidewalks (related to parks), bridges, culverts, cat basins, street lighting systems, floodwall and any other items the City determines are stationary in nature and can be preserved for a significantly greater number of years than most capital assets.
- The Capital Assets Policy should be revised for the classification of Improvements Other Than Buildings to include only those assets that the City has reported under Business-Type Activities on the financial statements.
- The Capital Assets Policy should be reviewed to include the useful lives of all classes of assets being capitalized. The City should review infrastructure with its capital assets' consultant to determine the useful lives to be used for infrastructure.
- The Capital Assets Policy should be revised for depreciation to include that all capital assets, with exception of land and construction in progress will be depreciated. Calculation of depreciation for infrastructure should be reviewed with their capital assets' consultant and included in the policy.
- The Capital Assets Policy should include a method to identify unrecorded capital asset additions and deletions. Methods could include departmental reviews, reviewing City Council's minute record, auction results and expenditure listings.
- A detailed review should be performed to ensure that assets are being recorded on the financial statements according to the policy and/or that the policy agrees to how assets are being reported.
- The Capital Assets Policy should be revised to include leased vehicles and equipment being recorded as additions in the first year of a capital lease.

**Officials' Response:** The current Capital Assets Policy was developed in 1998. Current Capital Assets practices have been to follow GASB statements in practice, but the City's actual policy has not been updated to correspond with those changes. The City has now updated its Capital Assets Policy to correspond with its current practices as well as comply with the current GASB statements.

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

**FINDING NUMBER 2016-004**

**Significant Deficiency**

In 2016, the City was awarded a grant through the Ohio Public Works Commission to help finance a street resurfacing project. The amount awarded to the City was \$249,390. In 2016, the entire street resurfacing project was complete. The City received and correctly recorded \$124,695 of this grant in the Capital Improvement fund in 2016. The remaining \$124,695 was not received in 2016, and should have been recorded as intergovernmental receivable. The City agreed to post this amount to the financial statements as an intergovernmental receivable in the 2016 financial statements.

We recommend that the City review grants awards and track all receipt and expenditure activity of the grant. When preparing the year end receivables estimates, it is important to review the calculations to verify that the receivable is being calculated correctly.

**Officials' Response:** This issue has been corrected with the adjustment posted to the financial statements.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

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**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
2 CFR 200.511(b)  
DECEMBER 31, 2016**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</b>
2015-001 (initially occurred in 2009)	Ohio Rev. Code § 5705.10(I) – Negative Fund Balances	No	Reissued as 2016-001
2015-002	Ohio Rev. Code § 5705.39 – Appropriations exceeded estimated resources.	No	Reissued as 2016-002
2015-003 (initially occurred in 2012)	Material Weakness – Capital Assets Policy	No	Reissued as 2016-003
2015-004	Noncompliance and Material Weakness – Cash Management requirement for Community Development Block Grants/State’s program	Yes	
2015-005	Noncompliance and Material Weakness – Procurement and Suspension and Debarment for HIV Prevention Activities – Health Department Based	Yes	

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**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

**CORRECTIVE ACTION PLAN  
2 CFR 200.511(c)  
DECEMBER 31, 2016**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2016-001	The City submitted a revised Financial Recovery Plan in June 2017 and is currently working through this plan to eliminate the sewer fund deficit as well as any other fund deficiencies. In accordance with the Financial Recovery Plan, currently all fund deficits have been eliminated except for the Sewer Fund deficit. In August the City of Portsmouth will increase wastewater rates again. This increase in 2017 is expected to generate an additional \$600,000 in revenue. Pursuant to the revised Financial Recovery Plan, the City of Portsmouth will continue to raise rates on an annual basis until the deficit is eliminated and there is sufficient reserve built.	December 31, 2019	Derek Allen, City Manager, and M. Trent Williams, City Auditor
2016-002	Appropriations in excess of estimated current resources in the Sewer Fund are due to its deficit fund condition. It is anticipated that this fund deficit will be corrected by the end of 2019 as a result of the sewer rate increase. This correction will resolve appropriations in excess of estimated resources.	December 31, 2019	Derek Allen, City Manager, and M. Trent Williams, City Auditor
2016-003	The current Capital Assets Policy was developed in 1998. Current Capital Assets practices have been to follow GASB statements in practice, but the City's actual policy has not been updated to correspond with those changes. The City has now updated its Capital Assets Policy to correspond with its current practices as well as comply with the current GASB statements.	December 31, 2017	M. Trent Williams, City Auditor
2016-004	This issue has been corrected with the adjustment posted to the financial statements.	December 31, 2017	M. Trent Williams, City Auditor

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# **Comprehensive Annual Financial Report**

**City of Portsmouth, Ohio**



**For Year Ended  
December 31, 2016**

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



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

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## ***SCIOTO COUNTY***

### **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2016**

Prepared by:

***M. TRENT WILLIAMS, CPM, CPFA***  
City Auditor

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Deputy Auditor

**Jennifer E. Newman**  
Finance Clerk II

**Sherry A. Boling**  
Finance Clerk I

**Amanda L. Literal**  
Finance Clerk I

**Income Tax Division:**

**Vicki L. Musser**  
Tax Commissioner

**Heather L. Shoemaker**  
Deputy Tax Commissioner



TABLE OF CONTENTS

CITY OF PORTSMOUTH  
SCIOTO COUNTY, OHIO

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**I** INTRODUCTORY SECTION

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

**II** FINANCIAL SECTION

**A** Independent Auditor’s Report..... 1  
**B** Management’s Discussion and Analysis.....5  
**C** Basic Financial Statements:  
    Government-wide Financial Statements:  
        Statement of Net Position ..... 16  
        Statement of Activities ..... 18  
    Fund Financial Statements:  
        *Governmental Funds:*  
            Balance Sheet .....20  
            Reconciliation of Total Governmental Fund Balances to Net Position of  
            Governmental Activities.....22  
            Statement of Revenues, Expenditures and Changes in Fund Balances .....24  
            Reconciliation of the Statement of Revenues, Expenditures and Changes  
            in Fund Balances of Governmental Funds to the Statement of Activities .....26  
            Statement of Revenues, Expenditures and Changes in Fund Balance -  
            Budget and Actual (Non-GAAP Budgetary Basis)  
                General Fund .....27  
        *Proprietary Funds:*  
            Statement of Net Position .....28  
            Statement of Revenues, Expenses and Changes in Net Position .....32  
            Statement of Cash Flows .....34  
        *Fiduciary Funds:*  
            Statement of Net Position .....38  
            Statement of Changes in Net Position .....39  
Notes to the Basic Financial Statements.....40

<b>D</b>	<b>Required Supplemental Information:</b>	
	Schedule of the City’s Proportionate Share of the Net Pension Liability .....	80
	Schedule of City Contributions .....	81
<b>E</b>	<b>Combining and Individual Fund Statements and Schedules:</b>	
	<b>Nonmajor Governmental Financial Statements:</b>	
	Combining Balance Sheet.....	88
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	89
	Combining Balance Sheet – Nonmajor Special Revenue Funds.....	90
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	98
	Combining Balance Sheet – Nonmajor Permanent Funds.....	107
	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Permanent Funds.....	108
	<b>Individual Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):</b>	
	<b>Major Governmental Funds:</b>	
	<i>General Fund</i> .....	109
	<i>Debt Service Fund:</i>	
	General Obligation Bond Retirement Fund.....	113
	<i>Capital Projects Fund:</i>	
	Capital Improvement Fund.....	114
	<b>Nonmajor Governmental Funds:</b>	
	<i>Special Revenue Funds:</i>	
	Municipal Court Grants Fund.....	115
	Municipal Court Subsidy Fund .....	116
	Municipal Court Special Project Fund .....	117
	Municipal Court Probation Services Fund .....	118
	Municipal Court Programs Fund.....	119
	Municipal Court Computer Fund .....	120
	Municipal Court Security Fund.....	121
	Fire Donation Fund .....	122
	Fire Pension Fund.....	123
	Police Pension Fund .....	124
	D.A.R.E. State Grant Fund.....	125
	Police Donation Fund.....	126
	Justice Assistance Grant (JAG) Grants Fund .....	127



Nonmajor Governmental Funds: (Continued)

Community Oriented Policing Services (COPS) Fast Grant Fund.....	128
Indigent Drivers Alcohol Treatment Fund .....	129
Indigent Drivers Alcohol Monitoring Fund .....	130
Enforcement and Education Fund .....	131
Mandatory Fines Fund.....	132
Law Enforcement Fund .....	133
Federal Forfeitures Fund .....	134
Ohio Peace Officers Training Fund.....	135
Community Oriented Policing Services (COPS) Hiring	
Recovery Program Grant Fund.....	136
Rural Law Enforcement Assistance Grant Fund .....	137
Street Construction, Maintenance and Repair Fund.....	138
State Highway Improvement Fund.....	139
Environmental State Grants Fund .....	140
Community Development Fund .....	141
Tourism and Cultural Development Fund.....	142
Health Department Subsidy Fund .....	143
State Grant Health Fund .....	144
Rural AIDS State Grant Fund.....	145
Drug Free Communities Grant Fund.....	146
Injury Prevention Fund.....	147
Family Planning Fund .....	148
Ryan White Title III Fund.....	149
Flood Defense Fund .....	150
Public Health Emergency Preparedness Fund.....	151
HIV Prevention - Federal Fund .....	152
HIV Prevention – State Fund .....	153
Land Reutilization Fund.....	154
Rental Licensing Program Fund.....	155
Council Trust for Recreation Fund.....	156
Playground Trust Fund .....	157
<i>Permanent Funds:</i>	
Cemetery Trust Fund.....	158
Mausoleum Trust Fund .....	159
 Fiduciary Funds – Agency Funds:	
Combining Statement of Changes in Assets and Liabilities.....	161

**III**

**STATISTICAL SECTION**

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

# *INTRODUCTORY SECTION*

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# The City of Portsmouth

**"Where the Ohio and Scioto Meet"**

## Department of Finance

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State of Ohio

***M. Trent Williams, City Auditor***

June 26, 2017

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

As City Auditor, it is my pleasure to present the twenty-first Comprehensive Annual Financial Report (CAFR) of the City of Portsmouth, Ohio for the year ended December 31, 2016. This report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

### INTRODUCTION

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

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

This CAFR was prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB) and other authoritative pronouncements. BHM CPA Group has issued an opinion on the City of Portsmouth's financial statements for the year ended December 31, 2016. The Independent Auditor's Report is located at the front of the Financial Section of this report.

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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**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 20,226 (2010 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, 2016***

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**Form of Government**

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

**Municipal Services**

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

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

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

**ECONOMIC CONDITION AND OUTLOOK**

**Business and Industry**

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

SOMC continues its expansion with the completion of the West Portsmouth Family Health Center on Rt. 52 at Earl Thomas Conley Riverside Park. SOMC also recently completed construction at its South Campus of a new building that will house Urgent & Family Care, Outpatient Lab and Imaging Services, and Occupational Medicine as well as the addition of a new employee parking facility on Sherman Road that will free up parking spaces closer to the hospital's main entrance providing easier access for patients. SOMC continues its 10 year master plan that has become a tremendous benefit in meeting the health care needs of the Southern Ohio region.

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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

Construction continues on the Southern Ohio Veterans Memorial Highway project, a 16-mile, limited access, four-lane highway that will bypass about 26 miles of U.S. 52 and U.S. 23 in Portsmouth, and the single largest highway project in Ohio history. Once completed, the Ohio Department of Transportation estimates it will reduce travel time by 16 minutes compared to the alternative route in the area. The bypass will reduce traffic congestion in and around the City and reduce the wear and tear on city streets. The project is scheduled to be completed in 2018.

**Unemployment Rates**

Data obtained from the State of Ohio Department of Jobs and Family Services indicates that the percentage of unemployment for Portsmouth and Scioto County averaged 7.6% for the 2016 calendar year, which is substantially above the state average of 4.9% and the national average of 4.9%. While the local unemployment number is high in comparison to the state and national average, it remains lower than the majority of surrounding counties. While the state of the local economy has been somewhat declined, local initiatives are serving to promote a renewed spirit of pride in the community.

**Utilities**

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

- Electric                                      American Electric Power
- Telephone                                    Frontier Communications
- Natural Gas                                   Columbia Gas of Ohio

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

Water is provided by the City of Portsmouth to approximately 13,400 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 five to six million gallons of water per day. There are approximately 25 million gallons of water stored in reservoirs and tanks located in and around the City.

Serving 7,850 connections are two separate facilities for wastewater treatment. The main plant located in Portsmouth has the capacity to treat ten million gallons daily and is currently treating approximately five million gallons daily. A small plant is located in Sciotoville. The City is currently collecting and treating sewage for Portsmouth, New Boston Village, the Rosemount area located in Clay Township and most recently in the Rigrish Addition area of Minford.

Solid waste collection and disposal is operated by the City of Portsmouth providing service to approximately 6,375 customers. The solid waste transfer station officially commenced operations in the fall of 1993.



***Letter of Transmittal  
For the Year Ended December 31, 2016***

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**Recreation and Cultural Facilities and Events**

Portsmouth boasts seventeen City owned parks and numerous sports facilities, including Spartan Stadium, Branch Rickey Park and several tennis 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 main part of the ten year project there are now 50 completed panels on the flood wall. Maintenance of the project and new sites for continuing the project is ongoing.

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

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

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

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

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

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

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### ***Letter of Transmittal For the Year Ended December 31, 2016***

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

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

#### **Education**

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

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

Shawnee State University is a four year university, the newest in the state. The University features a Fine and Performing Arts Center on the campus and an indoor Physical Education Center. 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 closed in furtherance of this plan. Housing for the University is offered to its students at twelve apartment style dormitories. Shawnee State enrollment is steadily growing, already at over 4,000 students and the university plans to continue its student housing expansion to accommodate the increasing demand.

#### **Employee Relations**

The City of Portsmouth has contracts with five employee bargaining units. These groups are Local 512 of the International Association of Firefighters, Lodge 33 of the Fraternal Order of Police, Police/Fire Dispatchers-Fraternal Order of Police, Local 1039 AFSCME, Ohio Council 8 and AFSCME 1039-C Finance Department Employees. Contract periods for all unions are three year terms ending in December except AFSCME 1039, which ends in April. Currently all three-year contract periods have ended, but are continuing on indefinite year to year extensions pending negotiations.

#### **Long-term Financial Planning**

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

With reductions by the state of Ohio of local government revenue, personal property tax and estate tax, the City was forced to request an increase in the city income tax rate of 0.5% to a rate of 2.5% to replace the revenue lost from state cuts and to continue and enhance operations into the next ten or more years. The proposal was placed on the May 6, 2015 ballot and approved by the voters to become effective January 1, 2016. The new rate will provide an additional \$2,500,000 annually and allow the City to be less reliant on state funding.

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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**MAJOR INITIATIVES**

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

**Financial**

By the end of 2016 the financial condition had greatly improved. In 2016 the City of Portsmouth entered the year with all funds in the black except for the sewer fund. The same is expected for the year ending 2017. The deficit in the sewer fund is the only factor holding the City back from being released from Fiscal Watch by the State Auditor.

**Public Safety**

Both the Fire Department and the Police Department are now fully staffed per the requirements of the City Charter for the first time in several years. 2016 was the first full year of operations for the City impound facility by the Portsmouth Police Department. The facility began operation in June of 2015 and generated net revenue of \$63,500 in 2015. With a full year of operation the facility generated net revenue of \$91,100.

For the Portsmouth Fire Department 2016 was the first full year of responding as first responders to certain medical emergencies. This service began in December 2015 and for 2016 the Portsmouth Fire Department made 832 EMS runs. In 2016, a feasibility analysis was conducted regarding the financial viability of providing full service EMS to the community through the Fire Department. This option is currently under review. Fire runs increased twenty-two percent (22%) in 2016 increasing from 1,056 in 2015 to 1,293 in 2016. The 2013 Pierce 1500 GPM Pumper fire engine purchased on a five year lease purchase program in 2012 was paid off in 2016. The purchase price \$418,713.

**Sanitation**

Prior to 2016 the City of Portsmouth transfer station was a non-permitted facility with the Ohio Environmental Protection Agency (EPA). The Ohio EPA instructed the City that the facility had to be a permitted facility. In 2016 a permit was issued and the facility was brought into compliance with the Ohio EPA. Garbage trucks that were purchased in total in 2007 began the replacement rotation in 2016. The first new compactor truck purchased in nine years was purchased in 2016 for \$172,942. The trucks purchased in 2007 were through lease purchase financing, the truck purchased in 2016 was paid for without financing.

**Flood Defense**

The flood defense system constructed as a result of the devastating flood of 1937 is in great shape and is constantly being improved. The flood defense system was certified by FEMA in 2016, the culmination of several years of work. As a result of the certification process three drainage pipes running underneath the levy were discovered to be in poor condition. One pipe was repaired in 2015, the pipe at the 17<sup>th</sup> Street outfall was repaired in 2016, and a third is scheduled for repair in 2017. In November 2016, the citizens renewed the flood defense levee for another five (5) years providing much needed finances to continue to maintain the city's flood defense system.

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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**Water**

The water treatment plant received two critical repairs in 2016, the rapid mix project which helps remove sediment from the water was completed in 2016 and a trough repair project was performed in 2016 on the outside tanks located on the east side of the facility to keep the water plant operational. Realizing that the City's water plant is beyond its designed life, preliminary steps were taken to prepare for the quickly approaching time when the water plant will need to be replaced. Environmental testing on property behind the current water plant was started in 2016, land needed for construction of new water plant.

A "needs assessment" was also started in 2016 which is necessary to apply for grants and loans at a future date. The purpose of the document is to demonstrate that the critical needs actually exist. Design was started in 2016 on the replacement of the thirty-inch (30") water main that supplies water to the sunrise reservoir. This waterline runs up Offnere Street, down Kinneys Lane and then up Sunrise.

Prior to the resurfacing of US 52, specifically Walnut Street, two thousand one hundred feet (2,100') of old water main was replaced so the city would not experience water main breaks under the newly resurfaced street. More importantly, city crews removed over seventy (70) lead service lines to the adjacent homes. The City of Portsmouth also partnered with the Scioto County Engineers Office to replace approximately four thousand five hundred feet (4,500') of water main on Washington Boulevard in West Portsmouth.

**Wastewater**

The City of Portsmouth repaired and put into operation for the first time the ultraviolet light (UV) disinfection unit and began to cut back on the use of chlorine gas to disinfect the treated sewage at the wastewater plant. The UV system was constructed in 2010 and was damaged by flooding before it was ever put into operation.

The Munns Run sewer line was lined in 2016 at a cost of \$191,347 to reduce ground water infiltration that is overwhelming the Munns Run lift station and caused sewer overflows. This project was paid for utilizing grant funding and was a requirement of the Administrative Order of Consent (AOC) agreed to in 2013.

The City of Portsmouth entered into an Administrative Order of Consent (AOC) with the Environmental Protection Agency in 2013 and remains in compliance AOC agreement in 2016, meeting all deadlines and completed all activities required.

**Health**

The Nursing Division of the Portsmouth City Health Department implemented a new employee based clinic which provides free Clinic visits to City of Portsmouth employees. The goal of this program is to decrease City of Portsmouth employee insurance claims. The employee's visit to the Clinic is provided free of charge. However, if the City employee needs to have diagnostic tests performed, these are billed to the insurance company. This program is managed by the Director of Nursing. Additionally, the Director of Nursing manages a Wellness Program for City of Portsmouth employees. The goal of this program is provide City employees with personal and general wellness information, to promote a healthier lifestyle and decrease chronic illnesses

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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The Environmental Division of the Portsmouth City Health Department, in cooperation with City and County departments, implemented the Land Reutilization Program. The program has made great strides in returning tax delinquent properties to the tax districts. Only vacant parcels and vacant houses that are at least three (3) years certified tax delinquent are placed into the land reutilization program. After foreclosure by the County and two unsuccessful Sheriff Sales, the properties are stripped of all taxes and liens and deeded to the City Land Reutilization Program. The Health Department then has the properties appraised and sold at or above fair market value and placed back in the hands of tax paying citizens.

**FINANCIAL INFORMATION**

**Internal Control, Budgetary Control and the Accounting System**

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

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

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

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

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

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

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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**Relevant Financial Policies**

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

**OTHER INFORMATION**

**Independent Audit**

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

**Awards**

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local government financial reporting. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized 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 twenty-first Comprehensive Annual Financial Report, meets the high standards set by the GFOA Certificate of Achievement program, and I am submitting the report to the GFOA for its review and critique.

**Public Disclosure**

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

<http://portsmouthoh.org/>

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

***Letter of Transmittal  
For the Year Ended December 31, 2016***

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**Acknowledgments**

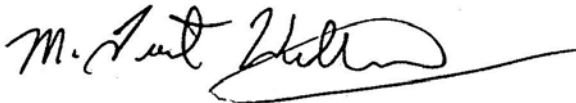
This report is the result of hard work and dedication on the part of many employees and individuals. Special thanks to Scioto County Auditor David Green and Scioto County Chief Deputy Auditor Heather Cunningham; City of Portsmouth Deputy Auditor Connie Snipes and the employees of the Portsmouth City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

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

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

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

Sincerely,

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

M. Trent Williams, CPM, CPFA  
City Auditor

**CITY OF PORTSMOUTH, OHIO**

**List of Principal Officials  
For the Year Ended December 31, 2016**

<u>Position</u>	<u>Name</u>	<u>Term of Office</u>	<u>Years with City</u>	
<b><u>Executive</u></b>				
City Manager (Appointed)	Derek K Allen	Indefinite	3	
City Auditor (Elected)	M. Trent Williams	01/04/16 - 01/05/20	18	
City Solicitor (Elected)	John R. Haas	01/04/16 - 01/05/20	8	
<b><u>Legislative</u> (Elected)</b>				
Member of Council	Kevin W. Johnson	<u>Ward</u> 1st	1/6/2014 - 12/31/17	7
Member of Council	Jo Ann Aeh	2nd	01/04/16 - 01/05/20	31
Member of Council	Kevin E. Johnson	3rd	1/6/2014 - 12/31/17	4
Member of Council ( Mayor)	James D. Kalb	4th	01/04/16 - 01/05/20	19
Member of Council	Gene Meadows	5th	1/6/2014 - 12/31/17	4
Member of Council	Thomas K. Lowe	6th	01/04/16 - 01/05/20	1
<b><u>Judicial</u> (Elected)</b>				
Municipal Court Judge	Russell D. Kegley	01/01/12 - 12/31/17	14	
Municipal Court Judge	Steven L. Mowery	01/01/10 - 12/31/15	7	
<b><u>Administrative</u> (Appointed)</b>				
Police Chief	Robert K. Ware	Indefinite	22	
Fire Chief	William V. Raison	Indefinite	26	
Public Service Director	William M. Beaumont	Indefinite	10	
Director of Water	Samuel J. Sutherland	Indefinite	28	
Director of Waste Water	Richard D. Duncan	Indefinite	22	
Community Development Director	Tracy A. Shearer	Indefinite	6	
City Clerk	Diana L. Ratliff	Indefinite	4	
Municipal Court Clerk	R. Leroy Kegley	Indefinite	38	
Health Commissioner	Christopher S. Smith	Indefinite	21	
Income Tax Commissioner	Vicki L. Musser	Indefinite	8	
Civil Service Secretary	Kathy Hodkinson	Indefinite	19	

**Executive Offices:**

**Derek K. Allen, City Manager**  
City of Portsmouth  
728 Second Street, Room 1  
Portsmouth, Ohio 45662  
Ph: 740-354-8807 Fax: 740-354-8809  
Email: dallen@portsmouthoh.org

**M. Trent Williams, Auditor**  
City of Portsmouth  
728 Second Street, Room 3  
Portsmouth, Ohio 45662  
Ph: 740-354-7751 Fax: 740-353-4583  
Email: twilliams@portsmouthoh.org

**John R. Haas, Solicitor**  
City of Portsmouth  
728 Second Street, Room 22  
Portsmouth, Ohio 45662  
Ph: 740-353-5229 Fax: 740-353-0136  
Email: jhaas@portsmouthoh.org

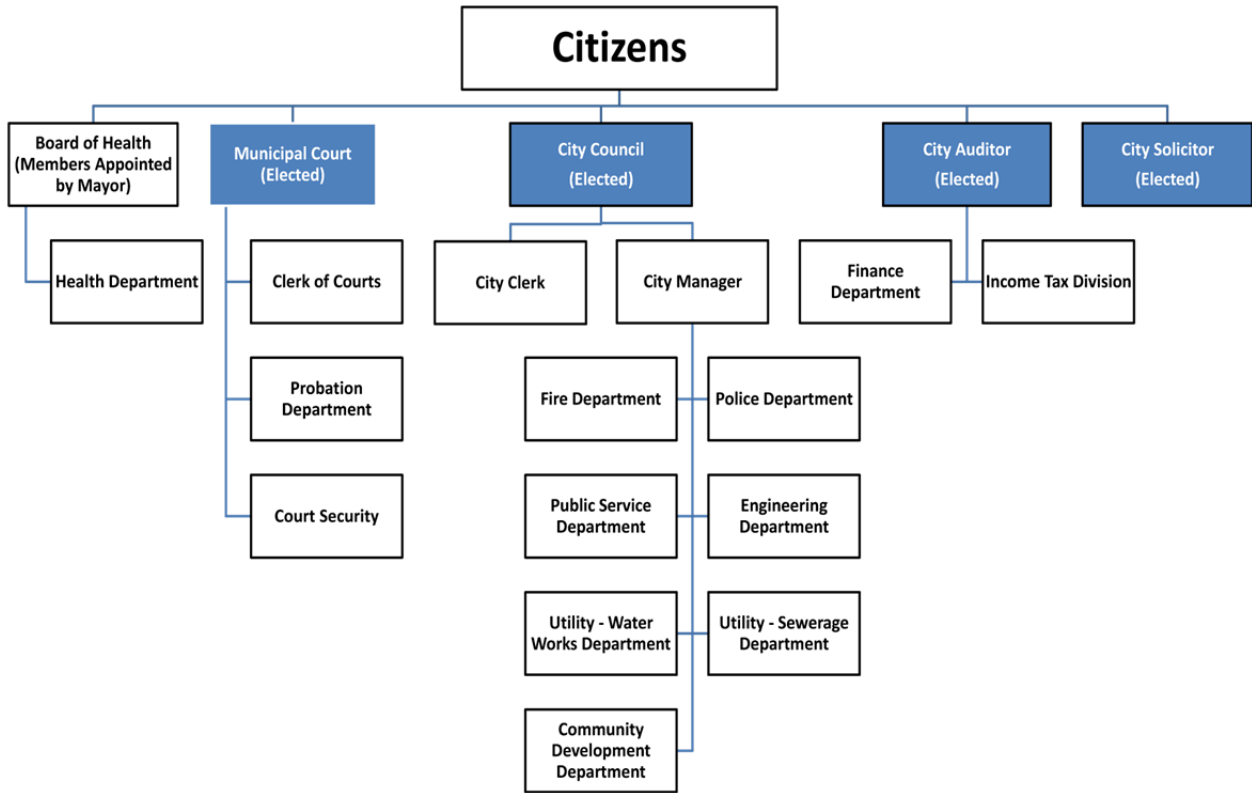


**CITY OF PORTSMOUTH, OHIO**

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**City Organizational Chart  
For the Year Ended December 31, 2016**

