



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF PORTSMOUTH
SCIOTO COUNTY, OHIO

SINGLE AUDIT

For the Year Ended December 31, 2018
Fiscal Year Audited Under GAGAS: 2018

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OHIO AUDITOR OF STATE
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the City of Portsmouth, Scioto County, prepared by BHM CPA Group, Inc., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

July 17, 2019

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**CITY OF PORTSMOUTH
SCIOTO COUNTY**

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CITY OF PORTSMOUTH
SCIOTO COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>Passed through Ohio Development Services Agency</i>				
Community Development Block Grants/State's Program				
Community Development Block Grant	14.218	AF17-2DH-1	-	10,800
Community Development Block Grant	14.218	AW 16-2DH-1	-	251,535
Community Development Block Grant	14.218	SP 16-2DH-1	-	128,385
Total Community Development Block Grants/State's Program			-	390,720
TOTAL UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			-	390,720
<u>UNITED STATES DEPARTMENT OF JUSTICE</u>				
<i>Direct from United States Department of Justice</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-JG-A02-6819	-	39,213
		2017-JG-A01-6027	-	9,834
Total Edward Byrne Memorial Justice Assistance Grant Program			-	49,047
TOTAL UNITED STATES DEPARTMENT OF JUSTICE			-	49,047
<u>UNITED STATES DEPARTMENT OF TRANSPORTATION</u>				
<i>Passed through Ohio Department of Public Safety</i>				
Highway Safety Cluster:				
National Priority Safety Programs	20.616	GG-2016-SA0000-00301	-	21,323
TOTAL UNITED STATES DEPARTMENT OF TRANSPORTATION			-	21,323
<u>UNITED STATES ENVIRONMENTAL PROTECTION AGENCY</u>				
<i>Passed through Ohio Environmental Protection Agency</i>				
Air Pollution Control Program Support	66.001	N/A	-	125,514
TOTAL UNITED STATES ENVIRONMENTAL PROTECTION AGENCY			-	125,514
<u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed through the Ohio Department of Health</i>				
Public Health Emergency Preparedness (B)	93.074	73-2-001-2-PH-0817	-	54,175
		73-2-001-2-PH-0718	-	51,060
Total Public Health Emergency Preparedness (B)			-	105,235
Family Planning Services	93.217	73-2-001-1-RH-0718	-	5,243
		73-2-001-1-RH-0618	-	17,137
Total Family Planning Services			-	22,380
HIV Prevention Activities_Health Department Based	93.940	73-200-12HP-1017	71,592	71,592
		73-200-12HP-0917	462,109	462,109
Total HIV Prevention Activities_Health Department Based			533,701	533,701
Sexually Transmitted Diseases Prevention and Control Grant	93.977	73-200-12ST-0917	9,780	9,780
		73-200-12ST-0816	56,491	56,491
Total Sexually Transmitted Diseases Prevention and Control Grant			66,271	66,271
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	73-200-001-4-IP-1017	-	86,470
Maternal and Child Health Services Block Grant to the States	93.994	73-2-001-1-RH-0718	-	5,000
Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	18-3704121	-	283,500
Telehealth Programs	93.211	N/A	-	14,077
Injury Prevention and Control Research State and Community	93.136	N/A	-	31,193
Public Health Emergency Response	93.354	N/A	-	17,590
<i>Passed through the Substance Abuse and Mental Health Services Administration</i>				
Drug-Free Communities Support Program Grant	93.276	5H79SP018684-04	-	73,188
		5H79SP018684-05	-	39,960
Total Drug-Free Communities Support Program Grant			-	113,148
TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			599,972	1,278,565
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$599,972</u>	<u>\$1,865,169</u>

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, 2018**

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, 2018. 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 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.



**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, 2018, 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 25, 2019, wherein we noted the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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.

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 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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 2018-001 and 2018-002.

City's Response to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and corrective action plan. We did not subject the City's responses to the auditing procedures applied in the audit of the financial statements 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 report is not suitable for any other purpose.



BHM CPA Group, Inc.
Piketon, Ohio
June 25, 2019



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH OF THE MAJOR FEDERAL PROGRAMS 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, 2018. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies each of 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 each of the Major Federal Programs

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, 2018.

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, 2018, 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 25, 2019. 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

BHM CPA Group, Inc.
Piketon, Ohio
June 25, 2019

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**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2018**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	HIV Prevention Activities - Health Department Based - CFDA #93.940 Community Development Block Grant CFDA #14.218
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

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

FINDING NUMBER 2018-001

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, 2018: Sewage System Revenue Fund (\$429,996).