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

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Government Finance Officers Association

**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, 2015**



Executive Director/CEO

# *FINANCIAL SECTION*

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## Independent Auditor's Report

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

To the City Council:

### ***Report on the Financial Statements***

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, Scioto County, Ohio (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

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, Scioto County, Ohio, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis and schedules of net pension liabilities and pension contributions*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

***Supplementary and Other Information***

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

BHM CPA Group, Inc.  
Piketon, Ohio  
June 26, 2017





The discussion and analysis of the City of Portsmouth's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2016. 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 2016 are as follows:

- ❑ In total, net position increased \$1,490,863. Net position of governmental activities increased \$1,549,257 which represents an 11.3 % increase from 2015. Net position of business-type activities decreased \$58,394, or 0.4% from 2015.
- ❑ General revenues accounted for \$17,148,127 in revenue or 49.7% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions and capital grants and contributions accounted for \$17,367,820 or 50.3% of total revenues of \$34,515,947.
- ❑ The City had \$20,361,838 in expenses related to governmental activities; only \$4,762,968 of these expenses were offset by program specific charges for services and sales, grants or contributions.
- ❑ Among major funds, the General Fund had \$15,665,441 in revenues and other financing sources and \$13,704,209 in expenditures and other financing uses. The General Fund's fund balance increased from \$1,775,488 to \$3,729,526.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

These statements are as follows:

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

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

### **Government-wide Statements**

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

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

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

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

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

### **Fund Financial Statements**

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

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

**CITY OF PORTSMOUTH, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2016**

**Unaudited**

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

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

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

The following table provides a summary of the City's net position for 2016 compared to 2015:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$13,785,280	\$11,288,566	\$4,112,234	\$4,416,561	\$17,897,514	\$15,705,127
Capital assets, Net	18,575,263	19,090,264	28,521,783	29,035,368	47,097,046	48,125,632
Total assets	<u>32,360,543</u>	<u>30,378,830</u>	<u>32,634,017</u>	<u>33,451,929</u>	<u>64,994,560</u>	<u>63,830,759</u>
Deferred outflows of resources	5,068,610	1,926,334	1,561,745	508,319	6,630,355	2,434,653
Long-term liabilities outstanding	1,910,249	2,338,312	12,727,934	13,776,505	14,638,183	16,114,817
Net Pension Liability	17,817,007	13,886,447	4,037,175	2,939,105	21,854,182	16,825,552
Other liabilities	412,686	552,777	723,275	618,779	1,135,961	1,171,556
Total liabilities	<u>20,139,942</u>	<u>16,777,536</u>	<u>17,488,384</u>	<u>17,334,389</u>	<u>37,628,326</u>	<u>34,111,925</u>
Deferred inflows of resources	2,087,246	1,874,920	191,547	51,634	2,278,793	1,926,554
Net position:						
Net investment in capital assets	18,518,783	18,924,619	16,163,417	15,753,500	34,682,200	34,678,119
Restricted	5,525,394	5,578,284	0	0	5,525,394	5,578,284
Unrestricted	<u>(8,842,212)</u>	<u>(10,850,195)</u>	<u>352,414</u>	<u>820,725</u>	<u>(8,489,798)</u>	<u>(10,029,470)</u>
Total net position	<u>\$15,201,965</u>	<u>\$13,652,708</u>	<u>\$16,515,831</u>	<u>\$16,574,225</u>	<u>\$31,717,796</u>	<u>\$30,226,933</u>

The implementation of GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," in 2015, significantly revised accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

**CITY OF PORTSMOUTH, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2016**

**Unaudited**

Changes in Net Position – The following table shows the changes in net position for 2016 compared to 2015:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues:						
Charges for Services and Sales	\$1,571,509	\$1,726,794	\$12,173,553	\$11,015,503	\$13,745,062	\$12,742,297
Operating Grants and Contributions	3,191,459	3,201,644	0	0	3,191,459	3,201,644
Capital Grants and Contributions	124,695	0	306,604	35,551	431,299	35,551
Total Program Revenues	<u>4,887,663</u>	<u>4,928,438</u>	<u>12,480,157</u>	<u>11,051,054</u>	<u>17,367,820</u>	<u>15,979,492</u>
General revenues:						
Property Taxes	2,049,634	2,020,942	0	0	2,049,634	2,020,942
Income Taxes	13,263,572	10,605,852	0	0	13,263,572	10,605,852
Other Local Taxes	320,904	313,388	0	0	320,904	313,388
Intergovernmental Revenue, Unrestricted	919,894	1,069,435	0	0	919,894	1,069,435
Investment Earnings	14	30	0	0	14	30
Miscellaneous	594,109	443,943	0	0	594,109	443,943
Total General Revenues	<u>17,148,127</u>	<u>14,453,590</u>	<u>0</u>	<u>0</u>	<u>17,148,127</u>	<u>14,453,590</u>
Total Revenues	<u>22,035,790</u>	<u>19,382,028</u>	<u>12,480,157</u>	<u>11,051,054</u>	<u>34,515,947</u>	<u>30,433,082</u>
Program Expenses						
Security of Persons and Property	10,060,825	9,277,034	0	0	10,060,825	9,277,034
Public Health and Welfare Services	2,993,466	2,646,659	0	0	2,993,466	2,646,659
Leisure Time Activities	71,114	74,438	0	0	71,114	74,438
Community Environment	624,103	750,567	0	0	624,103	750,567
Transportation	2,597,717	2,048,345	0	0	2,597,717	2,048,345
General Government	4,089,277	4,194,086	0	0	4,089,277	4,194,086
Interest and Fiscal Charges	50,031	89,558	0	0	50,031	89,558
Water	0	0	6,456,104	5,549,162	6,456,104	5,549,162
Sewer	0	0	3,976,485	3,303,902	3,976,485	3,303,902
Sanitation	0	0	1,904,954	1,739,108	1,904,954	1,739,108
Primary Care	0	0	201,008	41,722	201,008	41,722
Total Expenses	<u>20,486,533</u>	<u>19,080,687</u>	<u>12,538,551</u>	<u>10,633,894</u>	<u>33,025,084</u>	<u>29,714,581</u>
Total Change in Net Position	1,549,257	301,341	(58,394)	417,160	1,490,863	718,501
Beginning Net Position	<u>13,652,708</u>	<u>13,351,367</u>	<u>16,574,225</u>	<u>16,157,065</u>	<u>30,226,933</u>	<u>29,508,432</u>
Ending Net Position	<u>\$15,201,965</u>	<u>\$13,652,708</u>	<u>\$16,515,831</u>	<u>\$16,574,225</u>	<u>\$31,717,796</u>	<u>\$30,226,933</u>

**CITY OF PORTSMOUTH, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2016**

**Unaudited**

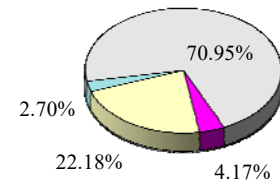
**Governmental Activities**

Net position of the City's governmental activities increased by \$1,549,257. The increase in net position is a result of increased tax revenue from the 0.5% income tax rate increase that took effect at the beginning of 2016 and in efforts to reduce spending.

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

Income taxes and property taxes made up 60.5% and 9.4% respectively of revenues for governmental activities for the City in 2016. The City's reliance upon tax revenues is demonstrated by the following graph indicating 71.35% of total revenues from general tax revenues:

Revenue Sources	2016	Percent of Total
General Tax Revenues	\$15,634,110	70.95%
Intergovernmental Revenue, Unrestricted	919,894	4.17%
Program Revenues	4,887,663	22.18%
General Other	594,123	2.70%
<b>Total Revenue</b>	<b>\$22,035,790</b>	<b>100.00%</b>



**Business-Type Activities**

The net position of the business-type activities decreased by \$58,394. The slight decrease in net position is a result of additional water and sewer system improvements and repairs including plan engineering, water trough pipe; the 3<sup>rd</sup> Street Sewer Collapse repair and the Portsmouth By-Pass sewer line relocation as well as increased expenses in accrediting the Health Department's Primary Care Clinic.

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

The City's governmental funds reported a combined fund balance of \$8,450,657, which is an increase from last year's balance of \$6,513,582. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2016 and 2015:

	Fund Balance December 31, 2016	Fund Balance December 31, 2015	Increase (Decrease)
General	\$3,729,526	\$1,775,488	\$1,954,038
General Obligation Bond Retirement	60,382	123,719	(63,337)
Capital Improvement	1,862,548	1,830,897	31,651
Other Governmental	2,798,201	2,783,478	14,723
<b>Total</b>	<b>\$8,450,657</b>	<b>\$6,513,582</b>	<b>\$1,937,075</b>

**CITY OF PORTSMOUTH, OHIO**

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**Management's Discussion and Analysis  
For the Year Ended December 31, 2016**

**Unaudited**

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

	2016	2015	Increase
	Revenues	Revenues	(Decrease)
Property and Other Taxes	\$13,299,639	\$10,652,389	\$2,647,250
Intergovernmental Revenue	910,802	978,960	(68,158)
Charges for Services	386,744	266,685	120,059
Licenses and Permits	213,680	210,454	3,226
Fines and Forfeitures	432,498	508,041	(75,543)
All Other Revenue	422,078	277,008	145,070
Total	<u>\$15,665,441</u>	<u>\$12,893,537</u>	<u>\$2,771,904</u>

General Fund revenues in 2016 increased approximately 21.5% compared to revenues in 2015. The increase is almost entirely attributed to an increase in income taxes as result of the new 0.5% increase that was enacted by the citizens in 2015. The increase became effective on January 1, 2016 generating an additional amount into the General fund \$2,142,149 in its first year.

	2016	2015	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$8,801,378	\$8,171,246	\$630,132
Public Health and Welfare Services	692,217	533,024	159,193
Community Environment	276,125	295,676	(19,551)
Transportation	393,769	317,707	76,062
General Government	3,026,422	2,783,535	242,887
Total	<u>\$13,189,911</u>	<u>\$12,101,188</u>	<u>\$1,088,723</u>

General Fund expenditures increased by \$1,088,723 or 9.0% compared to the prior year. The increase in security of persons and property is the result of new hires in the police and fire departments, a one-time police and fire pension payment and increases in funding the Insurance Fund. The increase in general government is the result of a lawsuit settlement regarding the City's rental licensing program and hiring consultants for downtown, building appraisals, environment assessments and design and planning fees.

*General Obligation Bond Retirement Fund* – The General Obligation Bond Retirement Fund balance decreased from \$123,719 to \$60,382. The fund remained stable compared to 2015.

*Capital Improvement Fund* - The Capital Improvement Fund balance increased from \$1,830,897 to \$1,862,548 primarily due to an \$114,000 reimbursement from the Ohio Department of Transportation and a \$124,695 Grant/Reimbursement from the Ohio Public Works Commission.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

During the course of 2016 the City amended its General Fund budget several times. Final budgeted expenditures exceeded original budgeted expenditures by \$850,373 as a result of a one-time police and pension payment and several end-of-year repayable advances to special revenue funds.

For the General Fund, final budget basis revenue of \$15,746,915 increased from original budget estimates of \$14,219,482 as a result of greater than anticipated income tax and property tax revenue as well as new income from the police impound lot and reimbursed transfers from end of previous year advances. The actual revenues of \$15,575,211 were not significantly different than the final budget basis revenue.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of 2016 the City had \$47,097,046 net of accumulated depreciation invested in buildings, improvements, machinery and equipment, and infrastructure. Of this total, \$18,575,263 related to governmental activities and \$28,521,783 to the business-type activities. The following table shows 2016 and 2015 balances:

	Governmental Activities		Increase (Decrease)
	2016	2015	
Land	\$1,987,027	\$1,987,027	\$0
Buildings	6,506,824	6,379,702	127,122
Improvements	2,528,188	2,481,692	46,496
Machinery and Equipment	9,897,800	9,466,013	431,787
Infrastructure	30,310,395	30,066,369	244,026
Less: Accumulated Depreciation	(32,654,971)	(31,290,539)	(1,364,432)
Totals	<u>\$18,575,263</u>	<u>\$19,090,264</u>	<u>(\$515,001)</u>

The increases in infrastructure were for paving projects. Machinery and Equipment increased due to the purchase of City vehicles including police vehicles. These increases were offset by depreciation expense.



**CITY OF PORTSMOUTH, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2016**

**Unaudited**

	Business-Type Activities		Increase (Decrease)
	2016	2015	
Land	\$63,504	\$63,504	\$0
Construction in Progress	92,330	4,834,230	(4,741,900)
Buildings	6,544,639	6,505,589	39,050
Improvements other than Buildings	36,341,248	30,709,007	5,632,241
Machinery and Equipment	14,612,560	14,390,101	222,459
Less: Accumulated Depreciation	<u>(29,132,498)</u>	<u>(27,467,063)</u>	<u>(1,665,435)</u>
Totals	<u>\$28,521,783</u>	<u>\$29,035,368</u>	<u>(\$513,585)</u>

Business type capital assets decreased by \$513,585. The increase in Improvements other than Buildings was the result of the completion of several wastewater improvement projects and the completion of the Water Department's rapid mixer project. Depreciation expense offset the additional acquisitions. Additional information on the City's capital assets can be found in Note 10.

**Debt**

At December 31, 2016, the City had \$1,140,000 in General Obligation Bonds outstanding, \$115,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2016 and 2015:

	2016	2015
Governmental Activities:		
General Obligation Bond	\$1,140,000	\$1,305,000
Net Pension Liability	17,817,007	13,886,447
Compensated Absences	625,056	719,338
Capital Leases	145,193	313,974
Total Governmental Activities	<u>\$19,727,256</u>	<u>\$16,224,759</u>
Business-Type Activities:		
Ohio Public Works Commission Loan	\$1,626,256	\$1,626,817
Ohio Water Development Authority Loan	9,764,232	9,933,465
Net Pension Liability	4,037,175	2,939,105
Compensated Absences	64,721	70,731
Capital Leases	1,272,725	2,145,492
Total Business-Type Activities	<u>16,765,109</u>	<u>16,715,610</u>
Totals	<u>\$36,492,365</u>	<u>\$32,940,369</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, 2016, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 13.

**ECONOMIC FACTORS**

The local economy continues to stabilize and General fund have stabilized as well. The Auditor of State declared the City to be in Fiscal Watch on April 9, 2013. The City implemented its revised five-year fiscal recovery plan in October 2014 with a major component being a proposed one-half percent increase in the City's income tax rate. The increase was approved by the City's voters and became effective January 1, 2016. Although still under Fiscal Watch, the City has achieved significant financial improvement resulting in a growing General Fund balance as seeing all other funds continue to improve and maintain positive end of year fund balances with the exception of the City's Sewer fund.

On August 26, 2013, the City Council authorized the Mayor to approve and sign an Administrative Order on Consent (AOC) which has been negotiated with the U.S. Environmental Protection Agency (USEPA) Region V. The AOC includes construction of a number of improvements to the City's sewer system. The estimated cost of the project is \$4.3 million and was substantially completed as of June 2015. The City continues its fiscal recovery plan but the sewer fund has yet to reduce its deficit condition requiring a series of sewer rate increases until the sewer fund has stabilized.

**REQUESTS FOR INFORMATION**

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



**CITY OF PORTSMOUTH, OHIO**

**Statement of Net Position  
December 31, 2016**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 6,792,113	\$ 1,385,043	\$ 8,177,156
Receivables:			
Taxes	4,320,596	0	4,320,596
Accounts	433,963	2,706,664	3,140,627
Intergovernmental	1,504,536	0	1,504,536
Internal Balances	418,923	(418,923)	0
Inventory of Supplies at Cost	65,581	60,688	126,269
Prepaid Items	35,178	14,178	49,356
Restricted Assets:			
Cash and Cash Equivalents	214,390	364,584	578,974
Capital Assets:			
Capital Assets Not Being Depreciated	1,987,027	155,834	2,142,861
Capital Assets Being Depreciated, Net of Accumulated Depreciation	16,588,236	28,365,949	44,954,185
<b>Total Assets</b>	<b>32,360,543</b>	<b>32,634,017</b>	<b>64,994,560</b>
<b>Deferred Outflows of Resources:</b>			
Pension	5,068,610	1,561,745	6,630,355
<b>Liabilities:</b>			
Accounts Payable	144,651	297,523	442,174
Accrued Wages and Benefits	13,474	10,728	24,202
Intergovernmental Payable	193,956	50,440	244,396
Claims Payable	51,003	0	51,003
Refundable Deposits	0	364,584	364,584
Accrued Interest Payable	9,602	0	9,602
Long-term Liabilities:			
Due Within One Year	305,588	1,450,272	1,755,860
Due in More Than One Year:			
Net Pension Liability	17,817,007	4,037,175	21,854,182
Other Amounts Due in More Than One Year	1,604,661	11,277,662	12,882,323
<b>Total Liabilities</b>	<b>20,139,942</b>	<b>17,488,384</b>	<b>37,628,326</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax	1,884,000	0	1,884,000
Pension	203,246	191,547	394,793
<b>Total Deferred Inflows of Resources</b>	<b>2,087,246</b>	<b>191,547</b>	<b>2,278,793</b>

**CITY OF PORTSMOUTH, OHIO**

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	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	18,518,783	16,163,417	34,682,200
Restricted For:			
Streets and Highways	768,502	0	768,502
Community Development	339,011	0	339,011
Security of Persons and Property	1,705,318	0	1,705,318
Public Health and Welfare	380,554	0	380,554
Capital Projects	2,019,535	0	2,019,535
Debt Service	98,084	0	98,084
Perpetual Care:			
Expendable	187,547	0	187,547
Nonexpendable	26,843	0	26,843
Unrestricted (Deficit)	(8,842,212)	352,414	(8,489,798)
<b>Total Net Position</b>	<b>\$ 15,201,965</b>	<b>\$ 16,515,831</b>	<b>\$ 31,717,796</b>

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2016**

	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	\$ 10,060,825	\$ 708,802	\$ 86,638	\$ 0
Public Health and Welfare Services	2,993,466	237,720	1,711,331	0
Leisure Time Activities	71,114	82,455	2,137	0
Community Environment	624,103	116,083	0	0
Transportation	2,597,717	35,198	1,096,178	124,695
General Government	4,089,277	391,251	295,175	0
Interest and Fiscal Charges	50,031	0	0	0
<b>Total Governmental Activities</b>	<b>20,486,533</b>	<b>1,571,509</b>	<b>3,191,459</b>	<b>124,695</b>
<b>Business-Type Activities:</b>				
Water	6,456,104	6,174,408	0	136,735
Sewer	3,976,485	3,703,214	0	169,869
Sanitation	1,904,954	2,042,592	0	0
Primary Care	201,008	253,339	0	0
<b>Total Business-Type Activities</b>	<b>12,538,551</b>	<b>12,173,553</b>	<b>0</b>	<b>306,604</b>
<b>Totals</b>	<b>\$ 33,025,084</b>	<b>\$ 13,745,062</b>	<b>\$ 3,191,459</b>	<b>\$ 431,299</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 Position

Net Position Beginning of Year

**Net Position End of Year**

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

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Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (9,265,385)	\$ 0	\$ (9,265,385)
(1,044,415)	0	(1,044,415)
13,478	0	13,478
(508,020)	0	(508,020)
(1,341,646)	0	(1,341,646)
(3,402,851)	0	(3,402,851)
(50,031)	0	(50,031)
<u>(15,598,870)</u>	<u>0</u>	<u>(15,598,870)</u>
0	(144,961)	(144,961)
0	(103,402)	(103,402)
0	137,638	137,638
0	52,331	52,331
<u>0</u>	<u>(58,394)</u>	<u>(58,394)</u>
<u>(15,598,870)</u>	<u>(58,394)</u>	<u>(15,657,264)</u>
1,602,080	0	1,602,080
307,312	0	307,312
140,242	0	140,242
13,263,572	0	13,263,572
320,904	0	320,904
919,894	0	919,894
14	0	14
594,109	0	594,109
<u>17,148,127</u>	<u>0</u>	<u>17,148,127</u>
1,549,257	(58,394)	1,490,863
<u>13,652,708</u>	<u>16,574,225</u>	<u>30,226,933</u>
<u>\$ 15,201,965</u>	<u>\$ 16,515,831</u>	<u>\$ 31,717,796</u>

**CITY OF PORTSMOUTH, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2016**

	General	General Obligation Bond Retirement	Capital Improvement
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 904,623	\$ 60,382	\$ 1,777,424
Receivables:			
Taxes	3,484,782	168,694	279,649
Accounts	269,365	0	0
Intergovernmental	428,031	9,610	124,695
Due from Other Funds	991,070	0	0
Interfund Loans Receivables	376,900	0	0
Inventory of Supplies, at Cost	27,950	0	0
Prepaid Items	28,778	0	0
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
<b>Total Assets</b>	<b>\$ 6,511,499</b>	<b>\$ 238,686</b>	<b>\$ 2,181,768</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 111,036	\$ 0	\$ 17,277
Accrued Wages and Benefits Payable	13,446	0	0
Intergovernmental Payable	39,189	0	124,695
Due to Other Funds	24,453	0	20,261
Interfund Loans Payable	0	0	0
<b>Total Liabilities</b>	<b>188,124</b>	<b>0</b>	<b>162,233</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax	1,472,000	131,000	0
Unavailable Revenue	1,121,849	47,304	156,987
<b>Total Deferred Inflows of Resources</b>	<b>2,593,849</b>	<b>178,304</b>	<b>156,987</b>
<b>Fund Balances:</b>			
Nonspendable	56,728	0	0
Restricted	0	60,382	1,862,548
Committed	319,965	0	0
Unassigned	3,352,833	0	0
<b>Total Fund Balances</b>	<b>3,729,526</b>	<b>60,382</b>	<b>1,862,548</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 6,511,499</b>	<b>\$ 238,686</b>	<b>\$ 2,181,768</b>

See accompanying notes to the basic financial statements



**CITY OF PORTSMOUTH, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 2,416,038	\$ 5,158,467
387,471	4,320,596
164,598	433,963
942,200	1,504,536
24,453	1,015,523
14,640	391,540
37,631	65,581
6,400	35,178
214,390	214,390
<u>\$ 4,207,821</u>	<u>\$ 13,139,774</u>
\$ 16,338	\$ 144,651
28	13,474
30,072	193,956
0	44,714
391,540	391,540
<u>437,978</u>	<u>788,335</u>
281,000	1,884,000
690,642	2,016,782
<u>971,642</u>	<u>3,900,782</u>
70,874	127,602
2,753,553	4,676,483
49,934	369,899
(76,160)	3,276,673
<u>2,798,201</u>	<u>8,450,657</u>
<u>\$ 4,207,821</u>	<u>\$ 13,139,774</u>

**CITY OF PORTSMOUTH, OHIO**

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***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2016***

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<b>Total Governmental Fund Balances</b>		\$	8,450,657
<i>Amounts reported for governmental activities in the statement of net position are different because</i>			
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.			18,575,263
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.			2,016,782
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 position.			1,030,757
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:			
Deferred Outflows - Pension	5,068,610		
Deferred Inflows - Pension	(203,246)		
Net Pension Liability	<u>(17,817,007)</u>		(12,951,643)
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	(1,140,000)		
Capital Leases Payable	(145,193)		
Compensated Absences Payable	(625,056)		
Accrued Interest Payable	<u>(9,602)</u>		<u>(1,919,851)</u>
<b><i>Net Position of Governmental Activities</i></b>		\$	<u><u>15,201,965</u></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, 2016**

	General	General Obligation Bond Retirement	Capital Improvement
<b>Revenues:</b>			
Taxes	\$ 13,299,639	\$ 136,978	\$ 1,663,519
Intergovernmental Revenues	910,802	18,928	124,695
Charges for Services	386,744	0	0
Licenses and Permits	213,680	0	0
Investment Earnings	0	0	0
Fines and Forfeitures	432,498	0	0
All Other Revenue	422,078	0	161,715
<b>Total Revenue</b>	<b>15,665,441</b>	<b>155,906</b>	<b>1,949,929</b>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	8,801,378	0	0
Public Health and Welfare Services	692,217	0	0
Leisure Time Activities	0	0	0
Community Environment	276,125	0	0
Transportation	393,769	0	0
General Government	3,026,422	0	0
Capital Outlay	0	0	1,739,556
Debt Service:			
Principal Retirement	0	165,000	168,781
Interest and Fiscal Charges	0	54,243	9,941
<b>Total Expenditures</b>	<b>13,189,911</b>	<b>219,243</b>	<b>1,918,278</b>
Excess (Deficiency) of Revenues Over Expenditures	2,475,530	(63,337)	31,651
<b>Other Financing Sources (Uses):</b>			
Refunding General Obligation Bonds Issued	0	1,250,000	0
Payment to Refunding Bond Escrow Agent	0	(1,250,000)	0
Transfers In	0	0	0
Transfers Out	(514,298)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(514,298)</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balances	1,961,232	(63,337)	31,651
<b>Fund Balances at Beginning of Year</b>	<b>1,775,488</b>	<b>123,719</b>	<b>1,830,897</b>
Increase (Decrease) in Inventory	(7,194)	0	0
<b>Fund Balances End of Year</b>	<b>\$ 3,729,526</b>	<b>\$ 60,382</b>	<b>\$ 1,862,548</b>

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

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Other Governmental Funds	Total Governmental Funds
\$ 405,965	\$ 15,506,101
3,312,269	4,366,694
109,375	496,119
0	213,680
14	14
450,143	882,641
99,348	683,141
<u>4,377,114</u>	<u>22,148,390</u>
455,862	9,257,240
2,296,619	2,988,836
57,121	57,121
262,389	538,514
894,396	1,288,165
918,719	3,945,141
0	1,739,556
0	333,781
<u>0</u>	<u>64,184</u>
<u>4,885,106</u>	<u>20,212,538</u>
(507,992)	1,935,852
0	1,250,000
0	(1,250,000)
536,408	536,408
<u>(22,110)</u>	<u>(536,408)</u>
<u>514,298</u>	<u>0</u>
6,306	1,935,852
2,783,478	6,513,582
8,417	1,223
<u>\$ 2,798,201</u>	<u>\$ 8,450,657</u>

**CITY OF PORTSMOUTH, OHIO**

***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For the Year Ended December 31, 2016***

**Net Change in Fund Balances - Total Governmental Funds** \$ 1,935,852

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

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

Capital Outlay	964,054	
Depreciation Expense	(1,462,048)	(497,994)

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

The statement of activities reports losses arising from the disposal of capital assets. However, in the governmental funds, proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold.		(17,007)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(112,600)
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Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		1,480,835
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Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(2,406,445)
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The issuance of long-term debt (e.g. notes, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of Refunding General Obligation Bond Payable	(1,250,000)	
Payment to Refunded Bond Escrow Agent	1,250,000	
General Obligation Bonds Payable	165,000	
Capital Leases Payable	168,781	333,781

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		14,153
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	94,282	
Change in Inventory	1,223	95,505

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.

723,177

<b><i>Change in Net Position of Governmental Activities</i></b>		<b><u>\$ 1,549,257</u></b>
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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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 12,142,000	\$ 13,137,433	\$ 13,137,788	\$ 355
Intergovernmental Revenue	900,482	958,482	958,541	59
Charges for Services	248,000	386,000	386,900	900
Licenses and Permits	193,000	213,000	213,680	680
Fines and Forfeitures	636,000	631,000	456,747	(174,253)
All Other Revenues	100,000	421,000	421,555	555
<b>Total Revenues</b>	<b>14,219,482</b>	<b>15,746,915</b>	<b>15,575,211</b>	<b>(171,704)</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	8,679,217	8,980,701	8,963,131	17,570
Community Environment	309,740	310,805	302,638	8,167
Transportation	306,010	401,226	396,682	4,544
General Government	2,483,126	2,458,834	2,108,715	350,119
<b>Total Expenditures</b>	<b>11,778,093</b>	<b>12,151,566</b>	<b>11,771,166</b>	<b>380,400</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,441,389	3,595,349	3,804,045	208,696
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(2,261,517)	(2,361,517)	(2,185,570)	175,947
Advances Out	0	(376,900)	(376,900)	0
<b>Total Other Financing Sources (Uses):</b>	<b>(2,261,517)</b>	<b>(2,738,417)</b>	<b>(2,562,470)</b>	<b>175,947</b>
Net Change in Fund Balance	179,872	856,932	1,241,575	384,643
Fund Balance at Beginning of Year	453,225	453,225	453,225	0
Prior Year Encumbrances	63,344	63,344	63,344	0
<b>Fund Balance at End of Year</b>	<b>\$ 696,441</b>	<b>\$ 1,373,501</b>	<b>\$ 1,758,144</b>	<b>\$ 384,643</b>

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
<b>Assets:</b>			
Current assets:			
Cash and Cash Equivalents	\$ 642,750	\$ 0	\$ 681,749
Accounts receivable (net of allowance for uncollectibles)	1,436,972	861,581	408,111
Due from Other Funds	0	124,166	0
Inventory of Supplies at Cost	41,400	18,953	335
Prepaid Items	5,878	6,662	1,638
Total current assets	<u>2,127,000</u>	<u>1,011,362</u>	<u>1,091,833</u>
Noncurrent assets:			
Restricted Assets:			
Cash and Cash Equivalents	364,584	0	0
Capital assets:			
Capital Assets Not Being Depreciated	142,983	12,851	0
Capital Assets Being Depreciated, net of accumulated depreciation	14,796,202	13,193,226	376,521
Total capital assets	<u>14,939,185</u>	<u>13,206,077</u>	<u>376,521</u>
Total noncurrent assets	<u>15,303,769</u>	<u>13,206,077</u>	<u>376,521</u>
Total Assets	<u>17,430,769</u>	<u>14,217,439</u>	<u>1,468,354</u>
<b>Deferred Outflows of Resources:</b>			
Pension	<u>739,752</u>	<u>503,245</u>	<u>274,056</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts Payable	219,562	71,954	5,357
Accrued Wages and Benefits	6,017	3,304	1,407
Intergovernmental Payable	22,744	17,120	9,067
Claims Payable	0	0	0
Refundable Deposits	364,584	0	0
Due to Other Funds	103,905	991,070	0
Capital Leases Payable - Current	720,574	188,896	0
OWDA Loans Payable - Current	268,770	194,959	0
OPWC Loans Payable - Current	0	65,000	0
Compensated Absences Payable - Current	5,871	6,202	0
Total Current Liabilities	<u>1,712,027</u>	<u>1,538,505</u>	<u>15,831</u>



**CITY OF PORTSMOUTH, OHIO**

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Nonmajor Primary Care	Total	Governmental Activities Internal Service Fund
\$ 60,544	\$ 1,385,043	\$ 1,633,646
0	2,706,664	0
0	124,166	0
0	60,688	0
0	14,178	0
60,544	4,290,739	1,633,646
0	364,584	0
0	155,834	0
0	28,365,949	0
0	28,521,783	0
0	28,886,367	0
60,544	33,177,106	1,633,646
44,692	1,561,745	0
650	297,523	0
0	10,728	0
1,509	50,440	0
0	0	51,003
0	364,584	0
0	1,094,975	0
0	909,470	0
0	463,729	0
0	65,000	0
0	12,073	0
2,159	3,268,522	51,003

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
Noncurrent Liabilities:			
Capital Leases Payable	296,137	67,118	0
OWDA Loans Payable	3,545,270	5,755,233	0
OPWC Loans Payable	0	1,561,256	0
Compensated Absences Payable	34,418	18,230	0
Net Pension Liability	1,948,628	1,325,629	699,613
Total Noncurrent Liabilities	5,824,453	8,727,466	699,613
<b>Total Liabilities</b>	<b>7,536,480</b>	<b>10,265,971</b>	<b>715,444</b>
<b>Deferred Inflows of Resources:</b>			
Pension	126,007	50,799	13,518
<b>Net Position:</b>			
Net Investment in Capital Assets	10,108,434	5,678,462	376,521
Unrestricted	399,600	(1,274,548)	636,927
Total Net Position	<u>\$ 10,508,034</u>	<u>\$ 4,403,914</u>	<u>\$ 1,013,448</u>

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

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

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

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Nonmajor Primary Care	Total	Governmental Activities Internal Service Fund
0	363,255	0
0	9,300,503	0
0	1,561,256	0
0	52,648	0
63,305	4,037,175	0
63,305	15,314,837	0
65,464	18,583,359	51,003
1,223	191,547	0
0	16,163,417	0
38,549	(199,472)	1,582,643
<u>\$ 38,549</u>	<u>\$ 15,963,945</u>	<u>\$ 1,582,643</u>
	<u>551,886</u>	
	<u>\$ 16,515,831</u>	

**CITY OF PORTSMOUTH, OHIO**

**Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Sanitation
<b>Operating Revenues:</b>			
Charges for Services	\$ 6,075,785	\$ 3,680,485	\$ 2,036,767
Other Operating Revenues	98,623	22,729	5,825
<b>Total Operating Revenues</b>	<b>6,174,408</b>	<b>3,703,214</b>	<b>2,042,592</b>
<b>Operating Expenses:</b>			
Personal Services	2,755,001	2,208,032	1,213,078
Contractual Services	1,518,032	1,066,327	145,649
Materials and Supplies	1,092,412	158,671	532,192
Depreciation	1,139,509	456,706	69,220
<b>Total Operating Expenses</b>	<b>6,504,954</b>	<b>3,889,736</b>	<b>1,960,139</b>
<b>Operating Income (Loss)</b>	<b>(330,546)</b>	<b>(186,522)</b>	<b>82,453</b>
<b>Non-Operating Revenue (Expenses):</b>			
Interest and Fiscal Charges	(156,214)	(212,234)	0
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(156,214)</b>	<b>(212,234)</b>	<b>0</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>(486,760)</b>	<b>(398,756)</b>	<b>82,453</b>
Capital Contributions	136,735	169,869	0
<b>Change in Net Position</b>	<b>(350,025)</b>	<b>(228,887)</b>	<b>82,453</b>
Net Position Beginning of Year	10,858,059	4,632,801	930,995
<b>Net Position End of Year</b>	<b>\$ 10,508,034</b>	<b>\$ 4,403,914</b>	<b>\$ 1,013,448</b>

Change in Net Position - Total Enterprise Funds

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

Change in Net Position - Total Business-Type Activities

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

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Primary Care	Total	Governmental Activities - Internal Service Funds
\$ 92,549	\$ 11,885,586	\$ 1,496,111
160,790	287,967	0
<u>253,339</u>	<u>12,173,553</u>	<u>1,496,111</u>
123,768	6,299,879	378,353
20,466	2,750,474	0
65,621	1,848,896	0
0	1,665,435	0
<u>209,855</u>	<u>12,564,684</u>	<u>378,353</u>
43,484	(391,131)	1,117,758
<u>0</u>	<u>(368,448)</u>	<u>0</u>
<u>0</u>	<u>(368,448)</u>	<u>0</u>
43,484	(759,579)	1,117,758
<u>0</u>	<u>306,604</u>	<u>0</u>
43,484	(452,975)	1,117,758
<u>(4,935)</u>	<u>16,416,920</u>	<u>464,885</u>
<u>\$ 38,549</u>	<u>\$ 15,963,945</u>	<u>\$ 1,582,643</u>
	(452,975)	
	<u>394,581</u>	
	<u>\$ (58,394)</u>	

**CITY OF PORTSMOUTH, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$6,110,261	\$3,620,913	\$2,049,933
Cash Received from Interfund Services	0	0	0
Cash Payments for Goods and Services	(2,417,232)	(1,192,455)	(716,913)
Cash Payments to Employees	(2,714,499)	(2,165,764)	(1,184,922)
Customer Deposits Received	104,410	0	0
Customer Deposits Refunded	(87,957)	0	0
Net Cash Provided by Operating Activities	994,983	262,694	148,098
<u>Cash Flows from Noncapital Financing Activities:</u>			
Loan from Other Funds	0	991,070	0
Receipt of Loan Payment from Other Funds	509,593	112,670	0
Repayment of Loan to Other Funds	(98,023)	(509,593)	0
Principal Paid on Ohio Public Works Commission Loan	0	(15,000)	0
Net Cash Provided by Noncapital Financing Activities	411,570	579,147	0
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from Ohio Water Development Authority Loan	72,060	186,302	0
Proceeds from Ohio Public Works Commission Loan	0	31,939	0
Proceeds from ARC Grants	48,160	0	0
Proceeds of Ohio Public Works Commission Grant	88,575	0	0
Acquisition and Construction of Assets	(426,505)	(472,057)	(11,500)
Principal Paid on Ohio Public Works Commission Loan	0	(17,500)	0
Principal Paid on Ohio Water Development Authority Loan	(250,678)	(176,917)	0
Capital Lease Payment	(691,393)	(181,374)	0
Interest Paid on All Debt	(156,214)	(212,234)	0
Net Cash Used			
by Capital and Related Financing Activities	(1,315,995)	(841,841)	(11,500)
Net Increase in Cash and Cash Equivalents	90,558	0	136,598
Cash and Cash Equivalents at Beginning of Year	916,776	0	545,151
Cash and Cash Equivalents at End of Year	\$1,007,334	\$0	\$681,749
<u>Reconciliation of Cash and Cash Equivalent per the Statement of Net Position:</u>			
Cash and Cash Equivalents	\$642,750	\$0	\$681,749
Restricted Cash and Cash Equivalents	364,584	0	0
Cash and Cash Equivalents at End of Year	\$1,007,334	\$0	\$681,749

**CITY OF PORTSMOUTH, OHIO**

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Nonmajor		Governmental Activities Internal Service Fund
Primary Care	Total	
\$253,339	\$12,034,446	\$0
0	0	1,496,111
(85,299)	(4,411,899)	(389,970)
(113,317)	(6,178,502)	0
0	104,410	0
0	(87,957)	0
<u>54,723</u>	<u>1,460,498</u>	<u>1,106,141</u>
0	991,070	0
0	622,263	0
0	(607,616)	0
0	(15,000)	0
<u>0</u>	<u>990,717</u>	<u>0</u>
0	258,362	0
0	31,939	0
0	48,160	0
0	88,575	0
0	(910,062)	0
0	(17,500)	0
0	(427,595)	0
0	(872,767)	0
0	(368,448)	0
<u>0</u>	<u>(2,169,336)</u>	<u>0</u>
54,723	281,879	1,106,141
5,821	1,467,748	527,505
<u>\$60,544</u>	<u>\$1,749,627</u>	<u>\$1,633,646</u>
\$60,544	\$1,385,043	\$1,633,646
0	364,584	0
<u>\$60,544</u>	<u>\$1,749,627</u>	<u>\$1,633,646</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2016**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income (Loss)	(\$330,546)	(\$186,522)	\$82,453
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	1,139,509	456,706	69,220
Changes in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
(Increase) Decrease in Accounts Receivable	(64,147)	(82,301)	7,341
Decrease in Inventory	108,605	7,480	85
(Increase) Decrease in Prepaid Items	(26)	(2,286)	0
Increase in Deferred Outflows-Pension	(481,921)	(337,000)	(192,021)
Increase (Decrease) in Accounts Payable	84,633	27,349	(39,157)
Increase (Decrease) in Intergovernmental Payable	(31,553)	(19,683)	(10,828)
Increase (Decrease) in Accrued Wages and Benefits	3,965	(1,002)	532
Decrease in Claims Payable	0	0	0
Increase in Customer Deposits	16,453	0	0
Increase (Decrease) in Compensated Absences	(7,653)	1,643	0
Increase in Net Pension Liability	457,847	364,398	225,288
Increase in Deferred Inflows-Pension	99,817	33,912	5,185
Total Adjustments	1,325,529	449,216	65,645
Net Cash Provided by Operating Activities	\$994,983	\$262,694	\$148,098

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2016 the Water Fund and Sewer Fund had outstanding liabilities of \$100,890 and \$14,665, respectively for certain capital assets.

During 2016, the Sewer Fund received capital contributions from other funds of \$169,869.

See accompanying notes to the basic financial statements



**CITY OF PORTSMOUTH, OHIO**

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Nonmajor		Governmental Activities Internal Service Fund
Primary Care	Total	
\$43,484	(\$391,131)	\$1,117,758
0	1,665,435	0
0	(139,107)	0
0	116,170	0
319	(1,993)	0
(42,484)	(1,053,426)	0
469	73,294	0
1,399	(60,665)	0
0	3,495	0
0	0	(11,617)
0	16,453	0
0	(6,010)	0
50,537	1,098,070	0
999	139,913	0
11,239	1,851,629	(11,617)
\$54,723	\$1,460,498	\$1,106,141

**CITY OF PORTSMOUTH, OHIO**

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**Statement of Net Position  
Fiduciary Funds  
December 31, 2016**

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	Private Purpose Trust	
	<u>Private Purpose</u>	<u>Agency</u>
<b>Assets:</b>		
Cash and Cash Equivalents	\$ 29,151	\$ 0
Receivables:		
Accounts	0	597,070
Restricted Assets:		
Cash and Cash Equivalents	<u>0</u>	<u>104,651</u>
<b>Total Assets</b>	<u>29,151</u>	<u>701,721</u>
<b>Liabilities:</b>		
Intergovernmental Payable	0	24,660
Claims Payable	17,072	0
Due to Others	<u>0</u>	<u>677,061</u>
<b>Total Liabilities</b>	<u>17,072</u>	<u>701,721</u>
Unrestricted	<u>12,079</u>	<u>0</u>
<b>Total Net Position</b>	<u>\$ 12,079</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

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***Statement of Changes in Net Position  
Fiduciary Funds  
For the Year Ended December 31, 2016***

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

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

The financial statements are presented as of December 31, 2016 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

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

Based on the foregoing, the City's financial reporting entity 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses. The various funds are summarized by type in the basic financial statements. The following fund types are used by the City:

***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, 2016***

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**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, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

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

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

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

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

The following enterprise fund is nonmajor:

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

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

***Fiduciary Funds***

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and 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 Resources Board, funds from the three percent (3%) fees as required by Ohio Revised Code, and funds that flow through the municipal court office. 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 position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or 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, 2016***

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**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 position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

**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, 2016***

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from property taxes is recognized in the year for which the taxes were levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenues considered susceptible to accrual at year end include income taxes, interest on investments, and state levied locally shared taxes, including motor vehicle license fees and local government assistance. Other revenues, including licenses, permits, certain charges for services, and miscellaneous revenues are recorded when received in cash, because generally these revenues are not measurable until received.

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

**E. Budgetary Process**

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

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

**1. Tax Budget**

The City Manager 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.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**E. Budgetary Process (Continued)**

2. Estimated Resources

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

On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement as final budget reflect the amounts in the final amended official certificate of estimated resources issued during 2016.

3. Appropriations

The appropriation ordinance establishes spending controls at the fund level by department, by personal services and other expenditures for the General Fund and by the personal services and other expenditures in all other funds. The appropriation ordinance may be amended during the year as additional information becomes available provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments within a fund may be modified during the year by an ordinance of City Council. Several supplemental appropriations were made during 2016. 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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**E. Budgetary Process (Continued)**

**5. Lapsing of Appropriations**

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

**6. Budgetary Basis of Accounting**

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

	Net Change in Fund Balance
	General Fund
GAAP Basis (as reported)	\$1,961,232
Increase (Decrease):	
Accrued Revenues at December 31, 2016 received during 2017	(1,991,630)
Accrued Revenues at December 31, 2015 received during 2016	1,524,550
Accrued Expenditures at December 31, 2016 paid during 2017	175,899
Accrued Expenditures at December 31, 2015 paid during 2016	(377,093)
2015 Prepays for 2016	23,762
2016 Prepays for 2017	(26,726)
Perspective Difference-	
Budgeted Special Revenue Funds reclassified as General Fund	(48,419)
Budget Basis	<u>\$1,241,575</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**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 5, "Cash, Cash Equivalents and Investments."

**G. Inventory**

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

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2016, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**I. Capital Assets and Depreciation**

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

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

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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

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

2. Property, Plant and Equipment – Business Type Activities

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Infrastructure is included in Improvements other than Buildings in Note 10 B. 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 Position and in the respective funds.

3. Depreciation

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

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

**J. Long-Term Obligations**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**K. Compensated Absences**

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

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

**L. Net Position**

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

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

**M. Pensions**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**N. Interfund Activity**

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

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

**O. Fund Balances**

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**O. Fund Balances** (Continued)

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

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

**P. Operating Revenues and Expenses**

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

**Q. Deferred Outflows/Inflows of Resources**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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

**R. Restricted Assets**

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

**S. Fair Market Value**

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

**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE**

For 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, “Fair Value Measurement and Application,” and GASB Statement No. 77 “Tax Abatement Disclosures.”

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes, for applying fair value to certain investments, and disclosures related to all fair value measurements. These changes were incorporated in the City’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The City has no tax abatements applicable under GASB Statement 77.



**CITY OF PORTSMOUTH, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 3 – FUND BALANCE CLASSIFICATION**

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

Fund Balances	General Fund	General Obligation Bond Retirement Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid Items	\$28,778	\$0	\$0	\$6,400	\$35,178
Supplies Inventory	27,950	0	0	37,631	65,581
Endowment	0	0	0	26,843	26,843
Total Nonspendable	<u>56,728</u>	<u>0</u>	<u>0</u>	<u>70,874</u>	<u>127,602</u>
Restricted:					
Transportation Projects	0	0	0	494,633	494,633
Court Projects	0	0	0	548,166	548,166
Public Safety	0	0	0	943,044	943,044
Health	0	0	0	322,790	322,790
Cemetery	0	0	0	187,547	187,547
Community Development	0	0	0	230,796	230,796
Debt Retirement	0	60,382	0	0	60,382
Capital Improvements	0	0	1,862,548	0	1,862,548
Parks and Recreation	0	0	0	26,577	26,577
Total Restricted	<u>0</u>	<u>60,382</u>	<u>1,862,548</u>	<u>2,753,553</u>	<u>4,676,483</u>
Committed:					
Parks and Recreation	0	0	0	49,934	49,934
Municipal Court	110,371	0	0	0	110,371
Compensated Absences	209,594	0	0	0	209,594
Total Committed	<u>319,965</u>	<u>0</u>	<u>0</u>	<u>49,934</u>	<u>369,899</u>
Unassigned:					
	<u>3,352,833</u>	<u>0</u>	<u>0</u>	<u>(76,160)</u>	<u>3,276,673</u>
Total Fund Balances	<u>\$3,729,526</u>	<u>\$60,382</u>	<u>\$1,862,548</u>	<u>\$2,798,201</u>	<u>\$8,450,657</u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 4 - COMPLIANCE AND ACCOUNTABILITY**

**A. Fund Deficit**

The fund deficits of \$2,023 in the Municipal Court Grants Fund, \$1,349 in the Municipal Court Security Fund, \$16,190 in the Rural AIDS State Grant Fund, \$9,896 in the Injury Prevention Fund, \$28,848 in the Family Planning Fund, and \$12,819 in the Public Health Emergency Preparedness Fund (special revenue funds) arose 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. Cash Deficit**

The Sewer Fund had a negative cash balance of \$991,070 contrary to Ohio Revised Code Section 5705.10(I).

**NOTE 5 – 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;

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 5 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)**

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

**Deposits**

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

At year end the carrying amount of the City's deposits was \$8,889,932 and the bank balance was \$9,450,642. Federal depository insurance covered \$420,791 of the bank balance and \$9,029,851 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	<u>\$9,029,851</u>
Total Balance	<u><u>\$9,029,851</u></u>

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 6 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes collected during 2016 were levied after October 1, 2015 on assessed values as of January 1, 2015, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. Public utility tangible personal property is currently assessed at varying percentages of its true value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 2016. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder payable by June 20.

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

The full tax rate for all City operations for the year ended December 31, 2016 was \$10.25 per \$1,000 of assessed value. The assessed value upon which the 2016 tax collections were based was \$224,323,360. This amount constituted \$201,451,660 in real property assessed value and \$22,871,700 in public utility assessed.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .1025% (10.25 mills) of assessed value.

**B. Income Tax**

The City levies a tax of 2.5% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 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 7 - RECEIVABLES**

Receivables at December 31, 2016 consisted of taxes, intergovernmental, and accounts receivable. All receivables are expected to be collected with the next year.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES**

Individual interfund receivables and payables balances at December 31, 2016 are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$991,070	\$24,453
Capital Improvement	0	20,261
Other Governmental Funds	24,453	0
Total Governmental Funds	<u>1,015,523</u>	<u>44,714</u>
Water Fund	0	103,905
Sewer Fund	124,166	991,070
Total Enterprise Funds	<u>124,166</u>	<u>1,094,975</u>
	<u>\$1,139,689</u>	<u>\$1,139,689</u>

	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$376,900	\$0
Other Governmental Funds	14,640	391,540
Total Governmental Funds	<u>391,540</u>	<u>391,540</u>

On the Statement of Net Position, the Business-Type Activities reported an internal balance at December 31, 2016 of \$418,923, 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 the Sewer Fund. The Due from Other Funds in the Other Governmental Funds is for reimbursement of expenditures made by the Community Development Fund for the General Fund. All interfund receivables are expected to be collected within the next year.

**NOTE 9 - TRANSFERS**

Following is a summary of Transfers in and out for all funds for 2016:

Fund	Transfer In	Transfer Out
Governmental Funds:		
General Fund	\$0	\$514,298
Other Governmental Funds	536,408	22,110
Totals	<u>\$536,408</u>	<u>\$536,408</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; or to return money to the fund from which it was originally provided once a project is completed.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 10 - CAPITAL ASSETS**

**A. Governmental Capital Assets**

Summary by category of changes in Governmental Capital Assets:

**Historical Cost:**

Class	December 31, 2015	Additions	Deletions	December 31, 2016
<b>Capital assets not being depreciated:</b>				
Land	\$1,987,027	\$0	\$0	\$1,987,027
Subtotal	1,987,027	0	0	1,987,027
<b>Capital assets being depreciated:</b>				
Buildings	6,379,702	127,122	0	6,506,824
Improvements	2,481,692	46,496	0	2,528,188
Machinery and Equipment	9,466,013	456,702	(24,915)	9,897,800
Infrastructure	30,066,369	333,734	(89,708)	30,310,395
Subtotal	48,393,776	964,054	(114,623)	49,243,207
Total Cost	\$50,380,803	\$964,054	(\$114,623)	\$51,230,234

**Accumulated Depreciation:**

Class	December 31, 2015	Additions	Deletions	December 31, 2016
Buildings	(\$2,599,164)	(\$137,060)	\$0	(\$2,736,224)
Improvements	(1,386,619)	(92,767)	0	(1,479,386)
Machinery and Equipment	(7,269,753)	(439,269)	24,915	(7,684,107)
Infrastructure	(20,035,003)	(792,952)	72,701	(20,755,254)
Total Depreciation	(\$31,290,539)	(\$1,462,048) *	\$97,616	(\$32,654,971)
<b>Net Value:</b>	\$19,090,264			\$18,575,263

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

Security of Persons and Property	\$336,855
Public Health & Welfare Services	36,748
Leisure Time Activities	12,480
Community Environment	65,678
Transportation	818,131
General Government	192,156
Total Depreciation Expense	\$1,462,048

**CITY OF PORTSMOUTH, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 10 - CAPITAL ASSETS (Continued)**

**B. Business Type Capital Assets**

Summary by Category at December 31, 2016:

**Historical Cost:**

Class	December 31, 2015	Additions	Deletions	December 31, 2016
<b>Capital assets not being depreciated:</b>				
Land	\$63,504	\$0	\$0	\$63,504
Construction in Progress	4,834,230	92,330	(4,834,230)	92,330
Subtotal	4,897,734	92,330	(4,834,230)	155,834
<b>Capital assets being depreciated:</b>				
Buildings	6,505,589	39,050	0	6,544,639
Improvements other than Buildings	30,709,007	5,632,241	0	36,341,248
Machinery and Equipment	14,390,101	222,459	0	14,612,560
Subtotal	51,604,697	5,893,750	0	57,498,447
Total Cost	\$56,502,431	\$5,986,080	(\$4,834,230)	\$57,654,281

**Accumulated Depreciation:**

Class	December 31, 2015	Additions	Deletions	December 31, 2016
Buildings	(\$1,094,651)	(\$146,815)	\$0	(\$1,241,466)
Improvements other than Buildings	(18,343,447)	(655,071)	0	(18,998,518)
Machinery and Equipment	(8,028,965)	(863,549)	0	(8,892,514)
Total Depreciation	(\$27,467,063)	(\$1,665,435)	\$0	(\$29,132,498)

**Net Value:**

\$29,035,368	\$28,521,783
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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

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

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

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

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

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

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	<u>State and Local</u>
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	<u>2.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$795,277 for 2016. Of this amount, \$63,409 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

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

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

**CITY OF PORTSMOUTH, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

	<u>Police</u>	<u>Firefighters</u>
<b>2016 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %
<b>2016 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee:		
January 1, 2016 through December 31, 2016	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$1,031,501 for 2016. Of this amount, \$111,771 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF’s total pension liability was measured as of December 31, 2015, and was determined by rolling forward the total pension liability as of January 1, 2015, to December 31, 2015. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$9,280,905	\$12,573,277	\$21,854,182
Proportion of the Net Pension Liability -2016	0.053581%	0.195448%	
Proportion of the Net Pension Liability -2015	<u>0.055479%</u>	<u>0.195625%</u>	
Percentage Change	<u>(0.0018980%)</u>	<u>(0.00017650%)</u>	
Pension Expense	\$1,231,599	\$1,705,346	\$2,936,945

**CITY OF PORTSMOUTH, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$2,757,130	\$2,046,447	\$4,803,577
City contributions subsequent to the measurement date	<u>795,277</u>	<u>1,031,501</u>	<u>1,826,778</u>
Total Deferred Outflows of Resources	<u>\$3,552,407</u>	<u>\$3,077,948</u>	<u>\$6,630,355</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	<u>\$359,488</u>	<u>\$35,305</u>	<u>\$394,793</u>

\$1,826,778 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2017	\$526,951	\$532,083	\$1,059,034
2018	570,573	\$532,083	1,102,656
2019	682,770	\$532,083	1,214,853
2020	617,348	422,989	1,040,337
2021	0	(6,803)	(6,803)
2022	<u>0</u>	<u>(1,293)</u>	<u>(1,293)</u>
Total	<u>\$2,397,642</u>	<u>\$2,011,142</u>	<u>\$4,408,784</u>

**Actuarial Assumptions - OPERS**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	4.25 to 10.05 percent including wage inflation
Pre-January 7, 2013 retirees	3 percent, simple
Post-January 7, 2013 retirees	3 percent, simple through 2018, then 2.80 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.27 %

**Discount Rate** The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the City’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$14,786,749	\$9,280,905	\$4,636,900

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

***Changes between Measurement Date and Report Date***

In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8.0 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the City’s net pension liability is expected to be significant.