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 continues to work through this plan to eliminate the sewer fund deficit. 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. The City Auditor will advise Administration and City Council that this rate must be reviewed each year and modified as needed to provide for operation of the Sewer System.

FINDING NUMBER 2018-002

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, 2018 in the following fund:

Fund:	Estimated Resources	Appropriation Authority	Variance
Sewage System Revenue Fund	\$ 3,147,542	\$ 4,143,400	\$ (995,858)
Water Works	\$ 5,547,884	\$ 5,745,000	\$ (197,116)
Capital Improvement	\$ 2,797,135	\$ 3,577,431	\$ (780,296)

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

FINDING NUMBER 2018-002
(Continued)

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. However, the City Auditor will advise Administration and City Council that in preparing the 2020 budget, the rates should be reviewed again, as well as considering Sewer System budget reductions to bring the sewer fund back into a positive position. Water Works and Capital Improvement Funds resources were underestimated for year-end 2018 and will be corrected for 2019.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None.

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2018**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2017-001 (initially occurred in 2009)	Ohio Rev. Code § 5705.10(I) – Negative Fund Balances	No	Reissued as 2018-001
2017-002	Ohio Rev. Code § 5705.39 – Appropriations exceeded estimated resources.	No	Reissued as 2018-002
2017-003 (initially occurred in 2012)	City codified ordinances 933.05 Billing Procedures	Yes	

**CITY OF PORTSMOUTH
SCIOTO COUNTY**

**CORRECTIVE ACTION PLAN
2 CFR 200.511(c)
DECEMBER 31, 2018**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2018-001	The City submitted a revised Financial Recovery Plan in June 2017 and continues to work through this plan to eliminate the sewer fund deficit. 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. The City Auditor will advise Administration and City Council that this rate must be reviewed each year and modified as needed to provide for operation of the Sewer System.	December 31, 2019	M. Trent Williams, City Auditor
2018-002	Appropriations in excess of estimated current resources in the Sewer Fund, Capital Improvement 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. Water Works and Capital Improvement Funds resources were underestimated for year-end 2018 and will be corrected for 2019.	December 31, 2019	M. Trent Williams, City Auditor

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CITY OF PORTSMOUTH, OHIO

Scioto County, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018



THE CITY OF PORTSMOUTH, OHIO

SCIOTO COUNTY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2018**

Prepared by:

M. TRENT WILLIAMS, CPM, CPFA
City Auditor

Finance Department:

Constance J. Snipes
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



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SCIOTO COUNTY, OHIO

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INTRODUCTORY SECTION





The City of Portsmouth

"Where the Ohio and Scioto Meet"

Department of Finance

Municipal Building, Room 3

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

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

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



State of Ohio

M. Trent Williams, City Auditor

June 25, 2019

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

As City Auditor, it is my pleasure to present the twenty-third Comprehensive Annual Financial Report (CAFR) of the City of Portsmouth, Ohio for the year ended December 31, 2018. 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, 2018. 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, 2018***

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, 2018***

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

***Letter of Transmittal
For the Year Ended December 31, 2018***

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

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

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 6.8% for the 2018 calendar year, which is substantially above the state average of 4.6% and the national average of 3.9% but is a reduction from the previous year of 0.3%. While the local unemployment number is high in comparison to the state and national average, it remains lower than the majority of surrounding counties. While the state of the local economy has been somewhat declined, local initiatives are serving to continue 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 more than 13,200 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 nearly 7,700 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 over 6,100 customers. The solid waste transfer station officially commenced operations in the fall of 1993.

***Letter of Transmittal
For the Year Ended December 31, 2018***

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 Portsmouth recently saw the opening of an outdoor Splash Park at the site of Earl Thomas Conley Park. West of Portsmouth is the Shawnee State Park providing recreation, camping, cabins, a lodge and many other attractions for residents and out-of-town visitors.

Along Front Street in downtown Portsmouth is the Portsmouth Murals Project on the flood wall in the historic Boneyfiddle District. These murals tell the "story" of Portsmouth and are proving to be a great tourist attraction. The funds were raised for this citizen initiated project by the people of Portsmouth through donations and fund-raisers and a state grant. With the recent conclusion of the main part of the ten year project there are now 50 completed panels on the flood wall. Maintenance of the project and new sites for continuing the project is ongoing.

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

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

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

CITY OF PORTSMOUTH, OHIO

Letter of Transmittal For the Year Ended December 31, 2018

music and the necessary talents have come together to fill a void in the community and provide many hours of entertainment for the people of this area.