***Actuarial Assumptions – OPF***

OPF’s total pension liability as of December 31, 2015 is based on the results of an actuarial valuation date of January 1, 2015, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2015, are presented below:

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

The most recent experience study was completed January 1, 2012.

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



**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)**

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF’s target asset allocation as of December 31, 2015 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	120.00 %	

\* levered 2x

OPF’s Board of Trustees has incorporated the “risk parity” concept into OPF’s asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City’s proportionate share of the net pension liability	\$16,582,468	\$12,573,277	\$9,177,097

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 12 - POSTEMPLOYMENT BENEFITS**

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

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

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2016, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)**

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

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the RMA for participants in the Member-Directed Plan for 2016 was 4.0%.

The City's contributions for health care to the OPERS for the years ending December 31, 2016, 2015, and 2014 were \$133,756, \$133,374, and \$137,598, respectively, which were equal to the required contributions for each year.

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

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

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

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

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164. That report is also available on OP&F’s website at [www.op-f.org](http://www.op-f.org).

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)**

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

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS code Section 115 trust and one for Medicare Part B reimbursements administrated as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2016, the portion of employer contributions allocated to health care was 0.5% of covered payroll for both police officers and firefighters. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2016, 2015, and 2014 were \$8,871, \$9,724, and \$9,423 for police and \$14,774, \$10,023 and \$9,803 for firefighters, respectively, which were equal to the required contributions for each year.

**CITY OF PORTSMOUTH, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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

Long-term debt and other long-term obligations of the City at December 31, 2016 were as follows:

				Balance			Balance	Amount due
				December 31,	Additions	(Deletions)	December 31,	Within
				2015			2016	One Year
<b>Business-Type Activities Long-Term Debt:</b>								
Ohio Public Works Commission Loans:								
2000	0.0%	Wastewater Improvement	2021	\$165,000	\$0	(\$15,000)	\$150,000	\$30,000
2008	0.0%	Wastewater-Sludge Digester	2029	472,500	0	(17,500)	455,000	35,000
2011	0.0%	Wastewater-Primary Clarifier	2028	441,049	0	0	441,049	0
2014	0.0%	Wastewater-Grandview Avenue	2035	548,268	31,939	0	580,207	0
Total Ohio Public Works Commission Loans				1,626,817	31,939	(32,500)	1,626,256	65,000
Ohio Water Development Authority Loans:								
2007	3.25%	Water MIEX Installation	2028	2,521,415	0	(174,892)	2,346,523	180,623
2008	4.11%	Wastewater-Sludge Digester	2038	426,239	0	(11,817)	414,422	12,308
2009	3.43%	Wastewater-Lawson Run	2031	1,385,655	0	(72,027)	1,313,628	74,519
2010	0.00%	Water-High Service Pumps	2029	30,398	0	(2,252)	28,146	2,251
2010	4.39%	Wastewater-Collection System	2016	643,879	0	(12,520)	631,359	16,053
2012	2.00%	Water-Filtration Filter Rebuild	2032	1,440,845	0	(73,534)	1,367,311	79,008
2014	3.30%	Wastewater-Sewer Improvements	2044	3,485,034	186,302	(80,553)	3,590,783	92,079
2016	2.72%	Water-Sunrise Reservoir	2022	0	72,060	0	72,060	6,888
Total Ohio Water Development Authority Loans				9,933,465	258,362	(427,595)	9,764,232	463,729
Net Pension Liability								
Ohio Public Employees Retirement System				2,939,105	1,098,070	0	4,037,175	0
Compensated Absences				70,731	214,737	(220,747)	64,721	12,073
Capital Lease - Enterprise Funds				2,145,492	0	(872,767)	1,272,725	909,470
Total Business-Type Long-Term Debt				\$16,715,610	\$1,603,108	(\$1,553,609)	\$16,765,109	\$1,450,272
<b>Governmental Activities Long-Term Debt:</b>								
General Obligation Bond								
2001	3.6-5.5%	Police and Fireman's Disability and Pension	2027	\$1,305,000	\$0	(\$1,305,000)	\$0	\$0
2016	2.52%	Refunding General Obligation Bond-Police and Fireman's Disability/Pension	2025	0	1,250,000	(110,000)	1,140,000	115,000
Net Pension Liability								
Ohio Public Employees Retirement System				3,752,282	1,491,448	0	5,243,730	0
Ohio Police and Fire Pension Fund				10,134,165	2,439,112	0	12,573,277	0
Total Net Pension Liability				13,886,447	3,930,560	0	17,817,007	0
Compensated Absences				719,338	750,263	(844,545)	625,056	88,970
Capital Lease Payable				313,974	0	(168,781)	145,193	101,618
Total Governmental Activities				\$16,224,759	\$5,930,823	(\$2,428,326)	\$19,727,256	\$305,588

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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

				Original Issue
<b>Business-Type Activities</b>				
Ohio Public Works Commission Loans (OPWC):				
0.00%	Wastewater Improvement	2001-2021		\$600,000
0.00%	Wastewater-Sludge Digester	2008-2029		700,000
0.00%	Wastewater-Primary Clarifier	2011-2028		441,049
0.00%	Wastewater-Grandview Avenue	2014-2035		580,207 *
Total OPWC Loans				<u>\$2,321,256</u>
Ohio Water Development Authority Loans (OWDA):				
3.25%	Water MIEX Installation	2007-2028		\$3,734,915
4.11%	Wastewater-Sludge Digester	2008-2038		501,078
3.43%	Wastewater-Lawson Run	2009-2031		1,711,234
0.00%	Water-High Service Pumps	2010-2029		45,034
4.39%	Wasterwater-Collection System	2010-2016		676,977
2.00%	Water Filtration Filter Rebuild	2012-2032		1,739,606
3.30%	Wasterwater-Sewer Improvements	2014-2045		3,710,635 *
2.72%	Water-Sunrise Reservoir Improvements	2016-2022		72,060 *
Total OWDA Loans				<u>\$12,191,539</u>
* Amount Disbursed as of December 31, 2016				
<b>Governmental Activities Long-Term Debt</b>				
General Obligation Bonds:				
3.6- 5.50%	Police and Fireman's Disability and Pension	2001-2027		\$2,090,000
Total General Obligation Bonds				<u>\$2,090,000</u>

In 2014, the City entered into an agreement with the OWDA, as administrator for the U.S. Environmental Protection Agency (EPA), for the City to receive a loan in the amount of \$3,939,809 for sewer improvements. The amount is subject to change and has not been finalized. The interest rate on the loan is 3.30% per annum. An estimate of future financing requirements has been made based on the remaining loan balance of \$3,590,783 at December 31, 2016.

In 2016, the City entered into an agreement with the OWDA, as administrator for the U.S. Environmental Protection Agency (EPA), for the City to receive a loan in the amount of \$200,792 for main replacement design. The amount is subject to change and has not been finalized. The interest rate on the loan is 2.72% per annum. An estimate of future financing requirements has been made based on the remaining loan balance of \$72,060 at December 31, 2016.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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

**A. Principal and Interest Requirements**

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2016 follows:

<b>Business-Type Activities:</b>				
Years	OPWC Loans		OWDA Loan	
	Principal	Interest	Principal	Interest
2017	\$65,000	\$0	\$463,729	\$287,948
2018	135,000	0	484,925	274,172
2019	135,000	0	499,758	260,158
2020	135,000	0	515,061	245,700
2021	135,000	0	530,851	230,785
2022-2026	525,000	0	2,837,966	915,930
2027-2031	455,000	0	2,092,208	529,783
2032-2036	41,256	0	1,054,648	306,133
2037-2041	0	0	1,135,187	123,910
2042-2044	0	0	149,899	3,629
Totals	<u>\$1,626,256</u>	<u>\$0</u>	<u>\$9,764,232</u>	<u>\$3,178,148</u>

<b>Governmental Activities:</b>		
Years	General Obligation Bonds	
	Principal	Interest
2017	\$115,000	\$28,728
2018	120,000	25,830
2019	120,000	22,806
2020	120,000	19,782
2021	125,000	16,758
2022-2026	540,000	34,398
Totals	<u>\$1,140,000</u>	<u>\$148,302</u>

**B. Defeased Debt**

In January 2016, the City defeased \$1,250,000 of General Obligation Bonds for the Police and Firemen's Disability Pension liability, dated September 1, 2001 (the "2006 Bonds") through the issuance of \$1,250,000 of General Obligation Bonds.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 14 - CAPITALIZED LEASES**

The City leases water meters, utility and dump trucks and a sludge digester, classified as machinery and equipment under capital leases. The cost of the equipment and vehicles obtained under capital leases is \$5,815,490 in the Water Fund and \$663,900 in the Sewer Fund. The related liability is included in the Water and Sewer Funds. In addition the City leases window replacements with an original cost of \$331,270. The original cost of the equipment and the related liability are reported on the Government – wide Statement of Net Position.

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, 2016.

Year Ending December 31,	Business-Type Activities	Governmental Activities
2017	\$945,546	\$105,646
2018	366,892	44,019
Minimum Lease Payments	1,312,438	149,665
Less amount representing interest at the City's incremental borrowing rate of interest	(39,713)	(4,472)
Present value of minimum lease payments	<u>\$1,272,725</u>	<u>\$145,193</u>

**NOTE 15 - CONTINGENCIES**

**A. Litigation**

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

**B. Federal and State Grants**

For the period January 1, 2016 to December 31, 2016, the City received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. However, amounts are undeterminable at this time.



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 16 - INSURANCE AND RISK MANAGEMENT**

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

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

The City has elected to provide a health reimbursement plan through a self insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program.

The liability for unpaid claims costs of \$51,003 reported in the fund at December 31, 2016 is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability is based on an estimate provided by the third party administrator.

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Year Liability
2015	\$40,967	\$338,583	(\$316,930)	\$62,620
2016	\$62,620	\$378,353	(\$389,970)	\$51,003

**CITY OF PORTSMOUTH, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 17 – SIGNIFICANT COMMITMENTS**

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

Governmental Funds:	
Capital Improvement Fund	<u>\$423,678</u>
Total Governmental Funds	423,678
Enterprise Funds:	
Sewer Fund	92,791
Sanitation Fund	<u>171,812</u>
Total Enterprise Funds	<u>264,603</u>
Total	<u><u>\$688,281</u></u>

**NOTE 18 – FINANCIAL CONDITION**

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

*REQUIRED SUPPLEMENTAL INFORMATION*

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**CITY OF PORTSMOUTH, OHIO**

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

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**Ohio Public Employees Retirement System**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
City's proportion of the net pension liability	0.055479%	0.055479%	0.053581%
City's proportionate share of the net pension liability	\$6,540,251	\$6,691,387	\$9,280,905
City's covered-employee payroll	\$6,774,262	\$6,801,733	\$6,668,708
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	96.55%	98.38%	139.17%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.08%

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

**Ohio Police and Fire Pension Fund**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
City's proportion of the net pension liability	0.1956245%	0.1956245%	0.195448%
City's proportionate share of the net pension liability	\$9,527,527	\$10,134,165	\$12,573,277
City's covered-employee payroll	\$3,981,831	\$3,799,457	\$3,949,444
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	239.28%	266.73%	318.36%
Plan fiduciary net position as a percentage of the total pension liability	73.00%	72.20%	66.77%

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

Notes: The City implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

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

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of City Contributions  
Last Four Years***

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**Ohio Public Employees Retirement System**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$880,654	\$816,208	\$800,245	\$795,277
Contributions in relation to the contractually required contribution	<u>880,654</u>	<u>816,208</u>	<u>800,245</u>	<u>795,277</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$6,774,262	\$6,801,733	\$6,668,708	\$6,627,308
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%	12.00%

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

**Ohio Police and Fire Pension Fund**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$718,990	\$819,318	\$840,603	\$1,031,501
Contributions in relation to the contractually required contribution	<u>718,990</u>	<u>819,318</u>	<u>840,603</u>	<u>1,031,501</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered-employee payroll	\$3,981,831	\$3,799,457	\$3,949,444	\$4,729,486
Contributions as a percentage of covered-employee payroll	18.06%	21.56%	21.28%	21.81%

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

Notes: The City implemented GASB Statement 68 in 2015.

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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

**Municipal Court Grants Fund**

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

**Municipal Court Subsidy Fund**

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

**Municipal Court Special Projects Fund**

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

**Municipal Court Probation Services Fund**

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

**Municipal Court Programs Fund**

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

**Municipal Court Computer Fund**

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

**Municipal Court Security Fund**

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

**Fire Donation Fund**

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

**Fire Pension Fund**

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

(Continued)

***Special Revenue Funds***

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**Police Pension Fund**

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

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

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

**Police Donation Fund**

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

**Justice Assistance Grant (JAG) Grants Fund**

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

**Community Oriented Policing Services (COPS) Fast Grant Fund**

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

**Indigent Drivers Alcohol Treatment Fund**

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

**Indigent Drivers Alcohol Monitoring Fund**

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

**Enforcement and Education Fund**

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

**Mandatory Fines Fund**

To account for mandatory fines for drug offenses.

**Law Enforcement Fund**

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

**Federal Forfeitures Fund**

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

(Continued)



***Special Revenue Funds***

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**Ohio Peace Officers Training (OPOTA) Fund**

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

**Community Oriented Policing Services (COPS)**

**Hiring Recovery Program Grant Fund**

To account for grant monies to be used for the hiring of three police officers for a period of 24 months to assist in combating rural crime.

**Rural Law Enforcement Assistance Grant Fund**

To account for grant monies to be used for hiring and/or preserving law enforcement jobs, to combat crime, especially drug-related crime.

**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 designed for community and environmental improvements.

**Tourism and Cultural Development Fund**

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

**Health Department Subsidy Fund**

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

**State Grant Health Fund**

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

(Continued)

***Special Revenue Funds***

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**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.

**Drug Free Communities Grant Fund**

To account for grant monies received from the Substance Abuse and Mental Health Services Administration to be used for the administration of the Drug Free Communities (DFC) program.

**Injury Prevention Fund**

To account for grant funds to be used in training and associated costs for education and prevention of drug overdose related deaths.

**Family Planning Fund**

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

**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.

**Public Health Emergency Preparedness Fund**

To account for grant funds to be used in training and education of public health professionals and the community in emergency response situations.

**HIV Prevention – Federal Fund**

To account for federal grant funds to be used for costs related to testing and prevention of HIV (human immunodeficiency virus).

**HIV Prevention - State Fund**

To account for state grant funds to be used for costs related to testing and prevention of HIV (human immunodeficiency virus).

**Land Reutilization Fund**

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

**Rental Licensing Program Fund**

To account for revenue from rental property owners to cover the costs of the administration, inspections and licensing of the Rental Licensing program. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because there are no assets or liabilities at year end.).

(Continued)

***Special Revenue Funds***

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**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***

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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, 2016**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 2,416,038	\$ 0	\$ 2,416,038
Receivables (net of allowance for doubtful accounts):			
Taxes	387,471	0	387,471
Accounts	164,598	0	164,598
Intergovernmental	942,200	0	942,200
Due from Other Funds	24,453	0	24,453
Interfund Loans Receivables	14,640	0	14,640
Inventory of Supplies, at Cost	37,631	0	37,631
Prepaid Items	6,400	0	6,400
Restricted Assets:			
Cash and Cash Equivalents	0	214,390	214,390
<b>Total Assets</b>	<b>\$ 3,993,431</b>	<b>\$ 214,390</b>	<b>\$ 4,207,821</b>
<b>Liabilities:</b>			
Accounts Payable	\$ 16,338	\$ 0	\$ 16,338
Accrued Wages and Benefits Payable	28	0	28
Intergovernmental Payable	30,072	0	30,072
Interfund Loans Payable	391,540	0	391,540
<b>Total Liabilities</b>	<b>437,978</b>	<b>0</b>	<b>437,978</b>
<b>Deferred Inflows of Resources</b>			
Property Tax	281,000	0	281,000
Unavailable Revenue	690,642	0	690,642
<b>Total Deferred Inflows of Resources</b>	<b>971,642</b>	<b>0</b>	<b>971,642</b>
<b>Fund Balances:</b>			
Nonspendable	44,031	26,843	70,874
Restricted	2,566,006	187,547	2,753,553
Committed	49,934	0	49,934
Unassigned	(76,160)	0	(76,160)
<b>Total Fund Balances</b>	<b>2,583,811</b>	<b>214,390</b>	<b>2,798,201</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Funds Balances</b>	<b>\$ 3,993,431</b>	<b>\$ 214,390</b>	<b>\$ 4,207,821</b>

**CITY OF PORTSMOUTH, OHIO**

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***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2016***

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	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 405,965	\$ 0	\$ 405,965
Intergovernmental Revenues	3,312,269	0	3,312,269
Charges for Services	108,425	950	109,375
Investment Earnings	14	0	14
Fines and Forfeitures	450,143	0	450,143
All Other Revenue	99,348	0	99,348
<b>Total Revenue</b>	<u>4,376,164</u>	<u>950</u>	<u>4,377,114</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	455,862	0	455,862
Public Health and Welfare Services	2,295,179	1,440	2,296,619
Leisure Time Activities	57,121	0	57,121
Community Environment	262,389	0	262,389
Transportation	894,396	0	894,396
General Government	918,719	0	918,719
<b>Total Expenditures</b>	<u>4,883,666</u>	<u>1,440</u>	<u>4,885,106</u>
Excess (Deficiency) of Revenues Over Expenditures	(507,502)	(490)	(507,992)
<b>Other Financing Sources (Uses):</b>			
Transfers In	415,801	120,607	536,408
Transfers Out	(22,110)	0	(22,110)
<b>Total Other Financing Sources (Uses)</b>	<u>393,691</u>	<u>120,607</u>	<u>514,298</u>
Net Change in Fund Balances	(113,811)	120,117	6,306
<b>Fund Balances at Beginning of Year</b>	2,689,205	94,273	2,783,478
Increase (Decrease) in Inventory	8,417	0	8,417
<b>Fund Balances End of Year</b>	<u>\$ 2,583,811</u>	<u>\$ 214,390</u>	<u>\$ 2,798,201</u>

**CITY OF PORTSMOUTH, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2016**

	Municipal Court Grants	Municipal Court Special Project	Municipal Court Probation Services	Municipal Court Programs
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 541	\$ 265,993	\$ 100,899	\$ 40,387
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	0
Accounts	0	62,529	72,435	3,504
Intergovernmental	0	0	0	0
Due from Other Funds	0	0	0	0
Interfund Loans Receivables	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	0	0	0	0
<b>Total Assets</b>	<b>\$ 541</b>	<b>\$ 328,522</b>	<b>\$ 173,334</b>	<b>\$ 43,891</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 6,598	\$ 0	\$ 3,187
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	2,564	548	984	779
Interfund Loans Payable	0	0	0	0
<b>Total Liabilities</b>	<b>2,564</b>	<b>7,146</b>	<b>984</b>	<b>3,966</b>
<b>Deferred Inflows of Resources:</b>				
Property Tax	0	0	0	0
Unavailable Revenue	0	43,264	50,118	2,424
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>43,264</b>	<b>50,118</b>	<b>2,424</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	0	278,112	122,232	37,501
Committed	0	0	0	0
Unassigned	(2,023)	0	0	0
<b>Total Fund Balances</b>	<b>(2,023)</b>	<b>278,112</b>	<b>122,232</b>	<b>37,501</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 541</b>	<b>\$ 328,522</b>	<b>\$ 173,334</b>	<b>\$ 43,891</b>

**CITY OF PORTSMOUTH, OHIO**

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<u>Municipal Court Computer</u>	<u>Municipal Court Security</u>	<u>Fire Donation</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>D.A.R.E. State Grant</u>
\$ 16,670	\$ 649	\$ 1,057	\$ 0	\$ 0	\$ 52,533
0	0	0	68,155	68,155	0
11,891	0	0	0	0	0
0	0	0	4,119	4,119	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 28,561</u>	<u>\$ 649</u>	<u>\$ 1,057</u>	<u>\$ 72,274</u>	<u>\$ 72,274</u>	<u>\$ 52,533</u>
\$ 1,827	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	1,998	0	0	0	0
0	0	0	0	0	0
<u>1,827</u>	<u>1,998</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	52,000	52,000	0
8,227	0	0	20,274	20,274	0
<u>8,227</u>	<u>0</u>	<u>0</u>	<u>72,274</u>	<u>72,274</u>	<u>0</u>
0	0	0	0	0	0
18,507	0	1,057	0	0	52,533
0	0	0	0	0	0
0	(1,349)	0	0	0	0
<u>18,507</u>	<u>(1,349)</u>	<u>1,057</u>	<u>0</u>	<u>0</u>	<u>52,533</u>
<u>\$ 28,561</u>	<u>\$ 649</u>	<u>\$ 1,057</u>	<u>\$ 72,274</u>	<u>\$ 72,274</u>	<u>\$ 52,533</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2016**

	Police Donation	JAG Grants	COPS Fast Grant	Indigent Drivers Alcohol Treatment
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 9,790	\$ 2,365	\$ 247,684	\$ 38,735
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	0
Accounts	0	0	0	4,065
Intergovernmental	0	0	13,531	0
Due from Other Funds	0	0	0	0
Interfund Loans Receivables	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	0	0	0	0
<b>Total Assets</b>	<b>\$ 9,790</b>	<b>\$ 2,365</b>	<b>\$ 261,215</b>	<b>\$ 42,800</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Interfund Loans Payable	0	0	14,640	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>14,640</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Property Tax	0	0	0	0
Unavailable Revenue	0	0	0	2,813
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,813</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	9,790	2,365	246,575	39,987
Committed	0	0	0	0
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<b>9,790</b>	<b>2,365</b>	<b>246,575</b>	<b>39,987</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 9,790</b>	<b>\$ 2,365</b>	<b>\$ 261,215</b>	<b>\$ 42,800</b>



**CITY OF PORTSMOUTH, OHIO**

Indigent Drivers Alcohol Monitoring	Enforcement and Education	Mandatory Fines	Law Enforcement	Federal Forfeitures	OPOTA Fund
\$ 36,846	\$ 511	\$ 11,307	\$ 118,504	\$ 126,253	\$ 6,080
0	0	0	0	0	0
9,251	70	783	70	0	0
0	0	50	0	0	8,800
0	0	0	0	0	0
0	0	0	14,640	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 46,097</u>	<u>\$ 581</u>	<u>\$ 12,140</u>	<u>\$ 133,214</u>	<u>\$ 126,253</u>	<u>\$ 14,880</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
6,401	48	542	0	0	0
<u>6,401</u>	<u>48</u>	<u>542</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
39,696	533	11,598	133,214	126,253	14,880
0	0	0	0	0	0
0	0	0	0	0	0
<u>39,696</u>	<u>533</u>	<u>11,598</u>	<u>133,214</u>	<u>126,253</u>	<u>14,880</u>
<u>\$ 46,097</u>	<u>\$ 581</u>	<u>\$ 12,140</u>	<u>\$ 133,214</u>	<u>\$ 126,253</u>	<u>\$ 14,880</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2016**

	COPS - Hiring Recovery Program Grant	Rural Law Enforcement Assistance Grant	Street Construction, Maintenance and Repair	State Highway Improvement
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 14,805	\$ 13,342	\$ 306,614	\$ 40,079
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	427,333	26,771
Due from Other Funds	0	0	0	0
Interfund Loans Receivables	0	0	0	0
Inventory of Supplies, at Cost	0	0	35,026	0
Prepaid Items	0	0	2,503	0
<b>Total Assets</b>	<b>\$ 14,805</b>	<b>\$ 13,342</b>	<b>\$ 771,476</b>	<b>\$ 66,850</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 0	\$ 1,673	\$ 0
Accrued Wages and Benefits Payable	0	0	28	0
Intergovernmental Payable	0	0	4,463	0
Interfund Loans Payable	0	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>6,164</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>				
Property Tax	0	0	0	0
Unavailable Revenue	0	0	282,000	18,000
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>282,000</b>	<b>18,000</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	37,529	0
Restricted	14,805	13,342	445,783	48,850
Committed	0	0	0	0
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<b>14,805</b>	<b>13,342</b>	<b>483,312</b>	<b>48,850</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 14,805</b>	<b>\$ 13,342</b>	<b>\$ 771,476</b>	<b>\$ 66,850</b>

**CITY OF PORTSMOUTH, OHIO**

Environmental State Grants	Community Development	Tourism and Cultural Development	State Grant Health	Rural AIDS State Grant	Drug Free Communities Grant
\$ 141,502	\$ 160,694	\$ 19,316	\$ 13,096	\$ 9,472	\$ 1,938
0	0	26,333	0	0	0
0	0	0	0	0	0
198,052	82,000	0	8,379	0	0
0	24,453	0	0	0	0
0	0	0	0	0	0
978	0	0	0	1,627	0
0	0	0	0	0	0
<u>\$ 340,532</u>	<u>\$ 267,147</u>	<u>\$ 45,649</u>	<u>\$ 21,475</u>	<u>\$ 11,099</u>	<u>\$ 1,938</u>
\$ 69	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
5,365	0	0	402	3,389	1,585
0	0	0	0	23,900	0
<u>5,434</u>	<u>0</u>	<u>0</u>	<u>402</u>	<u>27,289</u>	<u>1,585</u>
0	0	0	0	0	0
94,534	82,000	0	0	0	0
<u>94,534</u>	<u>82,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
978	0	0	0	1,627	0
239,586	185,147	45,649	21,073	0	353
0	0	0	0	0	0
0	0	0	0	(17,817)	0
<u>240,564</u>	<u>185,147</u>	<u>45,649</u>	<u>21,073</u>	<u>(16,190)</u>	<u>353</u>
<u>\$ 340,532</u>	<u>\$ 267,147</u>	<u>\$ 45,649</u>	<u>\$ 21,475</u>	<u>\$ 11,099</u>	<u>\$ 1,938</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2016**

	<u>Injury Prevention</u>	<u>Family Planning</u>	<u>Ryan White Title III</u>	<u>Flood Defense</u>
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 32,880	\$ 2,611	\$ 26,479	\$ 330,202
Receivables (net of allowance for doubtful accounts):				
Taxes	0	0	0	224,828
Accounts	0	0	0	0
Intergovernmental	4,462	8,791	0	11,895
Due from Other Funds	0	0	0	0
Interfund Loans Receivables	0	0	0	0
Inventory of Supplies, at Cost	0	0	0	0
Prepaid Items	0	0	0	0
<b>Total Assets</b>	<u>\$ 37,342</u>	<u>\$ 11,402</u>	<u>\$ 26,479</u>	<u>\$ 566,925</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 84	\$ 0	\$ 345	\$ 1,972
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	654	250	3,950	0
Interfund Loans Payable	46,500	40,000	0	0
<b>Total Liabilities</b>	<u>47,238</u>	<u>40,250</u>	<u>4,295</u>	<u>1,972</u>
<b>Deferred Inflows of Resources:</b>				
Property Tax	0	0	0	177,000
Unavailable Revenue	0	0	0	59,723
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>236,723</u>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	0
Restricted	0	0	22,184	328,230
Committed	0	0	0	0
Unassigned	(9,896)	(28,848)	0	0
<b>Total Fund Balances</b>	<u>(9,896)</u>	<u>(28,848)</u>	<u>22,184</u>	<u>328,230</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 37,342</u>	<u>\$ 11,402</u>	<u>\$ 26,479</u>	<u>\$ 566,925</u>

**CITY OF PORTSMOUTH, OHIO**

Public Health Emergency Preparedness	HIV Prevention - Federal	HIV Prevention - State	Land Reutilization	Council Trust for Recreation	Playground Trust	Total Nonmajor Special Revenue Funds
\$ 9,059	\$ 117,907	\$ 18,210	\$ 4,343	\$ 50,108	\$ 26,577	\$ 2,416,038
0	0	0	0	0	0	387,471
0	0	0	0	0	0	164,598
11,320	132,578	0	0	0	0	942,200
0	0	0	0	0	0	24,453
0	0	0	0	0	0	14,640
0	0	0	0	0	0	37,631
3,408	0	0	0	489	0	6,400
<u>\$ 23,787</u>	<u>\$ 250,485</u>	<u>\$ 18,210</u>	<u>\$ 4,343</u>	<u>\$ 50,597</u>	<u>\$ 26,577</u>	<u>\$ 3,993,431</u>
\$ 0	\$ 409	\$ 0	\$ 0	\$ 174	\$ 0	\$ 16,338
0	0	0	0	0	0	28
806	0	0	2,335	0	0	30,072
<u>35,800</u>	<u>230,700</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>391,540</u>
<u>36,606</u>	<u>231,109</u>	<u>0</u>	<u>2,335</u>	<u>174</u>	<u>0</u>	<u>437,978</u>
0	0	0	0	0	0	281,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>690,642</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>971,642</u>
3,408	0	0	0	489	0	44,031
0	19,376	18,210	2,008	0	26,577	2,566,006
0	0	0	0	49,934	0	49,934
<u>(16,227)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(76,160)</u>
<u>(12,819)</u>	<u>19,376</u>	<u>18,210</u>	<u>2,008</u>	<u>50,423</u>	<u>26,577</u>	<u>2,583,811</u>
<u>\$ 23,787</u>	<u>\$ 250,485</u>	<u>\$ 18,210</u>	<u>\$ 4,343</u>	<u>\$ 50,597</u>	<u>\$ 26,577</u>	<u>\$ 3,993,431</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, 2016**

	Municipal Court Grants	Municipal Court Special Project	Municipal Court Probation Services	Municipal Court Programs
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	295,175	0	0	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	108,369	95,623	114,947
All Other Revenue	0	0	0	0
<b>Total Revenue</b>	<b>295,175</b>	<b>108,369</b>	<b>95,623</b>	<b>114,947</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	305,115	111,248	104,254	164,746
<b>Total Expenditures</b>	<b>305,115</b>	<b>111,248</b>	<b>104,254</b>	<b>164,746</b>
Excess (Deficiency) of Revenues Over Expenditures	(9,940)	(2,879)	(8,631)	(49,799)
<b>Other Financing Sources (Uses):</b>				
Transfers In	21,605	0	0	0
Transfers Out	0	0	0	(22,110)
<b>Total Other Financing Sources (Uses)</b>	<b>21,605</b>	<b>0</b>	<b>0</b>	<b>(22,110)</b>
Net Change in Fund Balances	11,665	(2,879)	(8,631)	(71,909)
<b>Fund Balances at Beginning of Year</b>	<b>(13,688)</b>	<b>280,991</b>	<b>130,863</b>	<b>109,410</b>
Increase (Decrease) in Inventory Reserve	0	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ (2,023)</b>	<b>\$ 278,112</b>	<b>\$ 122,232</b>	<b>\$ 37,501</b>

**CITY OF PORTSMOUTH, OHIO**

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Municipal Court Computer	Municipal Court Security	Fire Donation	Fire Pension	Police Pension	D.A.R.E. State Grant
\$ 0	\$ 0	\$ 0	\$ 58,703	\$ 58,703	\$ 0
0	0	0	8,112	8,112	0
0	0	0	0	0	0
0	0	0	0	0	0
27,093	43,203	0	0	0	0
0	0	800	0	0	0
<u>27,093</u>	<u>43,203</u>	<u>800</u>	<u>66,815</u>	<u>66,815</u>	<u>0</u>
0	0	0	66,815	66,815	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
37,563	166,777	0	0	0	0
<u>37,563</u>	<u>166,777</u>	<u>0</u>	<u>66,815</u>	<u>66,815</u>	<u>0</u>
(10,470)	(123,574)	800	0	0	0
0	126,196	0	0	0	0
0	0	0	0	0	0
0	126,196	0	0	0	0
(10,470)	2,622	800	0	0	0
28,977	(3,971)	257	0	0	52,533
0	0	0	0	0	0
<u>\$ 18,507</u>	<u>\$ (1,349)</u>	<u>\$ 1,057</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 52,533</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, 2016**

	Police Donation	JAG Grants	COPS Fast Grant	Indigent Drivers Alcohol Treatment
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	69,154	0
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	0	0	6,241
All Other Revenue	810	0	3,849	0
<b>Total Revenue</b>	<b>810</b>	<b>0</b>	<b>73,003</b>	<b>6,241</b>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	1,325	0	42,209	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	0	0	0	0
<b>Total Expenditures</b>	<b>1,325</b>	<b>0</b>	<b>42,209</b>	<b>0</b>
Excess (Deficiency) of Revenues Over Expenditures	(515)	0	30,794	6,241
<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	(515)	0	30,794	6,241
<b>Fund Balances at Beginning of Year</b>	<b>10,305</b>	<b>2,365</b>	<b>215,781</b>	<b>33,746</b>
Increase (Decrease) in Inventory Reserve	0	0	0	0
<b>Fund Balances End of Year</b>	<b>\$ 9,790</b>	<b>\$ 2,365</b>	<b>\$ 246,575</b>	<b>\$ 39,987</b>



**CITY OF PORTSMOUTH, OHIO**

Indigent Drivers Alcohol Monitoring	Enforcement and Education	Mandatory Fines	Law Enforcement	Federal Forfeitures	OPOTA Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	11,760
0	0	0	0	0	0
0	0	0	0	0	0
14,792	311	1,268	14,525	23,771	0
0	0	0	1,617	0	0
<u>14,792</u>	<u>311</u>	<u>1,268</u>	<u>16,142</u>	<u>23,771</u>	<u>11,760</u>
0	0	0	52,143	950	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
28,503	453	0	0	0	0
<u>28,503</u>	<u>453</u>	<u>0</u>	<u>52,143</u>	<u>950</u>	<u>0</u>
(13,711)	(142)	1,268	(36,001)	22,821	11,760
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(13,711)	(142)	1,268	(36,001)	22,821	11,760
53,407	675	10,330	169,215	103,432	3,120
0	0	0	0	0	0
<u>\$ 39,696</u>	<u>\$ 533</u>	<u>\$ 11,598</u>	<u>\$ 133,214</u>	<u>\$ 126,253</u>	<u>\$ 14,880</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, 2016**

	COPS Hiring Recovery Program Grant	Rural Law Enforcement Assistance Grant	Street Construction, Maintenance and Repair	State Highway Improvement
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	881,338	53,145
Charges for Services	0	0	0	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	0	90	0
<b>Total Revenue</b>	<b>0</b>	<b>0</b>	<b>881,428</b>	<b>53,145</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	807,146	87,250
General Government	0	0	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>807,146</b>	<b>87,250</b>
Excess (Deficiency) of Revenues Over Expenditures	0	0	74,282	(34,105)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	250,000	0
Transfers Out	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>250,000</b>	<b>0</b>
Net Change in Fund Balances	0	0	324,282	(34,105)
<b>Fund Balances at Beginning of Year</b>	<b>14,805</b>	<b>13,342</b>	<b>148,433</b>	<b>82,955</b>
Increase (Decrease) in Inventory Reserve	0	0	10,597	0
<b>Fund Balances End of Year</b>	<b>\$ 14,805</b>	<b>\$ 13,342</b>	<b>\$ 483,312</b>	<b>\$ 48,850</b>

**CITY OF PORTSMOUTH, OHIO**

Environmental State Grants	Community Development	Tourism and Cultural Development	State Grant Health	Rural AIDS State Grant	Drug Free Communities Grant
\$ 0	\$ 0	\$ 103,597	\$ 0	\$ 0	\$ 0
598,667	0	0	8,379	0	109,997
0	0	0	1,593	0	0
0	14	0	0	0	0
0	0	0	0	0	0
7,500	0	0	0	73,760	0
<u>606,167</u>	<u>14</u>	<u>103,597</u>	<u>9,972</u>	<u>73,760</u>	<u>109,997</u>
0	0	0	0	0	0
532,489	0	0	31,146	265,158	117,848
0	0	0	0	0	0
0	163,206	99,183	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>532,489</u>	<u>163,206</u>	<u>99,183</u>	<u>31,146</u>	<u>265,158</u>	<u>117,848</u>
73,678	(163,192)	4,414	(21,174)	(191,398)	(7,851)
18,000	0	0	0	0	0
0	0	0	0	0	0
<u>18,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
91,678	(163,192)	4,414	(21,174)	(191,398)	(7,851)
148,372	348,339	41,235	42,247	177,902	8,204
514	0	0	0	(2,694)	0
<u>\$ 240,564</u>	<u>\$ 185,147</u>	<u>\$ 45,649</u>	<u>\$ 21,073</u>	<u>\$ (16,190)</u>	<u>\$ 353</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, 2016**

	Injury Prevention	Family Planning	Ryan White Title III	Flood Defense
<b>Revenues:</b>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 184,962
Intergovernmental Revenues	102,794	54,728	249,219	24,425
Charges for Services	0	44,356	1,890	0
Investment Earnings	0	0	0	0
Fines and Forfeitures	0	0	0	0
All Other Revenue	0	35	0	0
<b>Total Revenue</b>	<u>102,794</u>	<u>99,119</u>	<u>251,109</u>	<u>209,387</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	0	0	0	225,605
Public Health and Welfare Services	112,690	127,563	253,209	0
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>	<u>112,690</u>	<u>127,563</u>	<u>253,209</u>	<u>225,605</u>
Excess (Deficiency) of Revenues Over Expenditures	(9,896)	(28,444)	(2,100)	(16,218)
<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>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(9,896)	(28,444)	(2,100)	(16,218)
<b>Fund Balances at Beginning of Year</b>	0	(404)	24,284	344,448
Increase (Decrease) in Inventory Reserve	0	0	0	0
<b>Fund Balances End of Year</b>	<u>\$ (9,896)</u>	<u>\$ (28,848)</u>	<u>\$ 22,184</u>	<u>\$ 328,230</u>

**CITY OF PORTSMOUTH, OHIO**

Public Health Emergency Preparedness	HIV Prevention - Federal	HIV Prevention - State	Land Reutilization	Rental Licensing Program	Council Trust for Recreation
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
106,146	618,607	112,511	0	0	0
0	0	0	0	0	60,586
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	8,750	0	0
<u>106,146</u>	<u>618,607</u>	<u>112,511</u>	<u>8,750</u>	<u>0</u>	<u>60,586</u>
0	0	0	0	0	0
118,965	599,231	94,301	30,189	12,390	0
0	0	0	0	0	57,121
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	60
<u>118,965</u>	<u>599,231</u>	<u>94,301</u>	<u>30,189</u>	<u>12,390</u>	<u>57,181</u>
(12,819)	19,376	18,210	(21,439)	(12,390)	3,405
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>
(12,819)	19,376	18,210	(21,439)	(12,390)	3,405
0	0	0	23,447	12,390	47,018
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ (12,819)</u>	<u>\$ 19,376</u>	<u>\$ 18,210</u>	<u>\$ 2,008</u>	<u>\$ 0</u>	<u>\$ 50,423</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

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	<u>Playground Trust</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Revenues:</b>		
Taxes	\$ 0	\$ 405,965
Intergovernmental Revenues	0	3,312,269
Charges for Services	0	108,425
Investment Earnings	0	14
Fines and Forfeitures	0	450,143
All Other Revenue	2,137	99,348
<b>Total Revenue</b>	<u>2,137</u>	<u>4,376,164</u>
<b>Expenditures:</b>		
Current:		
Security of Persons and Property	0	455,862
Public Health and Welfare Services	0	2,295,179
Leisure Time Activities	0	57,121
Community Environment	0	262,389
Transportation	0	894,396
General Government	0	918,719
<b>Total Expenditures</b>	<u>0</u>	<u>4,883,666</u>
Excess (Deficiency) of Revenues Over Expenditures	2,137	(507,502)
<b>Other Financing Sources (Uses):</b>		
Transfers In	0	415,801
Transfers Out	0	(22,110)
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>393,691</u>
Net Change in Fund Balances	2,137	(113,811)
<b>Fund Balances at Beginning of Year</b>	24,440	2,689,205
Increase (Decrease) in Inventory Reserve	0	8,417
<b>Fund Balances End of Year</b>	<u>\$ 26,577</u>	<u>\$ 2,583,811</u>

**CITY OF PORTSMOUTH, OHIO**

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**Combining Balance Sheet  
Nonmajor Permanent Funds  
December 31, 2016**

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	<u>Cemetery Trust</u>	<u>Mausoleum Trust</u>	<u>Total Nonmajor Permanent Funds</u>
<b>Assets:</b>			
Restricted Assets:			
Cash and Cash Equivalents	\$ 209,538	\$ 4,852	\$ 214,390
<b>Total Assets</b>	<u>\$ 209,538</u>	<u>\$ 4,852</u>	<u>\$ 214,390</u>
<b>Liabilities:</b>			
<b>Total Liabilities</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Fund Balances:</b>			
Nonspendable	22,339	4,504	26,843
Restricted	<u>187,199</u>	<u>348</u>	<u>187,547</u>
<b>Total Fund Balances</b>	<u>209,538</u>	<u>4,852</u>	<u>214,390</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 209,538</u>	<u>\$ 4,852</u>	<u>\$ 214,390</u>

**CITY OF PORTSMOUTH, OHIO**

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2016**

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	<u>Cemetery Trust</u>	<u>Mausoleum Trust</u>	<u>Total Nonmajor Permanent Funds</u>
<b>Revenues:</b>			
Charges for Services	\$ 950	\$ 0	\$ 950
<b>Total Revenue</b>	<u>950</u>	<u>0</u>	<u>950</u>
<b>Expenditures:</b>			
Current:			
Public Health and Welfare Services	<u>1,440</u>	<u>0</u>	<u>1,440</u>
<b>Total Expenditures</b>	<u>1,440</u>	<u>0</u>	<u>1,440</u>
Excess (Deficiency) of Revenues Over Expenditures	(490)	0	(490)
<b>Other Financing Sources (Uses):</b>			
Transfers In	<u>120,607</u>	<u>0</u>	<u>120,607</u>
<b>Total Other Financing Sources (Uses)</b>	<u>120,607</u>	<u>0</u>	<u>120,607</u>
Net Change in Fund Balances	120,117	0	120,117
<b>Fund Balances at Beginning of Year</b>	<u>89,421</u>	<u>4,852</u>	<u>94,273</u>
<b>Fund Balances End of Year</b>	<u>\$ 209,538</u>	<u>\$ 4,852</u>	<u>\$ 214,390</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, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 12,142,000	\$ 13,137,433	\$ 13,137,788	\$ 355
Intergovernmental Revenues	900,482	958,482	958,541	59
Charges for Services	248,000	386,000	386,900	900
Licenses and Permits	193,000	213,000	213,680	680
Fines and Forfeitures	636,000	631,000	456,747	(174,253)
All Other Revenues	100,000	421,000	421,555	555
Total Revenues	14,219,482	15,746,915	15,575,211	(171,704)
<b>Expenditures:</b>				
Security of Persons and Property:				
Police:				
Personal Services	3,766,670	3,846,902	3,846,902	0
Materials and Supplies	128,900	143,635	138,313	5,322
Contractual Services	239,350	253,865	251,002	2,863
Capital Outlay	11,600	32,938	32,938	0
Total Police	4,146,520	4,277,340	4,269,155	8,185
Fire:				
Personal Services	3,714,217	3,976,004	3,972,411	3,593
Materials and Supplies	32,950	51,614	50,183	1,431
Contractual Services	110,200	115,289	111,652	3,637
Total Fire	3,857,367	4,142,907	4,134,246	8,661
Police Dispatch:				
Personal Services	455,330	340,454	340,454	0
Total Police Dispatch	455,330	340,454	340,454	0
Street Lighting:				
Contractual Services	220,000	220,000	219,276	724
Total Street Lighting	220,000	220,000	219,276	724
Total Security of Persons and Property	8,679,217	8,980,701	8,963,131	17,570
Community Environment:				
Building Inspection:				
Personal Services	140,932	126,017	122,619	3,398
Materials and Supplies	100	100	0	100
Contractual Services	74,866	93,938	90,535	3,403
Total Building Inspection	215,898	220,055	213,154	6,901

(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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Administration:</b>				
Personal Services	80,692	75,322	74,409	913
Materials and Supplies	2,250	1,048	1,048	0
Contractual Services	10,900	14,380	14,027	353
Total Administration	<u>93,842</u>	<u>90,750</u>	<u>89,484</u>	<u>1,266</u>
Total Community Environment	<u>309,740</u>	<u>310,805</u>	<u>302,638</u>	<u>8,167</u>
<b>Transportation:</b>				
<b>Traffic Lights:</b>				
Personal Services	142,325	187,798	186,170	1,628
Materials and Supplies	6,600	9,481	9,034	447
Contractual Services	21,895	22,865	22,740	125
Total Traffic Lights	<u>170,820</u>	<u>220,144</u>	<u>217,944</u>	<u>2,200</u>
<b>Cemetery Grounds:</b>				
Personal Services	108,725	143,535	142,817	718
Materials and Supplies	7,250	7,279	5,989	1,290
Contractual Services	16,215	28,784	28,448	336
Capital Outlay	3,000	1,484	1,484	0
Total Cemetery Grounds	<u>135,190</u>	<u>181,082</u>	<u>178,738</u>	<u>2,344</u>
Total Transportation	<u>306,010</u>	<u>401,226</u>	<u>396,682</u>	<u>4,544</u>
<b>General Government:</b>				
<b>City Council:</b>				
Personal Services	87,166	96,412	95,999	413
Materials and Supplies	750	690	595	95
Contractual Services	12,910	10,030	9,966	64
Total City Council	<u>100,826</u>	<u>107,132</u>	<u>106,560</u>	<u>572</u>
<b>Executive:</b>				
Personal Services	56,447	56,455	26,405	30,050
Materials and Supplies	750	750	14,292	(13,542)
Contractual Services	10,883	10,883	20,700	(9,817)
Total Executive	<u>68,080</u>	<u>68,088</u>	<u>61,397</u>	<u>6,691</u>
<b>Legal:</b>				
Personal Services	239,318	244,178	239,582	4,596
Materials and Supplies	2,520	5,040	4,348	692
Contractual Services	7,543	5,023	4,344	679
Total Legal	<u>249,381</u>	<u>254,241</u>	<u>248,274</u>	<u>5,967</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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Finance:</b>				
Personal Services	198,766	208,726	181,663	27,063
Materials and Supplies	2,576	2,240	4,087	(1,847)
Contractual Services	30,296	30,912	47,755	(16,843)
Capital Outlay	280	0	0	0
Total Finance	231,918	241,878	233,505	8,373
<b>Civil Service:</b>				
Personal Services	7,098	9,376	8,984	392
Contractual Services	5,450	12,353	11,952	401
Total Civil Service	12,548	21,729	20,936	793
<b>Income Tax:</b>				
Personal Services	114,975	108,475	105,125	3,350
Materials and Supplies	1,276	9,026	8,773	253
Contractual Services	19,465	17,615	16,050	1,565
Capital Outlay	0	600	529	71
Total Income Tax	135,716	135,716	130,477	5,239
<b>Engineering:</b>				
Personal Services	97,131	32,413	29,369	3,044
Materials and Supplies	4,282	5,055	3,875	1,180
Contractual Services	2,000	12,388	11,848	540
Total Engineering	103,413	49,856	45,092	4,764
<b>Public Service:</b>				
Personal Services	25,338	29,305	7,303	22,002
Materials and Supplies	707	707	1,082	(375)
Contractual Services	10,386	10,386	8,118	2,268
Total Public Service	36,431	40,398	16,503	23,895
<b>City Building:</b>				
Personal Services	66,836	68,415	68,415	0
Materials and Supplies	2,000	3,280	3,280	0
Contractual Services	80,202	145,303	145,303	0
Total City Building	149,038	216,998	216,998	0

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Garage:				
Personal Services	126,638	181,066	91,321	89,745
Materials and Supplies	80,929	49,966	47,934	2,032
Contractual Services	8,733	14,823	14,770	53
Total Garage	<u>216,300</u>	<u>245,855</u>	<u>154,025</u>	<u>91,830</u>
Non-Departmental:				
Personal Services	442,592	206,593	4,598	201,995
Materials and Supplies	0	1,837	1,837	0
Contractual Services	736,883	850,013	850,013	0
Capital Outlay	0	18,500	18,500	0
Total Non-Departmental	<u>1,179,475</u>	<u>1,076,943</u>	<u>874,948</u>	<u>201,995</u>
Total General Government	<u>2,483,126</u>	<u>2,458,834</u>	<u>2,108,715</u>	<u>350,119</u>
Total Expenditures	<u>11,778,093</u>	<u>12,151,566</u>	<u>11,771,166</u>	<u>380,400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,441,389	3,595,349	3,804,045	208,696
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(2,261,517)	(2,361,517)	(2,185,570)	175,947
Advances Out	0	(376,900)	(376,900)	0
Total Other Financing Sources (Uses)	<u>(2,261,517)</u>	<u>(2,738,417)</u>	<u>(2,562,470)</u>	<u>175,947</u>
Net Change in Fund Balance	179,872	856,932	1,241,575	384,643
Fund Balance at Beginning of Year	453,225	453,225	453,225	0
Prior Year Encumbrances	63,344	63,344	63,344	0
Fund Balance at End of Year	<u>\$ 696,441</u>	<u>\$ 1,373,501</u>	<u>\$ 1,758,144</u>	<u>\$ 384,643</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Debt Service Fund  
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>GENERAL OBLIGATION BOND RETIREMENT FUND</b>				
<b>Revenues:</b>				
Taxes	\$ 140,000	\$ 136,978	\$ 136,978	\$ 0
Intergovernmental Revenues	0	18,928	18,928	0
Total Revenues	140,000	155,906	155,906	0
<b>Expenditures:</b>				
General Government:				
Debt Service:				
Principal Retirement	165,000	165,000	165,000	0
Interest and Fiscal Charges	60,000	60,000	54,243	5,757
Total Expenditures	225,000	225,000	219,243	5,757
Excess (Deficiency) of Revenues Over (Under) Expenditures	(85,000)	(69,094)	(63,337)	5,757
<b>Other Financing Sources (Uses):</b>				
Refunding General Obligation Bonds Issued	0	1,250,000	1,250,000	0
Payment to Refunded Bond Escrow Agent	(1,250,000)	(1,250,000)	(1,250,000)	0
Total Other Financing Sources (Uses)	(1,250,000)	0	0	0
Net Change in Fund Balance	(1,335,000)	(69,094)	(63,337)	5,757
Fund Balance at Beginning of Year	123,719	123,719	123,719	0
Fund Balance at End of Year	\$ (1,211,281)	\$ 54,625	\$ 60,382	\$ 5,757

**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, 2016**

<b>CAPITAL IMPROVEMENT FUND</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,300,000	\$ 1,627,000	\$ 1,625,476	\$ (1,524)
Intergovernmental Revenues	0	124,000	124,695	695
All Other Revenues	<u>0</u>	<u>161,000</u>	<u>161,715</u>	<u>715</u>
Total Revenues	<u>1,300,000</u>	<u>1,912,000</u>	<u>1,911,886</u>	<u>(114)</u>
<b>Expenditures:</b>				
Capital Outlay	646,222	2,032,823	2,032,823	0
Debt Service:				
Principal Retirement	0	181,629	181,629	0
Interest and Fiscal Charges	<u>0</u>	<u>11,740</u>	<u>11,740</u>	<u>0</u>
Total Expenditures	<u>646,222</u>	<u>2,226,192</u>	<u>2,226,192</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	653,778	(314,192)	(314,306)	(114)
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>(1,432,476)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,432,476)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(778,698)	(314,192)	(314,306)	(114)
Fund Balance at Beginning of Year	1,021,831	1,021,831	1,021,831	0
Prior Year Encumbrances	<u>646,222</u>	<u>646,222</u>	<u>646,222</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 889,355</u>	<u>\$ 1,353,861</u>	<u>\$ 1,353,747</u>	<u>\$ (114)</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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	<u>\$ 200,000</u>	<u>\$ 317,000</u>	<u>\$ 295,175</u>	<u>\$ (21,825)</u>
Total Revenues	<u>200,000</u>	<u>317,000</u>	<u>295,175</u>	<u>(21,825)</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	159,411	263,031	263,031	0
Materials and Supplies	128,470	16,465	16,465	0
Contractual Services	0	9,933	9,933	0
Capital Outlay	<u>0</u>	<u>18,813</u>	<u>18,813</u>	<u>0</u>
Total Expenditures	<u>287,881</u>	<u>308,242</u>	<u>308,242</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(87,881)	8,758	(13,067)	(21,825)
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	21,605	21,605
Advances Out	<u>0</u>	<u>(7,997)</u>	<u>(7,997)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(7,997)</u>	<u>13,608</u>	<u>21,605</u>
Net Change in Fund Balance	(87,881)	761	541	(220)
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>\$ (87,881)</u>	<u>\$ 761</u>	<u>\$ 541</u>	<u>\$ (220)</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, 2016**

<b>MUNICIPAL COURT SUBSIDY FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
All Other Revenues	\$ 0	\$ 0	\$ 50	\$ 50
Total Revenues	<u>0</u>	<u>0</u>	<u>50</u>	<u>50</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	907,213	902,534	902,534	0
Materials and Supplies	9,500	5,068	5,068	0
Contractual Services	36,250	31,948	31,948	0
Total Expenditures	<u>952,963</u>	<u>939,550</u>	<u>939,550</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(952,963)	(939,550)	(939,500)	50
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,000,000	1,000,000	952,963	(47,037)
Transfers Out	0	(21,691)	(21,691)	0
Advances In	0	0	7,997	7,997
Total Other Financing Sources (Uses)	<u>1,000,000</u>	<u>978,309</u>	<u>939,269</u>	<u>(39,040)</u>
Net Change in Fund Balance	47,037	38,759	(231)	(38,990)
Fund Balance at Beginning of Year	<u>231</u>	<u>231</u>	<u>231</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 47,268</u>	<u>\$ 38,990</u>	<u>\$ 0</u>	<u>\$ (38,990)</u>



**CITY OF PORTSMOUTH, OHIO**

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**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, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 150,000</u>	<u>\$ 112,000</u>	<u>\$ 112,392</u>	<u>\$ 392</u>
Total Revenues	<u>150,000</u>	<u>112,000</u>	<u>112,392</u>	<u>392</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	32,850	43,621	43,621	0
Materials and Supplies	50,000	33,739	33,739	0
Contractual Services	<u>35,000</u>	<u>31,383</u>	<u>31,383</u>	<u>0</u>
Total Expenditures	<u>117,850</u>	<u>108,743</u>	<u>108,743</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	32,150	3,257	3,649	392
Fund Balance at Beginning of Year	<u>255,707</u>	<u>255,707</u>	<u>255,707</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 287,857</u>	<u>\$ 258,964</u>	<u>\$ 259,356</u>	<u>\$ 392</u>

**CITY OF PORTSMOUTH, OHIO**

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***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, 2016***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 95,135</u>	<u>\$ (4,865)</u>
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>95,135</u>	<u>(4,865)</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	65,624	96,310	96,310	0
Materials and Supplies	29,445	9,977	9,977	0
Contractual Services	<u>0</u>	<u>496</u>	<u>496</u>	<u>0</u>
Total Expenditures	<u>95,069</u>	<u>106,783</u>	<u>106,783</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,931	(6,783)	(11,648)	(4,865)
Fund Balance at Beginning of Year	<u>106,058</u>	<u>106,058</u>	<u>106,058</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 110,989</u>	<u>\$ 99,275</u>	<u>\$ 94,410</u>	<u>\$ (4,865)</u>

**CITY OF PORTSMOUTH, OHIO**

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***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, 2016***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 115,126</u>	<u>\$ 15,126</u>
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>115,126</u>	<u>15,126</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	14,440	102,082	102,082	0
Contractual Services	<u>70,100</u>	<u>59,136</u>	<u>59,136</u>	<u>0</u>
Total Expenditures	<u>84,540</u>	<u>161,218</u>	<u>161,218</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,460	(61,218)	(46,092)	15,126
<b>Other Financing Sources (Uses):</b>				
Transfers Out	<u>0</u>	<u>(22,110)</u>	<u>(22,110)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(22,110)</u>	<u>(22,110)</u>	<u>0</u>
Net Change in Fund Balance	15,460	(83,328)	(68,202)	15,126
Fund Balance at Beginning of Year	<u>108,289</u>	<u>108,289</u>	<u>108,289</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 123,749</u>	<u>\$ 24,961</u>	<u>\$ 40,087</u>	<u>\$ 15,126</u>

**CITY OF PORTSMOUTH, OHIO**

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***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, 2016***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ 28,275</u>	<u>\$ (6,725)</u>
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>28,275</u>	<u>(6,725)</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	0	1,000	63	937
Materials and Supplies	15,000	14,000	13,659	341
Contractual Services	<u>25,000</u>	<u>25,000</u>	<u>24,739</u>	<u>261</u>
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>38,461</u>	<u>1,539</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	(5,000)	(10,186)	(5,186)
Fund Balance at Beginning of Year	<u>25,223</u>	<u>25,223</u>	<u>25,223</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 20,223</u>	<u>\$ 20,223</u>	<u>\$ 15,037</u>	<u>\$ (5,186)</u>

**CITY OF PORTSMOUTH, OHIO**

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**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, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 43,203</u>	<u>\$ 43,203</u>	<u>\$ 43,203</u>	<u>\$ 0</u>
Total Revenues	<u>43,203</u>	<u>43,203</u>	<u>43,203</u>	<u>0</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	<u>170,596</u>	<u>168,750</u>	<u>168,750</u>	<u>0</u>
Total Expenditures	<u>170,596</u>	<u>168,750</u>	<u>168,750</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(127,393)	(125,547)	(125,547)	0
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>126,797</u>	<u>126,797</u>	<u>126,196</u>	<u>(601)</u>
Total Other Financing Sources (Uses)	<u>126,797</u>	<u>126,797</u>	<u>126,196</u>	<u>(601)</u>
Net Change in Fund Balance	(596)	1,250	649	(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>\$ (596)</u>	<u>\$ 1,250</u>	<u>\$ 649</u>	<u>\$ (601)</u>

**CITY OF PORTSMOUTH, OHIO**

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***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, 2016***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 800</u>	<u>\$ (1,200)</u>
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>800</u>	<u>(1,200)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	<u>800</u>	<u>800</u>	<u>0</u>	<u>800</u>
Total Expenditures	<u>800</u>	<u>800</u>	<u>0</u>	<u>800</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,200	1,200	800	(400)
Fund Balance at Beginning of Year	<u>257</u>	<u>257</u>	<u>257</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,457</u>	<u>\$ 1,457</u>	<u>\$ 1,057</u>	<u>\$ (400)</u>

**CITY OF PORTSMOUTH, OHIO**

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**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, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 60,000	\$ 67,000	\$ 58,703	\$ (8,297)
Intergovernmental Revenues	<u>0</u>	<u>0</u>	<u>8,112</u>	<u>8,112</u>
Total Revenues	<u>60,000</u>	<u>67,000</u>	<u>66,815</u>	<u>(185)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	<u>65,000</u>	<u>66,815</u>	<u>66,815</u>	<u>0</u>
Total Expenditures	<u>65,000</u>	<u>66,815</u>	<u>66,815</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	185	0	(185)
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>\$ (5,000)</u>	<u>\$ 185</u>	<u>\$ 0</u>	<u>\$ (185)</u>

**CITY OF PORTSMOUTH, OHIO**

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**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, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 60,000	\$ 67,000	\$ 58,703	\$ (8,297)
Intergovernmental Revenues	<u>0</u>	<u>0</u>	<u>8,112</u>	<u>8,112</u>
Total Revenues	<u>60,000</u>	<u>67,000</u>	<u>66,815</u>	<u>(185)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	<u>65,000</u>	<u>66,815</u>	<u>66,815</u>	<u>0</u>
Total Expenditures	<u>65,000</u>	<u>66,815</u>	<u>66,815</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	185	0	(185)
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>\$ (5,000)</u>	<u>\$ 185</u>	<u>\$ 0</u>	<u>\$ (185)</u>



**CITY OF PORTSMOUTH, OHIO**

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**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, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	<u>\$ 20,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Revenues	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Materials and Supplies	<u>17,500</u>	<u>17,500</u>	<u>0</u>	<u>17,500</u>
Total Expenditures	<u>17,500</u>	<u>17,500</u>	<u>0</u>	<u>17,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,500	(17,500)	0	17,500
Fund Balance at Beginning of Year	<u>52,533</u>	<u>52,533</u>	<u>52,533</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 55,033</u>	<u>\$ 35,033</u>	<u>\$ 52,533</u>	<u>\$ 17,500</u>

**CITY OF PORTSMOUTH, OHIO**

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**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, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 810</u>	<u>\$ (2,190)</u>
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>810</u>	<u>(2,190)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	<u>10,814</u>	<u>10,814</u>	<u>1,325</u>	<u>9,489</u>
Total Expenditures	<u>10,814</u>	<u>10,814</u>	<u>1,325</u>	<u>9,489</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,814)</u>	<u>(7,814)</u>	<u>(515)</u>	<u>7,299</u>
Fund Balance at Beginning of Year	<u>10,305</u>	<u>10,305</u>	<u>10,305</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,491</u>	<u>\$ 2,491</u>	<u>\$ 9,790</u>	<u>\$ 7,299</u>

**CITY OF PORTSMOUTH, OHIO**

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**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, 2016**

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	JAG GRANTS FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>				
All Other Revenues	<u>\$ 20,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Revenues	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>0</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	20,000	0	0	0
Fund Balance at Beginning of Year	<u>2,365</u>	<u>2,365</u>	<u>2,365</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 22,365</u>	<u>\$ 2,365</u>	<u>\$ 2,365</u>	<u>\$ 0</u>

**CITY OF PORTSMOUTH, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016***

	<b>COPS FAST GRANT FUND</b>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 70,000	\$ 70,000	\$ 74,924	\$ 4,924
All Other Revenues	<u>0</u>	<u>0</u>	<u>3,849</u>	<u>3,849</u>
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>78,773</u>	<u>8,773</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	0	15,257	15,257	0
Capital Outlay	<u>0</u>	<u>26,952</u>	<u>26,952</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>42,209</u>	<u>42,209</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	70,000	27,791	36,564	8,773
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(30,000)	0	0	0
Advances In	0	0	39,640	39,640
Advances Out	<u>0</u>	<u>(44,950)</u>	<u>(44,950)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(44,950)</u>	<u>(5,310)</u>	<u>39,640</u>
Net Change in Fund Balance	40,000	(17,159)	31,254	48,413
Fund Balance at Beginning of Year	<u>216,430</u>	<u>216,430</u>	<u>216,430</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 256,430</u>	<u>\$ 199,271</u>	<u>\$ 247,684</u>	<u>\$ 48,413</u>

**CITY OF PORTSMOUTH, OHIO**

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***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, 2016***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 20,000</u>	<u>\$ 7,000</u>	<u>\$ 7,120</u>	<u>\$ 120</u>
Total Revenues	<u>20,000</u>	<u>7,000</u>	<u>7,120</u>	<u>120</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	<u>14,193</u>	<u>14,193</u>	<u>0</u>	<u>14,193</u>
Total Expenditures	<u>14,193</u>	<u>14,193</u>	<u>0</u>	<u>14,193</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	5,807	(7,193)	7,120	14,313
Fund Balance at Beginning of Year	<u>31,267</u>	<u>31,267</u>	<u>31,267</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 37,074</u>	<u>\$ 24,074</u>	<u>\$ 38,387</u>	<u>\$ 14,313</u>

**CITY OF PORTSMOUTH, OHIO**

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**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, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 12,721</u>	<u>\$ 2,721</u>
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>12,721</u>	<u>2,721</u>
<b>Expenditures:</b>				
General Government:				
Contractual Services	<u>8,000</u>	<u>30,000</u>	<u>28,503</u>	<u>1,497</u>
Total Expenditures	<u>8,000</u>	<u>30,000</u>	<u>28,503</u>	<u>1,497</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,000	(20,000)	(15,782)	4,218
Fund Balance at Beginning of Year	<u>51,836</u>	<u>51,836</u>	<u>51,836</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 53,836</u>	<u>\$ 31,836</u>	<u>\$ 36,054</u>	<u>\$ 4,218</u>

**CITY OF PORTSMOUTH, OHIO**

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***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, 2016***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 724</u>	<u>\$ (276)</u>
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>724</u>	<u>(276)</u>
<b>Expenditures:</b>				
General Government:				
Personal Services	<u>568</u>	<u>56</u>	<u>56</u>	<u>0</u>
Contractual Services	<u>0</u>	<u>417</u>	<u>417</u>	<u>0</u>
Total Expenditures	<u>568</u>	<u>473</u>	<u>473</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>432</u>	<u>527</u>	<u>251</u>	<u>(276)</u>
Fund Balance at Beginning of Year	<u>254</u>	<u>254</u>	<u>254</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 686</u>	<u>\$ 781</u>	<u>\$ 505</u>	<u>\$ (276)</u>

**CITY OF PORTSMOUTH, OHIO**

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**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, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 960</u>	<u>\$ (40)</u>
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>960</u>	<u>(40)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	<u>9,980</u>	<u>9,980</u>	<u>0</u>	<u>9,980</u>
Total Expenditures	<u>9,980</u>	<u>9,980</u>	<u>0</u>	<u>9,980</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,980)</u>	<u>(8,980)</u>	<u>960</u>	<u>9,940</u>
Fund Balance at Beginning of Year	<u>10,280</u>	<u>10,280</u>	<u>10,280</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,300</u>	<u>\$ 1,300</u>	<u>\$ 11,240</u>	<u>\$ 9,940</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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	\$ 70,000	\$ 70,000	\$ 14,525	\$ (55,475)
All Other Revenues	<u>0</u>	<u>0</u>	<u>1,547</u>	<u>1,547</u>
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>16,072</u>	<u>(53,928)</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Materials and Supplies	134,361	87,972	45,394	42,578
Contractual Services	<u>0</u>	<u>6,749</u>	<u>6,749</u>	<u>0</u>
Total Expenditures	<u>134,361</u>	<u>94,721</u>	<u>52,143</u>	<u>42,578</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(64,361)	(24,721)	(36,071)	(11,350)
<b>Other Financing Sources (Uses):</b>				
Advances In	0	0	44,950	44,950
Advances Out	<u>0</u>	<u>(83,130)</u>	<u>(39,640)</u>	<u>43,490</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(83,130)</u>	<u>5,310</u>	<u>88,440</u>
Net Change in Fund Balance	(64,361)	(107,851)	(30,761)	77,090
Fund Balance at Beginning of Year	<u>149,265</u>	<u>149,265</u>	<u>149,265</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 84,904</u>	<u>\$ 41,414</u>	<u>\$ 118,504</u>	<u>\$ 77,090</u>

**CITY OF PORTSMOUTH, OHIO**

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**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, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Fines and Forfeitures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,771</u>	<u>\$ 23,771</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>23,771</u>	<u>23,771</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	<u>100,416</u>	<u>100,416</u>	<u>950</u>	<u>99,466</u>
Total Expenditures	<u>100,416</u>	<u>100,416</u>	<u>950</u>	<u>99,466</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,416)	(100,416)	22,821	123,237
Fund Balance at Beginning of Year	<u>103,432</u>	<u>103,432</u>	<u>103,432</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 3,016</u>	<u>\$ 3,016</u>	<u>\$ 126,253</u>	<u>\$ 123,237</u>

**CITY OF PORTSMOUTH, OHIO**

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**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, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,960</u>	<u>\$ 2,960</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>2,960</u>	<u>2,960</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Contractual Services	<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>3,000</u>
Total Expenditures	<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>3,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,000)	(3,000)	2,960	5,960
Fund Balance at Beginning of Year	<u>3,120</u>	<u>3,120</u>	<u>3,120</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 120</u>	<u>\$ 120</u>	<u>\$ 6,080</u>	<u>\$ 5,960</u>

**CITY OF PORTSMOUTH, OHIO**

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***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, 2016***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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	0	0
Fund Balance at Beginning of Year	<u>14,805</u>	<u>14,805</u>	<u>14,805</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,805</u>	<u>\$ 14,805</u>	<u>\$ 14,805</u>	<u>\$ 0</u>

**CITY OF PORTSMOUTH, OHIO**

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***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, 2016***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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	0	0
Fund Balance at Beginning of Year	<u>13,342</u>	<u>13,342</u>	<u>13,342</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 13,342</u>	<u>\$ 13,342</u>	<u>\$ 13,342</u>	<u>\$ 0</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 900,000	\$ 900,000	\$ 868,394	\$ (31,606)
All Other Revenues	<u>0</u>	<u>0</u>	<u>90</u>	<u>90</u>
Total Revenues	<u>900,000</u>	<u>900,000</u>	<u>868,484</u>	<u>(31,516)</u>
<b>Expenditures:</b>				
Transportation:				
Personal Services	682,764	705,919	705,919	0
Materials and Supplies	43,800	44,914	44,914	0
Contractual Services	45,512	56,307	56,307	0
Capital Outlay	<u>0</u>	<u>4,730</u>	<u>4,730</u>	<u>0</u>
Total Expenditures	<u>772,076</u>	<u>811,870</u>	<u>811,870</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	127,924	88,130	56,614	(31,516)
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>0</u>	<u>218,000</u>	<u>250,000</u>	<u>32,000</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>218,000</u>	<u>250,000</u>	<u>32,000</u>
Net Change in Fund Balance	127,924	306,130	306,614	484
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>\$ 127,924</u>	<u>\$ 306,130</u>	<u>\$ 306,614</u>	<u>\$ 484</u>

**CITY OF PORTSMOUTH, OHIO**

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***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, 2016***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 53,000	\$ 53,000	\$ 52,936	\$ (64)
Total Revenues	<u>53,000</u>	<u>53,000</u>	<u>52,936</u>	<u>(64)</u>
<b>Expenditures:</b>				
Transportation:				
Personal Services	0	989	989	0
Materials and Supplies	50,000	45,923	45,923	0
Capital Outlay	<u>40,000</u>	<u>41,180</u>	<u>41,180</u>	<u>0</u>
Total Expenditures	<u>90,000</u>	<u>88,092</u>	<u>88,092</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,000)	(35,092)	(35,156)	(64)
Fund Balance at Beginning of Year	35,235	35,235	35,235	0
Prior Year Encumbrances	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 38,235</u>	<u>\$ 40,143</u>	<u>\$ 40,079</u>	<u>\$ (64)</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, 2016**

ENVIRONMENTAL STATE GRANTS FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 529,000	\$ 529,000	\$ 575,376	\$ 46,376
All Other Revenues	7,000	7,000	7,500	500
Total Revenues	<u>536,000</u>	<u>536,000</u>	<u>582,876</u>	<u>46,876</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	494,340	499,363	496,105	3,258
Materials and Supplies	7,874	8,374	1,781	6,593
Contractual Services	45,500	44,790	39,245	5,545
Capital Outlay	31,278	29,578	0	29,578
Total Expenditures	<u>578,992</u>	<u>582,105</u>	<u>537,131</u>	<u>44,974</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42,992)	(46,105)	45,745	91,850
<b>Other Financing Sources (Uses):</b>				
Transfers In	18,000	18,000	18,000	0
Total Other Financing Sources (Uses)	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>0</u>
Net Change in Fund Balance	(24,992)	(28,105)	63,745	91,850
Fund Balance at Beginning of Year	<u>77,757</u>	<u>77,757</u>	<u>77,757</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 52,765</u>	<u>\$ 49,652</u>	<u>\$ 141,502</u>	<u>\$ 91,850</u>



**CITY OF PORTSMOUTH, OHIO**

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***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, 2016***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 14,000	\$ 14,000	\$ 0
Investment Earnings	0	0	14	14
All Other Revenues	<u>400,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>400,000</u>	<u>14,000</u>	<u>14,014</u>	<u>14</u>
<b>Expenditures:</b>				
Community Environment:				
Personal Services	0	7,150	7,150	0
Contractual Services	<u>0</u>	<u>156,056</u>	<u>156,056</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>163,206</u>	<u>163,206</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	400,000	(149,206)	(149,192)	14
Fund Balance at Beginning of Year	<u>309,886</u>	<u>309,886</u>	<u>309,886</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 709,886</u>	<u>\$ 160,680</u>	<u>\$ 160,694</u>	<u>\$ 14</u>

**CITY OF PORTSMOUTH, OHIO**

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**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, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	<u>\$ 75,000</u>	<u>\$ 100,000</u>	<u>\$ 99,134</u>	<u>\$ (866)</u>
Total Revenues	<u>75,000</u>	<u>100,000</u>	<u>99,134</u>	<u>(866)</u>
<b>Expenditures:</b>				
Community Environment:				
Contractual Services	<u>80,000</u>	<u>99,183</u>	<u>99,183</u>	<u>0</u>
Total Expenditures	<u>80,000</u>	<u>99,183</u>	<u>99,183</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	817	(49)	(866)
Fund Balance at Beginning of Year	<u>19,365</u>	<u>19,365</u>	<u>19,365</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,365</u>	<u>\$ 20,182</u>	<u>\$ 19,316</u>	<u>\$ (866)</u>

**CITY OF PORTSMOUTH, OHIO**

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***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, 2016***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>HEALTH DEPARTMENT SUBSIDY FUND</b>				
<b>Revenues:</b>				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	525,891	612,701	612,701	0
Materials and Supplies	9,105	8,315	8,315	0
Contractual Services	<u>105,005</u>	<u>87,226</u>	<u>87,226</u>	<u>0</u>
Total Expenditures	<u>640,001</u>	<u>708,242</u>	<u>708,242</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(640,001)	(708,242)	(708,242)	0
<b>Other Financing Sources (Uses):</b>				
Transfers In	620,000	740,000	740,000	0
Transfers Out	<u>(100,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>520,000</u>	<u>740,000</u>	<u>740,000</u>	<u>0</u>
Net Change in Fund Balance	(120,001)	31,758	31,758	0
Fund Balance at Beginning of Year	<u>79,390</u>	<u>79,390</u>	<u>79,390</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (40,611)</u>	<u>\$ 111,148</u>	<u>\$ 111,148</u>	<u>\$ 0</u>

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2016**

STATE GRANT HEALTH FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Charges for Services	\$ 226,000	\$ 61,000	\$ 35,320	\$ (25,680)
Total Revenues	<u>226,000</u>	<u>61,000</u>	<u>35,320</u>	<u>(25,680)</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Prevention:				
Materials and Supplies	4,740	4,700	4,700	0
Total Prevention	4,740	4,700	4,700	0
State Grant - Safety Grant:				
Personal Services	39,447	31,387	31,387	0
Materials and Supplies	1,151	60	60	0
Contractual Services	900	621	621	0
Total State Grant - Safety Grant	41,498	32,068	32,068	0
Bioterrorism Grant:				
Personal Services	0	36	36	0
Total Expenditures	<u>46,238</u>	<u>36,804</u>	<u>36,804</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	179,762	24,196	(1,484)	(25,680)
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(212,971)	0	0	0
Total Other Financing Sources (Uses)	<u>(212,971)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(33,209)	24,196	(1,484)	(25,680)
Fund Balance at Beginning of Year	9,840	9,840	9,840	0
Prior Year Encumbrances	4,740	4,740	4,740	0
Fund Balance at End of Year	<u>\$ (18,629)</u>	<u>\$ 38,776</u>	<u>\$ 13,096</u>	<u>\$ (25,680)</u>

**CITY OF PORTSMOUTH, OHIO**

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**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, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	<u>\$ 780,000</u>	<u>\$ 150,000</u>	<u>\$ 73,760</u>	<u>\$ (76,240)</u>
Total Revenues	<u>780,000</u>	<u>150,000</u>	<u>73,760</u>	<u>(76,240)</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	18,852	27,153	27,153	0
Materials and Supplies	0	10	10	0
Contractual Services	<u>63,726</u>	<u>61,524</u>	<u>61,524</u>	<u>0</u>
Total Expenditures	<u>82,578</u>	<u>88,687</u>	<u>88,687</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	697,422	61,313	(14,927)	(76,240)
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(654,202)	0	0	0
Advances In	<u>0</u>	<u>0</u>	<u>23,900</u>	<u>23,900</u>
Total Other Financing Sources (Uses)	<u>(654,202)</u>	<u>0</u>	<u>23,900</u>	<u>23,900</u>
Net Change in Fund Balance	43,220	61,313	8,973	(52,340)
Fund Balance at Beginning of Year	<u>499</u>	<u>499</u>	<u>499</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 43,719</u>	<u>\$ 61,812</u>	<u>\$ 9,472</u>	<u>\$ (52,340)</u>

**CITY OF PORTSMOUTH, OHIO**

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***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, 2016***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ 109,997</u>	<u>\$ (15,003)</u>
Total Revenues	<u>125,000</u>	<u>125,000</u>	<u>109,997</u>	<u>(15,003)</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	102,551	101,004	101,004	0
Materials and Supplies	7,364	3,543	3,543	0
Contractual Services	<u>15,086</u>	<u>14,681</u>	<u>14,681</u>	<u>0</u>
Total Expenditures	<u>125,001</u>	<u>119,228</u>	<u>119,228</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1)	5,772	(9,231)	(15,003)
Fund Balance at Beginning of Year	<u>11,169</u>	<u>11,169</u>	<u>11,169</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,168</u>	<u>\$ 16,941</u>	<u>\$ 1,938</u>	<u>\$ (15,003)</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, 2016**

<b>INJURY PREVENTION FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 140,000	\$ 98,332	\$ (41,668)
Total Revenues	<u>0</u>	<u>140,000</u>	<u>98,332</u>	<u>(41,668)</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	72,816	71,983	71,983	0
Materials and Supplies	7,177	8,811	8,811	0
Contractual Services	<u>29,306</u>	<u>31,158</u>	<u>31,158</u>	<u>0</u>
Total Expenditures	<u>109,299</u>	<u>111,952</u>	<u>111,952</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(109,299)	28,048	(13,620)	(41,668)
<b>Other Financing Sources (Uses):</b>				
Advances In	<u>0</u>	<u>0</u>	<u>46,500</u>	<u>46,500</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>46,500</u>	<u>46,500</u>
Net Change in Fund Balance	(109,299)	28,048	32,880	4,832
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>\$ (109,299)</u>	<u>\$ 28,048</u>	<u>\$ 32,880</u>	<u>\$ 4,832</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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 74,000	\$ 74,000	\$ 45,937	\$ (28,063)
Charges for Services	47,000	47,000	44,356	(2,644)
All Other Revenues	<u>0</u>	<u>0</u>	<u>35</u>	<u>35</u>
Total Revenues	<u>121,000</u>	<u>121,000</u>	<u>90,328</u>	<u>(30,672)</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	109,562	96,698	96,698	0
Materials and Supplies	7,238	20,629	20,629	0
Contractual Services	<u>200</u>	<u>12,112</u>	<u>12,112</u>	<u>0</u>
Total Expenditures	<u>117,000</u>	<u>129,439</u>	<u>129,439</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,000	(8,439)	(39,111)	(30,672)
<b>Other Financing Sources (Uses):</b>				
Advances In	<u>0</u>	<u>130,000</u>	<u>40,000</u>	<u>(90,000)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>130,000</u>	<u>40,000</u>	<u>(90,000)</u>
Net Change in Fund Balance	4,000	121,561	889	(120,672)
Fund Balance at Beginning of Year	<u>1,722</u>	<u>1,722</u>	<u>1,722</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 5,722</u>	<u>\$ 123,283</u>	<u>\$ 2,611</u>	<u>\$ (120,672)</u>



**CITY OF PORTSMOUTH, OHIO**

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***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, 2016***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 249,000	\$ 249,000	\$ 249,219	\$ 219
Charges for Services	<u>0</u>	<u>0</u>	<u>1,890</u>	<u>1,890</u>
Total Revenues	<u>249,000</u>	<u>249,000</u>	<u>251,109</u>	<u>2,109</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	200,769	211,783	211,783	0
Materials and Supplies	19,791	15,058	15,058	0
Contractual Services	<u>31,460</u>	<u>27,733</u>	<u>27,733</u>	<u>0</u>
Total Expenditures	<u>252,020</u>	<u>254,574</u>	<u>254,574</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,020)	(5,574)	(3,465)	2,109
Fund Balance at Beginning of Year	<u>29,944</u>	<u>29,944</u>	<u>29,944</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 26,924</u>	<u>\$ 24,370</u>	<u>\$ 26,479</u>	<u>\$ 2,109</u>

**CITY OF PORTSMOUTH, OHIO**

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**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, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 193,000	\$ 184,600	\$ 184,962	\$ 362
Intergovernmental Revenues	0	24,400	24,425	25
Total Revenues	<u>193,000</u>	<u>209,000</u>	<u>209,387</u>	<u>387</u>
<b>Expenditures:</b>				
Security of Persons and Property:				
Personal Services	98,387	6,161	6,161	0
Materials and Supplies	8,700	10,801	10,801	0
Contractual Services	47,612	119,718	119,718	0
Capital Outlay	<u>265,000</u>	<u>88,940</u>	<u>88,940</u>	<u>0</u>
Total Expenditures	<u>419,699</u>	<u>225,620</u>	<u>225,620</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(226,699)	(16,620)	(16,233)	387
Fund Balance at Beginning of Year	331,859	331,859	331,859	0
Prior Year Encumbrances	<u>14,576</u>	<u>14,576</u>	<u>14,576</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 119,736</u>	<u>\$ 329,815</u>	<u>\$ 330,202</u>	<u>\$ 387</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, 2016***

<b>PUBLIC HEALTH EMERGENCY PREPAREDNESS FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 135,000	\$ 94,826	\$ (40,174)
Total Revenues	<u>0</u>	<u>135,000</u>	<u>94,826</u>	<u>(40,174)</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	74,413	51,532	51,532	0
Materials and Supplies	14,033	33,533	33,533	0
Contractual Services	11,225	18,015	18,015	0
Capital Outlay	<u>4,000</u>	<u>18,487</u>	<u>18,487</u>	<u>0</u>
Total Expenditures	<u>103,671</u>	<u>121,567</u>	<u>121,567</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(103,671)	13,433	(26,741)	(40,174)
<b>Other Financing Sources (Uses):</b>				
Advances In	<u>0</u>	<u>0</u>	<u>35,800</u>	<u>35,800</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>35,800</u>	<u>35,800</u>
Net Change in Fund Balance	(103,671)	13,433	9,059	(4,374)
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>\$ (103,671)</u>	<u>\$ 13,433</u>	<u>\$ 9,059</u>	<u>\$ (4,374)</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, 2016***

<b>HIV PREVENTION - FEDERAL FUND</b>				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental Revenues	\$ 0	\$ 485,000	\$ 486,029	\$ 1,029
Total Revenues	<u>0</u>	<u>485,000</u>	<u>486,029</u>	<u>1,029</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	163,516	163,516	132,115	31,401
Materials and Supplies	30,482	710	710	0
Contractual Services	<u>473,642</u>	<u>467,367</u>	<u>465,997</u>	<u>1,370</u>
Total Expenditures	<u>667,640</u>	<u>631,593</u>	<u>598,822</u>	<u>32,771</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(667,640)	(146,593)	(112,793)	33,800
<b>Other Financing Sources (Uses):</b>				
Advances In	<u>0</u>	<u>230,000</u>	<u>230,700</u>	<u>700</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>230,000</u>	<u>230,700</u>	<u>700</u>
Net Change in Fund Balance	(667,640)	83,407	117,907	34,500
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>\$ (667,640)</u>	<u>\$ 83,407</u>	<u>\$ 117,907</u>	<u>\$ 34,500</u>

**CITY OF PORTSMOUTH, OHIO**

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**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, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental Revenues	<u>\$ 0</u>	<u>\$ 115,000</u>	<u>\$ 112,511</u>	<u>\$ (2,489)</u>
Total Revenues	<u>0</u>	<u>115,000</u>	<u>112,511</u>	<u>(2,489)</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	33,011	30,366	30,349	17
Materials and Supplies	6,154	1,868	14	1,854
Contractual Services	<u>73,346</u>	<u>65,234</u>	<u>63,938</u>	<u>1,296</u>
Total Expenditures	<u>112,511</u>	<u>97,468</u>	<u>94,301</u>	<u>3,167</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(112,511)	17,532	18,210	678
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>\$ (112,511)</u>	<u>\$ 17,532</u>	<u>\$ 18,210</u>	<u>\$ 678</u>

**CITY OF PORTSMOUTH, OHIO**

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***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, 2016***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Licenses and Permits	\$ 55,000	\$ 0	\$ 0	\$ 0
All Other Revenues	<u>0</u>	<u>9,000</u>	<u>8,750</u>	<u>(250)</u>
Total Revenues	<u>55,000</u>	<u>9,000</u>	<u>8,750</u>	<u>(250)</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Personal Services	41,818	25,188	25,188	0
Contractual Services	<u>21,181</u>	<u>3,359</u>	<u>3,359</u>	<u>0</u>
Total Expenditures	<u>62,999</u>	<u>28,547</u>	<u>28,547</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,999)	(19,547)	(19,797)	(250)
Fund Balance at Beginning of Year	<u>24,140</u>	<u>24,140</u>	<u>24,140</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 16,141</u>	<u>\$ 4,593</u>	<u>\$ 4,343</u>	<u>\$ (250)</u>

**CITY OF PORTSMOUTH, OHIO**

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***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, 2016***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Contractual Services	<u>0</u>	<u>12,390</u>	<u>12,390</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>12,390</u>	<u>12,390</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(12,390)	(12,390)	0
Fund Balance at Beginning of Year	<u>12,390</u>	<u>12,390</u>	<u>12,390</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,390</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**CITY OF PORTSMOUTH, OHIO**

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***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, 2016***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for Services	<u>\$ 55,000</u>	<u>\$ 55,000</u>	<u>\$ 60,586</u>	<u>\$ 5,586</u>
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>60,586</u>	<u>5,586</u>
<b>Expenditures:</b>				
Leisure Time Activities:				
Personal Services	33,043	25,477	25,477	0
Materials and Supplies	7,400	5,427	5,427	0
Contractual Services	<u>25,034</u>	<u>26,711</u>	<u>26,711</u>	<u>0</u>
Total Expenditures	<u>65,477</u>	<u>57,615</u>	<u>57,615</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,477)	(2,615)	2,971	5,586
Fund Balance at Beginning of Year	<u>47,137</u>	<u>47,137</u>	<u>47,137</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 36,660</u>	<u>\$ 44,522</u>	<u>\$ 50,108</u>	<u>\$ 5,586</u>



**CITY OF PORTSMOUTH, OHIO**

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***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, 2016***

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
All Other Revenues	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,137</u>	<u>\$ 137</u>
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>2,137</u>	<u>137</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	2,000	2,000	2,137	137
Fund Balance at Beginning of Year	<u>24,440</u>	<u>24,440</u>	<u>24,440</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 26,440</u>	<u>\$ 26,440</u>	<u>\$ 26,577</u>	<u>\$ 137</u>

**CITY OF PORTSMOUTH, OHIO**

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**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, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Charges for Services	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 950</u>	<u>\$ (9,050)</u>
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>950</u>	<u>(9,050)</u>
<b>Expenditures:</b>				
Public Health and Welfare Services:				
Contractual Services	<u>0</u>	<u>1,440</u>	<u>1,440</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,440</u>	<u>1,440</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,000	8,560	(490)	(9,050)
<b>Other Financing Sources (Uses):</b>				
Transfers In	<u>0</u>	<u>0</u>	<u>120,607</u>	<u>120,607</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>120,607</u>	<u>120,607</u>
Net Change in Fund Balance	10,000	8,560	120,117	111,557
Fund Balance at Beginning of Year	<u>89,421</u>	<u>89,421</u>	<u>89,421</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 99,421</u>	<u>\$ 97,981</u>	<u>\$ 209,538</u>	<u>\$ 111,557</u>

**CITY OF PORTSMOUTH, OHIO**

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***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, 2016***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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	0	0
Fund Balance at Beginning of Year	<u>4,852</u>	<u>4,852</u>	<u>4,852</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 4,852</u>	<u>\$ 4,852</u>	<u>\$ 4,852</u>	<u>\$ 0</u>

***Fiduciary Funds***

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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***

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**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.

**CITY OF PORTSMOUTH, OHIO**

**Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2016**

	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
<b>Performance Bonds Fund</b>				
Restricted Assets:				
Cash and Cash Equivalents	\$17,847	\$83,085	(\$49,085)	\$51,847
Total Assets	<u>\$17,847</u>	<u>\$83,085</u>	<u>(\$49,085)</u>	<u>\$51,847</u>
Liabilities:				
Due to Others	\$17,847	\$83,085	(\$49,085)	\$51,847
Total Liabilities	<u>\$17,847</u>	<u>\$83,085</u>	<u>(\$49,085)</u>	<u>\$51,847</u>
<b>Law Library Fund</b>				
Assets:				
Accounts Receivable	\$22,877	\$18,071	(\$22,877)	\$18,071
Restricted Assets:				
Cash and Cash Equivalents	2,432	27,774	(28,659)	1,547
Total Assets	<u>\$25,309</u>	<u>\$45,845</u>	<u>(\$51,536)</u>	<u>\$19,618</u>
Liabilities:				
Due to Others	\$25,309	\$45,845	(\$51,536)	\$19,618
Total Liabilities	<u>\$25,309</u>	<u>\$45,845</u>	<u>(\$51,536)</u>	<u>\$19,618</u>
<b>Ohio Board of Building Standards Fund</b>				
Restricted Assets:				
Cash and Cash Equivalents	\$2,586	\$3,257	(\$3,299)	\$2,544
Total Assets	<u>\$2,586</u>	<u>\$3,257</u>	<u>(\$3,299)</u>	<u>\$2,544</u>
Liabilities:				
Due to Others	\$2,586	\$3,257	(\$3,299)	\$2,544
Total Liabilities	<u>\$2,586</u>	<u>\$3,257</u>	<u>(\$3,299)</u>	<u>\$2,544</u>
<b>Municipal Court Fund</b>				
Assets:				
Accounts Receivable	\$498,419	\$578,999	(\$498,419)	\$578,999
Restricted Assets:				
Cash and Cash Equivalents	53,892	1,674,928	(1,680,107)	48,713
Total Assets	<u>\$552,311</u>	<u>\$2,253,927</u>	<u>(\$2,178,526)</u>	<u>\$627,712</u>
Liabilities:				
Intergovernmental Payables	\$31,898	\$399,217	(\$406,455)	\$24,660
Due to Others	520,413	1,854,710	(1,772,071)	603,052
Total Liabilities	<u>\$552,311</u>	<u>\$2,253,927</u>	<u>(\$2,178,526)</u>	<u>\$627,712</u>

(Continued)

**CITY OF PORTSMOUTH, OHIO**

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**Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended December 31, 2016**

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	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
<b>Totals - All Agency Funds</b>				
Assets:				
Accounts Receivable	\$521,296	\$597,070	(\$521,296)	\$597,070
Restricted Assets:				
Cash and Cash Equivalents	76,757	1,789,044	(1,761,150)	104,651
Total Assets	<u>\$598,053</u>	<u>\$2,386,114</u>	<u>(\$2,282,446)</u>	<u>\$701,721</u>
Liabilities:				
Intergovernmental Payables	\$31,898	\$399,217	(\$406,455)	\$24,660
Due to Others	566,155	1,986,897	(1,875,991)	677,061
Total Liabilities	<u>\$598,053</u>	<u>\$2,386,114</u>	<u>(\$2,282,446)</u>	<u>\$701,721</u>

# *STATISTICAL SECTION*

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## ***STATISTICAL TABLES***

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

### ***Contents***

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

## *City of Portsmouth*

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

	2007	2008	2009	2010
<b>Governmental Activities:</b>			(1)	
Net Investment in Capital Assets	\$19,314,512	\$18,230,304	\$17,772,546	\$17,777,202
Restricted	5,064,839	5,412,572	6,422,601	6,165,793
Unrestricted	274,557	(445,016)	(568,870)	(1,189,432)
Total Governmental Activities Net Position	<u>\$24,653,908</u>	<u>\$23,197,860</u>	<u>\$23,626,277</u>	<u>\$22,753,563</u>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$9,373,296	\$9,820,832	\$10,048,483	\$13,226,718
Restricted	783,278	755,780	873,786	930,461
Unrestricted	3,074,363	2,750,796	1,772,923	1,998,260
Total Business-type Activities Net Position	<u>\$13,230,937</u>	<u>\$13,327,408</u>	<u>\$12,695,192</u>	<u>\$16,155,439</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$28,687,808	\$28,051,136	\$27,821,029	\$31,003,920
Restricted	5,848,117	6,168,352	7,296,387	7,096,254
Unrestricted	3,348,920	2,305,780	1,204,053	808,828
Total Primary Government Net Position	<u>\$37,884,845</u>	<u>\$36,525,268</u>	<u>\$36,321,469</u>	<u>\$38,909,002</u>

Source: City Auditor's Office

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

*City of Portsmouth*

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2011	2012	2013	2014	2015	2016
(1)			(1)		
\$20,921,788	\$20,630,492	\$20,650,606	\$19,585,820	\$18,924,619	\$18,518,783
6,931,652	5,446,225	5,948,525	5,561,675	5,578,284	5,525,394
(2,855,991)	(1,846,035)	(101,280)	(11,796,128)	(10,850,195)	(8,842,212)
<u>\$24,997,449</u>	<u>\$24,230,682</u>	<u>\$26,497,851</u>	<u>\$13,351,367</u>	<u>\$13,652,708</u>	<u>\$15,201,965</u>
\$14,001,292	\$14,995,902	\$15,122,072	\$15,436,290	\$15,753,500	\$16,163,417
942,914	953,034	963,878	557,025	0	0
2,030,176	1,921,714	2,337,602	163,750	820,725	352,414
<u>\$16,974,382</u>	<u>\$17,870,650</u>	<u>\$18,423,552</u>	<u>\$16,157,065</u>	<u>\$16,574,225</u>	<u>\$16,515,831</u>
\$34,923,080	\$35,626,394	\$35,772,678	\$35,022,110	\$34,678,119	\$34,682,200
7,874,566	6,399,259	6,912,403	6,118,700	5,578,284	5,525,394
(825,815)	75,679	2,236,322	(11,632,378)	(10,029,470)	(8,489,798)
<u>\$41,971,831</u>	<u>\$42,101,332</u>	<u>\$44,921,403</u>	<u>\$29,508,432</u>	<u>\$30,226,933</u>	<u>\$31,717,796</u>

## City of Portsmouth

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

	2007	2008	2009	2010
<b>Expenses</b>			(1)	
Governmental Activities:				
Security of Persons and Property	\$7,625,070	\$7,842,183	\$8,048,728	\$7,783,737
Public Health and Welfare Services	2,861,477	2,986,843	3,044,217	3,148,969
Leisure Time Activities	26,055	38,446	67,947	68,553
Community Environment	454,715	585,826	750,295	547,482
Transportation	2,534,541	2,532,238	2,471,165	2,394,638
General Government	4,122,079	4,271,908	4,099,865	3,655,472
Interest and Fiscal Charges	138,677	158,664	158,928	126,256
<i>Total Governmental Activities Expenses</i>	<u>17,762,614</u>	<u>18,416,108</u>	<u>18,641,145</u>	<u>17,725,107</u>
Business-type Activities:				
Water	5,659,269	5,491,584	6,383,345	6,683,628
Sewer	2,690,618	2,920,998	2,634,267	2,575,805
Sanitation	1,295,143	1,463,080	1,396,175	1,438,197
Primary Care	160,583	190,251	82,577	13,571
<i>Total Business-type Activities Expenses</i>	<u>9,805,613</u>	<u>10,065,913</u>	<u>10,496,364</u>	<u>10,711,201</u>
<i>Total Primary Government Expenses</i>	<u>\$27,568,227</u>	<u>\$28,482,021</u>	<u>\$29,137,509</u>	<u>\$28,436,308</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
Security of Persons and Property	\$1,064,597	\$917,498	\$1,058,701	\$782,236
Public Health and Welfare Services	427,938	405,343	374,135	367,324
Leisure Time Activities	81,513	73,823	75,800	76,784
Community Environment	204,896	194,868	88,559	114,273
Transportation	59,246	40,901	36,450	37,253
General Government	377,847	423,422	402,007	432,183
Operating Grants and Contributions	3,388,057	3,350,201	5,066,400	4,186,589
Capital Grants and Contributions	0	0	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>5,604,094</u>	<u>5,406,056</u>	<u>7,102,052</u>	<u>5,996,642</u>

*City of Portsmouth*

2011 (1)	2012	2013	2014	2015	2016
\$8,579,519	\$8,608,663	\$8,888,183	\$9,047,187	\$9,277,034	\$10,060,825
2,621,773	2,840,139	2,893,736	2,959,083	2,646,659	2,993,466
79,666	126,749	83,400	68,933	74,438	71,114
693,688	822,320	616,289	1,236,218	750,567	624,103
1,632,106	2,119,056	1,872,986	2,431,358	2,048,345	2,597,717
4,197,318	3,960,999	3,890,219	4,037,247	4,194,086	4,089,277
121,302	113,254	111,808	100,934	89,558	50,031
<u>17,925,372</u>	<u>18,591,180</u>	<u>18,356,621</u>	<u>19,880,960</u>	<u>19,080,687</u>	<u>20,486,533</u>
5,786,341	6,032,711	5,841,561	5,939,858	5,549,162	6,456,104
2,896,984	2,894,710	3,097,309	3,538,609	3,303,902	3,976,485
1,314,807	1,431,274	1,532,213	1,858,980	1,739,108	1,904,954
44,432	50,045	92,388	111,594	41,722	201,008
<u>10,042,564</u>	<u>10,408,740</u>	<u>10,563,471</u>	<u>11,449,041</u>	<u>10,633,894</u>	<u>12,538,551</u>
<u>\$27,967,936</u>	<u>\$28,999,920</u>	<u>\$28,920,092</u>	<u>\$31,330,001</u>	<u>\$29,714,581</u>	<u>\$33,025,084</u>
\$758,640	\$862,367	\$1,179,840	\$755,818	\$778,082	\$708,802
336,951	414,378	407,318	351,480	279,450	237,720
68,158	86,633	79,158	76,153	76,955	82,455
95,092	89,638	76,568	93,865	112,766	116,083
41,584	36,224	34,715	39,790	31,081	35,198
349,822	435,442	442,522	497,485	448,460	391,251
2,727,791	2,926,892	4,341,552	3,108,213	3,201,644	3,191,459
0	0	0	0	0	124,695
<u>4,378,038</u>	<u>4,851,574</u>	<u>6,561,673</u>	<u>4,922,804</u>	<u>4,928,438</u>	<u>4,887,663</u>

(continued)

## City of Portsmouth

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

	2007	2008	2009	2010
Business-type Activities:			(1)	
Charges for Services				
Water	5,641,577	5,689,761	5,497,291	6,264,595
Sewer	2,639,583	2,645,697	2,620,549	2,915,708
Sanitation	1,322,894	1,332,278	1,417,370	1,375,636
Primary Care	82,039	126,946	61,011	36,409
Capital Grants and Contributions	0	231,602	0	2,761,124
<i>Total Business-type Activities Program Revenues</i>	9,686,093	10,026,284	9,596,221	13,353,472
<i>Total Primary Government Program Revenues</i>	15,290,187	15,432,340	16,698,273	19,350,114
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(12,158,520)	(13,010,052)	(11,539,093)	(11,728,465)
Business-type Activities	(119,520)	(39,629)	(900,143)	2,642,271
<i>Total Primary Government Net (Expense)/Revenue</i>	(\$12,278,040)	(\$13,049,681)	(\$12,439,236)	(\$9,086,194)
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$1,742,823	\$1,681,199	\$1,774,175	\$1,735,968
Special Purposes	344,718	320,395	336,757	331,289
Debt Service	150,919	233,466	755,347	638,636
Income Taxes	6,349,696	6,686,131	6,573,256	6,705,817
Other Local Taxes	266,330	288,923	343,294	279,059
Grants and Entitlements not Restricted to Specific Programs	2,037,424	2,183,479	1,815,651	1,707,566
Investment Earnings	341,030	119,544	2,347	686
Miscellaneous	204,325	176,967	635,052	274,706
Transfers	(150,000)	(136,100)	(62,500)	(817,976)
<i>Total Governmental Activities</i>	11,287,265	11,554,004	12,173,379	10,855,751
Business-type Activities:				
Transfers	150,000	136,100	62,500	817,976
<i>Total Business-type Activities</i>	150,000	136,100	62,500	817,976
<i>Total Primary Government</i>	\$11,437,265	\$11,690,104	\$12,235,879	\$11,673,727
<b>Change in Net Position</b>				
Governmental Activities	(\$871,255)	(\$1,456,048)	\$634,286	(\$872,714)
Business-type Activities	30,480	96,471	(837,643)	3,460,247
<i>Total Primary Government Change in Net Position</i>	(\$840,775)	(\$1,359,577)	(\$203,357)	\$2,587,533

Source: City Auditor's Office

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

*City of Portsmouth*

2011	2012	2013	2014	2015	2016
(1)					
6,008,911	6,332,121	6,348,951	6,260,916	5,693,192	6,174,408
2,943,096	3,178,003	3,289,947	3,350,865	3,074,800	3,703,214
1,369,124	1,341,395	1,385,365	1,957,495	2,181,292	2,042,592
40,166	45,259	92,110	80,164	66,219	253,339
500,210	408,230	0	0	35,551	306,604
<u>10,861,507</u>	<u>11,305,008</u>	<u>11,116,373</u>	<u>11,649,440</u>	<u>11,051,054</u>	<u>12,480,157</u>
15,239,545	16,156,582	17,678,046	16,572,244	15,979,492	17,367,820
(13,547,334)	(13,739,606)	(11,794,948)	(14,958,156)	(14,152,249)	(15,598,870)
818,943	896,268	552,902	200,399	417,160	(58,394)
<u>(\$12,728,391)</u>	<u>(\$12,843,338)</u>	<u>(\$11,242,046)</u>	<u>(\$14,757,757)</u>	<u>(\$13,735,089)</u>	<u>(\$15,657,264)</u>
\$1,596,316	\$1,465,856	\$1,455,262	\$1,397,123	\$1,575,946	\$1,602,080
326,443	300,613	289,880	303,136	306,374	307,312
154,074	147,508	145,693	136,218	138,622	140,242
6,684,933	9,620,121	10,253,546	10,165,799	10,605,852	13,263,572
296,427	330,303	318,840	311,926	313,388	320,904
2,536,309	806,287	1,285,909	917,790	1,069,435	919,894
44	40	1,641	182	30	14
251,205	302,111	311,346	544,864	443,943	594,109
0	0	0	(47,325)	0	0
<u>11,845,751</u>	<u>12,972,839</u>	<u>14,062,117</u>	<u>13,729,713</u>	<u>14,453,590</u>	<u>17,148,127</u>
0	0	0	47,325	0	0
0	0	0	47,325	0	0
<u>\$11,845,751</u>	<u>\$12,972,839</u>	<u>\$14,062,117</u>	<u>\$13,777,038</u>	<u>\$14,453,590</u>	<u>\$17,148,127</u>
(\$1,701,583)	(\$766,767)	\$2,267,169	(\$1,228,443)	\$301,341	\$1,549,257
818,943	896,268	552,902	247,724	417,160	(58,394)
<u>(\$882,640)</u>	<u>\$129,501</u>	<u>\$2,820,071</u>	<u>(\$980,719)</u>	<u>\$718,501</u>	<u>\$1,490,863</u>

## *City of Portsmouth*

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

	2007	2008	2009	2010
General Fund			(1)	
Nonspendable	\$0	\$0	\$0	\$0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	129,318	68,808	72,684	19,498
Unreserved	669,976	194,845	(217,359)	(549,541)
<i>Total General Fund</i>	<u>799,294</u>	<u>263,653</u>	<u>(144,675)</u>	<u>(530,043)</u>
All Other Governmental Funds				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Committed	0	0	0	0
Unassigned	0	0	0	0
Reserved	399,443	1,748,111	572,079	485,976
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	2,578,171	2,575,725	3,013,959	2,373,901
Capital Projects Funds	1,409,916	(133,202)	671,599	1,099,276
Permanent Fund	161,071	159,392	159,635	157,531
<i>Total All Other Governmental Funds</i>	<u>4,548,601</u>	<u>4,350,026</u>	<u>4,417,272</u>	<u>4,116,684</u>
<i>Total Governmental Funds</i>	<u>\$5,347,895</u>	<u>\$4,613,679</u>	<u>\$4,272,597</u>	<u>\$3,586,641</u>

Source: City Auditor's Office

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

Note: The City implemented GASB 54 in 2011 which established new fund balance classifications for governmental funds.



*City of Portsmouth*

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2011	2012	2013	2014	2015	2016
\$46,310	\$33,670	\$36,236	\$72,839	\$58,906	\$56,728
0	0	0	0	52,556	319,965
0	0	0	373,351	62,043	0
(1,704,694)	(795,901)	937,700	887,753	1,601,983	3,352,833
0	0	0	0	0	0
0	0	0	0	0	0
<u>(1,658,384)</u>	<u>(762,231)</u>	<u>973,936</u>	<u>1,333,943</u>	<u>1,775,488</u>	<u>3,729,526</u>
\$57,896	\$55,253	\$63,215	\$86,495	\$61,360	\$70,874
4,927,522	4,699,200	4,735,911	4,723,099	4,636,197	4,676,483
55,800	132,861	104,261	74,273	58,919	49,934
(227,741)	(102,569)	(42,822)	(75,571)	(18,382)	(76,160)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>4,813,477</u>	<u>4,784,745</u>	<u>4,860,565</u>	<u>4,808,296</u>	<u>4,738,094</u>	<u>4,721,131</u>
<u>\$3,155,093</u>	<u>\$4,022,514</u>	<u>\$5,834,501</u>	<u>\$6,142,239</u>	<u>\$6,513,582</u>	<u>\$8,450,657</u>

## City of Portsmouth

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

	2007	2008	2009	2010
<b>Revenues:</b>			(1)	
Taxes	\$8,705,227	\$9,100,353	\$9,699,794	\$9,701,137
Intergovernmental Revenues	5,442,279	5,421,898	5,784,432	5,386,662
Charges for Services	628,968	565,075	568,133	516,537
Licenses and Permits	255,533	232,738	199,195	226,215
Investment Earnings	341,030	119,544	2,347	686
Fines and Forfeitures	1,251,120	1,180,816	1,248,024	1,095,018
All Other Revenue	308,225	491,256	199,061	319,215
<b>Total Revenue</b>	16,932,382	17,111,680	17,700,986	17,245,470
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	7,264,770	7,444,324	7,782,726	7,447,624
Public Health and Welfare Services	2,806,647	2,910,053	2,991,954	3,104,530
Leisure Time Activities	19,116	25,986	52,655	53,261
Community Environment	587,307	527,297	685,755	486,232
Transportation	1,484,907	1,463,599	1,421,995	1,330,947
General Government	3,133,796	3,430,535	3,257,913	3,380,820
Capital Outlay	1,601,796	1,677,173	1,933,349	1,069,168
Debt Service:				
Principal Retirement	179,200	195,134	248,519	242,748
Interest and Fiscal Charges	139,489	159,480	159,771	127,206
<b>Total Expenditures</b>	17,217,028	17,833,581	18,534,637	17,242,536
Excess (Deficiency) of Revenues Over Expenditures	(284,646)	(721,901)	(833,651)	2,934
<b>Other Financing Sources (Uses):</b>				
Proceeds from the Sale of Capital Assets	22,637	0	474,793	45,369
Other Financing Sources - Capital Leases	852,153	0	0	129,610
Refunding General Obligation Bonds	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	18,000	20,000	716,242	711,600
Transfers Out	(168,000)	(20,000)	(716,242)	(1,529,576)
<b>Total Other Financing Sources (Uses)</b>	724,790	0	474,793	(642,997)
<b>Net Change in Fund Balance</b>	\$440,144	(\$721,901)	(\$358,858)	(\$640,063)
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	2.00%	2.12%	2.37%	2.30%

Source: City Auditor's Office

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

*City of Portsmouth*

2011	2012	2013	2014	2015	2016
\$9,061,432	\$11,758,657	\$12,497,593	\$12,500,502	\$12,749,590	\$15,506,101
5,973,637	5,189,942	5,163,625	4,414,477	4,056,009	4,366,694
448,864	472,811	393,396	403,816	414,356	496,119
200,268	273,045	273,901	238,668	210,454	213,680
44	40	1,641	182	30	14
974,985	1,115,368	1,581,009	1,109,375	1,093,935	882,641
267,930	413,568	369,475	574,018	525,638	683,141
<u>16,927,160</u>	<u>19,223,431</u>	<u>20,280,640</u>	<u>19,241,038</u>	<u>19,050,012</u>	<u>22,148,390</u>
8,359,182	8,200,417	8,535,167	8,560,561	8,937,793	9,257,240
2,585,053	2,782,053	2,855,740	2,939,025	2,626,098	2,988,836
64,374	65,033	70,920	56,452	62,191	57,121
668,983	809,263	551,749	904,167	588,429	538,514
1,306,133	1,291,458	1,014,996	1,297,001	1,148,978	1,288,165
3,462,550	3,376,636	3,373,740	3,672,978	3,685,862	3,945,141
699,867	1,830,744	1,696,298	1,161,110	1,323,226	1,739,556
161,881	286,885	248,051	255,331	238,079	333,781
122,282	114,338	112,998	102,147	90,883	64,184
<u>17,430,305</u>	<u>18,756,827</u>	<u>18,459,659</u>	<u>18,948,772</u>	<u>18,701,539</u>	<u>20,212,538</u>
(503,145)	466,604	1,820,981	292,266	348,473	1,935,852
33,034	27,030	0	0	57,067	0
0	389,116	0	0	0	0
0	0	0	0	0	1,250,000
0	0	0	0	0	(1,250,000)
18,000	40,862	18,000	178,410	389,427	536,408
(18,000)	(40,862)	(18,000)	225,735	(389,427)	(536,408)
<u>33,034</u>	<u>416,146</u>	<u>0</u>	<u>404,145</u>	<u>57,067</u>	<u>0</u>
<u>(\$470,111)</u>	<u>\$882,750</u>	<u>\$1,820,981</u>	<u>\$696,411</u>	<u>\$405,540</u>	<u>\$1,935,852</u>
1.65%	2.35%	2.13%	1.92%	1.87%	2.07%

## *City of Portsmouth*

### *Income Tax Revenues by Source, Governmental Funds Last Ten Years*

<b>Tax year</b>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Income Tax Rate	1.40%	1.40%	1.40%	1.40%
Estimated Personal Income (in thousands)	\$534,476	\$576,273	\$570,628	\$565,377
Total Tax Collected	\$6,178,521	\$7,057,662	\$6,624,731	\$6,687,883
Income Tax Receipts				
Withholding	5,323,577	6,202,595	5,775,601	5,810,503
Percentage	86.16%	87.89%	87.18%	86.89%
Corporate	629,463	613,663	603,317	653,048
Percentage	10.19%	8.69%	9.11%	9.76%
Individuals	225,481	241,404	245,813	224,332
Percentage	3.65%	3.42%	3.71%	3.35%

Source: City Income Tax Department

*City of Portsmouth*

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2011	2012	2013	2014	2015	2016
1.40%	2.00%	2.00%	2.00%	2.00%	2.50%
\$584,289	\$615,922	\$620,756	\$639,688	\$663,939	\$663,939
\$6,717,776	\$9,272,190	\$10,223,100	\$10,151,503	\$10,282,891	\$12,978,301
5,900,172	8,296,325	8,846,473	8,921,883	9,013,520	11,475,951
87.83%	89.48%	86.53%	87.89%	87.66%	88.42%
565,908	678,619	1,006,435	891,858	887,742	1,081,816
8.42%	7.32%	9.84%	8.79%	8.63%	8.34%
251,696	297,246	370,192	337,762	381,629	420,534
3.75%	3.20%	3.63%	3.32%	3.71%	3.24%



# City of Portsmouth

## Income Tax Collections Current Year and Nine Years Ago

### Calendar Year 2016

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.08%	\$239,639,480	46.16%	\$5,990,987	46.16%
All Others	11,860	99.92%	279,492,560	53.84%	6,987,314	53.84%
Total	11,870	100.00%	\$519,132,040	100.00%	\$12,978,301	100.00%

### Calendar Year 2007

<u>Income Tax Filers</u>	<u>Number of Filers</u>	<u>Percent of Total</u>	<u>Taxable Income</u>	<u>Percent of Income</u>	<u>Income Tax Collections</u>	<u>Percent of Income</u>
Top Ten	10	0.18%	\$150,954,643	34.21%	\$2,113,365	34.21%
All Others	5,674	99.82%	290,368,286	65.79%	4,065,156	65.79%
Total	5,684	100.00%	\$441,322,929	100.00%	\$6,178,521	100.00%

Source: City Income Tax Department

## *City of Portsmouth*

### *Ratio of Outstanding Debt By Type Last Ten Years*

	2007	2008	2009	2010
<b>Governmental Activities</b> <sup>(1)</sup>				
General Obligation Bonds Payable	\$1,815,000	\$1,760,000	\$1,705,000	\$1,645,000
Capital Leases	1,161,876	1,021,742	828,223	775,085
<b>Business-type Activities</b> <sup>(1)</sup>				
OWDA Loan Payable	\$1,732,784	\$4,094,027	\$3,968,134	\$4,881,242
OPWC Loan Payable	405,000	913,377	1,060,000	995,000
Water Refunding Revenue Bonds Payable	3,790,141	3,400,093	2,995,045	2,575,000
Capital Leases	7,855,343	7,661,637	6,901,831	6,109,916
Total Primary Government	<u>\$16,760,144</u>	<u>\$18,850,876</u>	<u>\$17,458,233</u>	<u>\$16,981,243</u>
<b>Population</b> <sup>(2)</sup>				
City of Portsmouth	20,909	20,909	20,909	20,226
Outstanding Debt Per Capita	\$802	\$902	\$835	\$840
<b>Income</b> <sup>(3)</sup>				
Personal (in thousands)	534,476	576,273	570,628	565,377
Percentage of Personal Income	3.14%	3.27%	3.06%	3.00%

**Sources:**

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

Note: OPWC Loan Payable was restated in 2011 for a prior period adjustment.



*City of Portsmouth*

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2011	2012	2013	2014	2015	2016
\$1,585,000	\$1,520,000	\$1,450,000	\$1,380,000	\$1,305,000	\$1,140,000
673,204	840,435	662,384	477,053	313,974	145,193
\$5,237,048	\$6,944,097	\$6,974,518	\$8,289,564	\$9,933,465	\$9,764,232
1,299,069	1,306,049	1,208,549	1,366,722	1,626,817	1,626,256
2,100,000	1,605,000	1,090,000	555,000	0	0
5,284,523	4,424,232	3,786,817	2,983,048	2,145,492	1,272,725
<u>\$16,178,844</u>	<u>\$16,639,813</u>	<u>\$15,172,268</u>	<u>\$15,051,387</u>	<u>\$15,324,748</u>	<u>\$13,948,406</u>
20,226	20,226	20,226	20,226	20,226	20,226
\$800	\$823	\$750	\$744	\$758	\$690
584,289	615,922	620,756	639,688	663,939	663,939
2.77%	2.70%	2.44%	2.35%	2.31%	2.10%

## *City of Portsmouth*

### *Ratios of General Bonded Debt Outstanding Last Ten Years*

Year	2007	2008	2009	2010
<b>Population</b> (1)	20,909	20,909	20,909	20,226
<b>Assessed Value</b> (2)	\$228,185,580	\$221,748,980	\$214,886,500	\$217,525,430
<b>General Bonded Debt</b> (3)				
General Obligation Bonds-Governmental	\$1,815,000	\$1,760,000	\$1,705,000	\$1,645,000
<b>Resources Available to Pay Principal</b> (4)	\$31,275	\$32,394	\$11,191	\$40,553
<b>Net General Bonded Debt</b>	\$1,783,725	\$1,727,606	\$1,693,809	\$1,604,447
<b>Ratio of Net Bonded Debt to Assessed Value</b>	0.78%	0.78%	0.79%	0.74%
<b>Net Bonded Debt per Capita</b>	\$85.31	\$82.62	\$81.01	\$79.33

**Source:**

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

*City of Portsmouth*

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<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
20,226	20,226	20,226	20,226	20,226	20,226
\$217,525,430	\$215,298,860	\$213,252,580	\$216,860,000	\$215,872,520	\$224,323,360
\$1,585,000	\$1,520,000	\$1,450,000	\$1,380,000	\$1,305,000	\$1,140,000
\$65,065	\$80,553	\$97,815	\$124,831	\$123,719	\$60,382
\$1,519,935	\$1,439,447	\$1,352,185	\$1,255,169	\$1,181,281	\$1,079,618
0.70%	0.67%	0.63%	0.58%	0.55%	0.48%
\$75.15	\$71.17	\$66.85	\$62.06	\$58.40	\$53.38



## *City of Portsmouth*

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2016*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Portsmouth</u>	<u>Amount Applicable to the City of Portsmouth</u>
<b>Direct:</b>			
City of Portsmouth	\$1,285,193	100.00%	\$1,285,193
<b>Overlapping:</b>			
Scioto County	7,029,328	21.35%	1,500,762
Portsmouth City School District	10,967,411	92.52%	<u>10,147,049</u>
		Subtotal	<u>11,647,811</u>
		Total	<u><u>\$12,933,004</u></u>

**Source:** Scioto County Auditor  
Portsmouth City School District

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

## *City of Portsmouth*

### *Debt Limitations Last Ten Years*

<b>Collection Year</b>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Total Debt</b>				
Net Assessed Valuation	\$228,185,580	\$221,748,980	\$214,886,500	\$217,525,430
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	23,959,486	23,283,643	22,563,083	22,840,170
City Debt Outstanding (2)	1,815,000	2,440,000	2,385,000	1,645,000
Less: Applicable Debt Service Fund Amounts	<u>(31,275)</u>	<u>(32,394)</u>	<u>(11,191)</u>	<u>(40,553)</u>
Net Indebtedness Subject to Limitation	<u>1,783,725</u>	<u>2,407,606</u>	<u>2,373,809</u>	<u>1,604,447</u>
Overall Legal Debt Margin	<u><u>\$22,175,761</u></u>	<u><u>\$20,876,037</u></u>	<u><u>\$20,189,274</u></u>	<u><u>\$21,235,723</u></u>
<b>Unvoted Debt</b>				
Net Assessed Valuation	\$228,185,580	\$221,748,980	\$214,886,500	\$217,525,430
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	12,550,207	12,196,194	11,818,758	11,963,899
City Debt Outstanding (2)	1,815,000	2,440,000	2,385,000	1,645,000
Less: Applicable Debt Service Fund Amounts	<u>(31,275)</u>	<u>(32,394)</u>	<u>(11,191)</u>	<u>(40,553)</u>
Net Indebtedness Subject to Limitation	<u>1,783,725</u>	<u>2,407,606</u>	<u>2,373,809</u>	<u>1,604,447</u>
Overall Legal Debt Margin	<u><u>\$10,766,482</u></u>	<u><u>\$9,788,588</u></u>	<u><u>\$9,444,949</u></u>	<u><u>\$10,359,452</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 Bonds and Notes only.  
Enterprise Debt is not considered in the computation of the Legal Debt Margin.

Source: City Auditor's Office

*City of Portsmouth*

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2011	2012	2013	2014	2015	2016
\$217,525,430	\$215,298,860	\$213,252,580	\$216,860,000	\$215,872,520	\$224,323,360
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
22,840,170	22,606,380	22,391,521	22,770,300	22,666,615	23,553,953
1,585,000	1,520,000	1,450,000	1,380,000	1,305,000	1,140,000
(65,065)	(80,553)	(97,815)	(124,831)	(123,719)	(60,382)
<u>1,519,935</u>	<u>1,439,447</u>	<u>1,352,185</u>	<u>1,255,169</u>	<u>1,181,281</u>	<u>1,079,618</u>
<u>\$21,320,235</u>	<u>\$21,166,933</u>	<u>\$21,039,336</u>	<u>\$21,515,131</u>	<u>\$21,485,334</u>	<u>\$22,474,335</u>
\$217,525,430	\$215,298,860	\$213,252,580	\$216,860,000	\$215,872,520	\$224,323,360
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
11,963,899	11,841,437	11,728,892	11,927,300	11,872,989	12,337,785
1,585,000	1,520,000	1,450,000	1,380,000	1,305,000	1,140,000
(65,065)	(80,553)	(97,815)	(124,831)	(123,719)	(60,382)
<u>1,519,935</u>	<u>1,439,447</u>	<u>1,352,185</u>	<u>1,255,169</u>	<u>1,181,281</u>	<u>1,079,618</u>
<u>\$10,443,964</u>	<u>\$10,401,990</u>	<u>\$10,376,707</u>	<u>\$10,672,131</u>	<u>\$10,691,708</u>	<u>\$11,258,167</u>

## *City of Portsmouth*

### *Pledged Revenue Coverage Last Ten Years*

	2007	2008	2009	2010
<b>Water Mortgage Bonds</b> (1)			(4)	
Gross Revenues (2)	\$5,641,577	\$5,689,761	\$5,497,291	\$6,264,595
Direct Operating Expenses (3)	4,882,428	4,385,597	4,982,718	5,145,890
Net Revenue Available for Debt Service	759,149	1,304,164	514,573	1,118,705
Annual Debt Service Requirement	573,155	570,024	570,418	569,186
Coverage	1.32	2.29	0.90	1.97

N/A - Not Applicable

- (1) Water Mortgage Revenue Bonds were paid off in 2015.
- (2) Gross revenues include operating revenues plus interest income.
- (3) Direct operating expenses include operating expenses less depreciation.
- (4) Amounts adjusted as a result of a prior period adjustment.

Source: City Auditor's Office



*City of Portsmouth*

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2011	2012	2013	2014	2015	2016
\$6,008,911	\$6,332,121	\$6,348,951	\$6,260,916	\$5,693,192	N/A
4,330,730	4,484,572	4,361,713	4,509,207	4,276,206	N/A
1,678,181	1,847,549	1,987,238	1,751,709	1,416,986	N/A
571,155	571,631	570,921	569,134	566,516	N/A
2.94	3.23	3.48	3.08	2.50	N/A

# *City of Portsmouth*

## *Demographic and Economic Statistics Last Ten Years*

Calendar Year	2007	2008	2009	2010	2011
<b>Population</b> <sup>(1)</sup>					
City of Portsmouth	20,909	20,909	20,909	20,226	20,226
Scioto County	79,195	79,195	79,195	79,499	79,277
<b>Income</b> <sup>(2) (a)</sup>					
Total Personal (in thousands)	534,476	576,273	570,628	565,377	584,289
Per Capita	25,562	27,561	27,291	27,953	28,888
<b>Unemployment Rate</b> <sup>(3)</sup>					
Federal	4.6%	5.8%	9.3%	9.6%	8.3%
State	5.6%	6.5%	10.2%	10.1%	7.6%
Scioto County	7.4%	8.3%	12.3%	12.8%	11.6%
<b>Civilian Work Force Estimates</b> <sup>(3)</sup>					
State	5,976,500	5,971,900	5,970,200	5,897,600	5,762,000
Scioto County	32,200	32,800	33,100	33,000	31,900

**Sources:**

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2015.

For the presentation of 2016 statistics, the City is using the latest information available.

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

(3) State Department of Labor Statistics

*City of Portsmouth*

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2012	2013	2014	2015	2016
20,226	20,226	20,226	20,226	20,226
78,477	78,153	77,258	76,825	76,825
615,922	620,756	639,688	663,939	663,939
30,452	30,691	31,627	32,826	32,826
8.1%	7.4%	6.2%	5.3%	4.9%
7.2%	7.4%	5.7%	4.9%	4.9%
10.7%	11.5%	8.7%	7.7%	7.6%
5,747,900	5,765,700	5,719,500	5,700,300	5,713,100
31,900	31,200	29,900	29,600	29,900



## *City of Portsmouth*

### *Principal Employers Current Year and Nine Years Ago*

Employer	Nature of Business	2016	
		Number of Employees	Rank
Southern Ohio Medical Center	Health Care Services	2,819	1
Shawnee State University	Education	1,366	2
Scioto County Offices	Government	769	3
Portsmouth City Schools	Education	412	4
Portsmouth Emergency	Health Care Services	389	5
City of Portsmouth	Government	279	6
OSCO Industries	Manufacturing	205	7
Portsmouth Hospital Corp	Railroad	192	8
State of Ohio	Government	185	9
SOMC Medical Care Foundation	Medical	119	10
Total		<u>6,735</u>	

Employer	Nature of Business	2007	
		Number of Employees	Rank
Southern Ohio Medical Center	Medical	2,220	1
Shawnee State University	Education	1,419	2
Scioto County Offices	Government	680	3
Portsmouth City Schools	Education	439	4
Community Action Organization	Government	317	5
State of Ohio	Government	312	6
City of Portsmouth	Government	295	7
OSCO Industries	Manufacturing	202	8
United States Enrichment Corp	Manufacturing	94	9
SOMC Medical Care Foundation	Medical	75	10
Total		<u>6,053</u>	

**Sources:** City Auditor's Office

Total employment within the City is not available.

## *City of Portsmouth*

### *Full Time Equivalent Employees by Function Last Ten Years*

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Governmental Activities</b>				
Security of Persons and Property				
Police	46.0	48.0	52.0	52.0
Fire	43.0	39.0	36.0	39.0
Public Health and Welfare Services				
Health	35.0	33.0	33.0	30.0
General Government				
Legislative	7.0	7.0	7.0	6.0
Mayor	3.0	3.0	3.0	2.5
Finance	5.0	5.0	5.0	4.0
Legal	5.0	5.0	5.0	5.0
Court	24.0	23.0	24.0	24.5
Income Tax	3.0	3.0	3.0	3.0
Engineering	4.0	4.0	4.0	3.0
Administration	8.0	8.0	7.0	5.5
Garage	5.0	4.0	5.0	6.0
Transportation				
Streets	14.0	14.0	14.0	15.0
Cemetery Grounds	4.0	3.0	3.0	3.0
Recreational Grounds	6.0	6.0	2.0	2.0
Community Environment				
Building Inspection	3.0	3.0	3.0	2.0
Community Development	2.0	2.0	2.0	1.0
<b>Business-Type Activities</b>				
Utilities				
Water	37.0	39.0	38.0	36.0
Sewer	30.0	30.0	23.0	22.0
Sanitation	18.0	13.0	13.0	10.5
<i>Total Employees</i>	<u>302.0</u>	<u>292.0</u>	<u>282.0</u>	<u>272.0</u>

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

Source: City Auditor's Office

*City of Portsmouth*

2011	2012	2013	2014	2015	2016
50.0	44.0	47.0	47.0	50.0	51.0
36.0	37.0	36.0	38.0	39.0	39.0
25.5	28.0	28.5	25.5	26.0	27.0
7.0	7.0	7.0	7.0	7.0	7.0
3.0	3.0	2.0	2.0	2.0	2.0
5.0	5.0	5.0	5.0	5.0	5.0
5.0	5.0	5.0	5.0	5.0	5.0
24.5	25.0	25.0	26.0	26.5	24.5
2.0	2.0	2.0	2.0	2.0	2.0
3.0	2.0	4.0	3.0	1.0	2.0
3.0	3.0	3.0	3.0	3.0	3.0
3.0	3.0	3.0	3.0	3.0	3.0
12.0	14.0	13.0	11.0	9.0	9.0
3.0	3.0	2.0	2.0	2.0	2.0
2.0	2.0	0.0	0.0	0.0	0.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
38.0	38.0	38.0	38.0	35.0	29.0
24.0	24.0	22.0	24.0	24.0	24.0
12.0	13.0	15.0	12.0	13.0	13.0
<u>260.0</u>	<u>260.0</u>	<u>259.5</u>	<u>255.5</u>	<u>254.5</u>	<u>249.5</u>

## *City of Portsmouth*

### *Operating Indicators by Function Last Ten Years*

	2007	2008	2009	2010
<b>Governmental Activities</b>				
General Government				
Licenses and Permits				
Number of Building Permits	166	305	612	508
Security of Persons and Property				
Police				
Number of Patrol Units	27	27	27	27
Criminal/Juvenile Citations and Charges	1,912	1,668	1,327	1,991
Traffice Citations Issued	2,052	1,441	1,267	1,966
Parking Tickets Written	616	385	487	347
Fire				
Number of Calls Answered	747	782	785	810
Number of Fire Inspections	121	126	99	115
Number of Investigations	20	22	32	21
<b>Business-Type Activities</b>				
Water				
Number of Service Connections	13,963	13,900	13,900	13,900
Average Daily Consumption (thousands of gallons)	6M	6M	6M	6M
Maximum Daily Capacity (thousands of gallons)	12M	12M	12M	12M
Sewer				
Number of Service Connections	8,362	8,353	8,360	8,360
Average Daily Sewage Treatment (thousands of gallons)	5	5	5	5
Maximum Daily Plant Capacity (thousands of gallons)	10	10	10	10
Solid Waste				
Number of Customers Served	7,597	7,600	7,600	7,600

Source: City Auditor's Office



*City of Portsmouth*

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2011	2012	2013	2014	2015	2016
325	352	516	463	404	377
27	27	29	29	29	29
1,686	1,332	1,482	1,795	2,024	1,647
1,604	738	3,537	619	637	640
549	495	233	325	410	416
789	861	792	962	1,235	2,230
79	79	84	99	98	128
46	83	86	61	104	5
13,600	13,600	13,493	13,398	13,400	13,400
6M	6M	6M	6M	6M	6M
12M	12M	12M	12M	12M	12M
8,200	8,200	8,119	7,843	7,850	7,850
5	5	5	5	5	5
10	10	10	10	10	10
7,600	7,600	7,440	6,371	6,375	6,375

# City of Portsmouth

## Capital Asset Statistics by Function Last Ten Years

	2007	2008	2009	2010
<b>Governmental Activities</b>				
General Government				
Public Land and Buildings				
Land (acres)	7,680	7,680	7,680	7,680
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	27	27	27	27
Fire				
Stations	3	3	3	3
Vehicles	10	14	17	17
Transportation				
Street				
Streets (lane miles)	220	220	220	220
Street Lights	1,475	1,476	1,476	1,476
Leisure Time Activities				
Recreation/Seniors				
Land (acres)	223	223	223	223
Parks	17	17	17	17
Number of Ball Fields (Lighted)	7	7	7	7
Number of Ball Fields (Unlighted)	4	4	4	4
Number of Tennis Courts (Lighted)	4	4	0	0
Number of Tennis Courts (Unlighted)	8	8	11	11
Public Health and Welfare				
Cemeteries				
Cemeteries	1	1	1	1
Land (acres)	40	40	40	40
<b>Business-Type Activities</b>				
Utilities				
Water				
Number of Filtration/Purification Plants	1	1	1	1
Waterlines (Miles)	400	400	400	400
Number of Hydrants	865	865	865	865
Sewer				
Number of Sewage Treatment Plants	2	2	2	2
Sewerlines (Miles)	30	30	30	30
Storm Water Drainage				
Storm Drains (Miles)	30	30	30	30

Source: City Auditor's Office

*City of Portsmouth*

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2011	2012	2013	2014	2015	2016
7,680	7,680	7,680	7,680	7,680	7,680
1	1	1	1	1	1
27	27	29	29	29	29
3	3	3	3	3	3
17	17	17	17	17	17
220	220	220	220	220	220
1,476	1,476	1,476	1,476	1,476	1,476
223	223	223	223	223	223
17	17	17	17	17	17
7	7	7	7	7	7
4	4	4	4	4	4
0	0	0	0	0	0
11	11	11	11	11	11
1	1	1	1	1	1
40	40	40	40	40	40
1	1	1	1	1	1
400	400	400	400	400	400
865	865	865	865	865	865
2	2	2	2	2	2
30	30	30	30	30	30
30	30	30	30	30	30





# Dave Yost • Auditor of State

CITY OF PORTSMOUTH

SCIOTO COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
AUGUST 10, 2017