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

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

Education

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

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

Shawnee State University is a four year university, the newest in the state. The University features a Fine and Performing Arts Center on the campus and an indoor Physical Education Center. More than seventy Associate, Bachelor, and Master degree programs are currently available to over 3,600 students on the 65 acre SSU campus. Immediate plans are to make Shawnee State campus a pedestrian only campus. Second Street and several side streets have been closed and Third Street was closed in furtherance of this plan. On campus housing for the University is offered to its students at twelve apartment style dormitories.

Employee Relations

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

Long-term Financial Planning

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

With reductions by the State of Ohio to local government revenue, personal property tax and estate tax, the City was forced to request an increase in the city income tax rate of 0.5% to a rate of 2.5% to replace the revenue lost from state cuts and to continue and enhance operations into the next ten or more years. The new rate provides additional general fund revenue of over \$2,500,000 annually and allows the City to be less reliant on state funding.

***Letter of Transmittal
For the Year Ended December 31, 2018***

MAJOR INITIATIVES

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

Financial

By the end of 2018 the financial condition continued to improve with the 2016 income tax rate increase producing of \$2.85 million of additional revenue to the General Fund and a total of over \$14 million for the second year in a row to the City's General and Capital Improvement Funds. The deficit balance in the sewer fund is the only major factor holding the City back from being released from Fiscal Watch by the State Auditor. However, the deficit was reduced to under \$1 million by end of 2018 and should be much less by end of 2019.

Administrative

The Finance Department continued its participating in the State Treasurer's online checkbook initiative to provide for enhanced transparency of the City's finances. As a result, the City's spending information can now be viewed online along with the State of Ohio and many other municipalities throughout the State of Ohio. The Finance Department completed installation of a new computer server for more secure and efficient flow of the City's vital information. Several other improvements were made within the City building in 2018 including replacement of decades old carpet and flooring along with the replacement of the City Building's antiquated boiler system.

Public Service

The Public Service Department Streets division continued to enhance its operations with the purchase of a new snow plow truck for winter snow emergencies while the Traffic division acquired a new industrial laser printer for use in improving traffic signs throughout the City. The Sanitation division purchased another new load packer in 2018 to continue to maintain its fleet and provide reliable service to the citizens of Portsmouth and the Cemetery division purchased a new mower. The City Garage division also added three new vehicle lifts to better service and maintain the City's fleet of service and utility vehicles.

Flood Defense

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

The City's flood defense system is continually monitored by FEMA and the Army Corps of Engineers, and the City works to maintain compliance making improvements to the system annually. Among those improvements were a new truck, pump replacements, a pump station roof replacement, new transformers to keep pump stations running smoothly and a new tractor for flood levy grass control.

***Letter of Transmittal
For the Year Ended December 31, 2018***

Water

Realizing that the City's water plant is beyond its designed life, preliminary steps are being taken to prepare for the soon approaching time when the water plant must be replaced. Environmental testing on property behind the current water plant has started to obtain land needed for construction of the new plant. A "needs assessment" has been completed which is necessary to apply for grants and loans at a future date and demonstrate that the critical needs actually exist.

The largest completed in 2018 began with 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 Avenue. Design continued throughout 2017 with construction completed in late 2018. The Water Department completed construction in 2018 of mixing systems for three water storage tanks in Rosemount, Lucasville, and West Portsmouth to enhance water quality in these areas served outside the City.

Wastewater

The City of Portsmouth entered into an Administrative Order of Consent (AOC) with the Environmental Protection Agency in 2013 and remains in compliance with the AOC agreement in 2018, meeting all deadlines and completed all activities required.

Health

The City Health Department is closer to becoming accredited through the Public Health Accreditation Board (PHAB). Health Department was the first agency in the South East District to receive a site visit from PHAB. Once all technical reviews are completed, the department expects to receive accreditation by December 31, 2019, well ahead of the Ohio Department of Health required date of July 1, 2020.

In April, the Reproductive Health and Wellness Program expanded services to include substance abuse treatment with Vivitrol injections. This will provide clients with comprehensive services in one visit and increase compliance during treatment through this program.

Recovery Gateway has expanded navigation services to include Juvenile Drug Court, Family Drug Court, Misdemeanor Drug Court and Felony Drug Court. Navigation provides all assessments for Juvenile Drug Court and recommends proper treatment plan for these individuals.

Environmental Health Division was able to purchase mosquito control equipment and hire seasonal employees to implement mosquito surveillance and trapping through monies from the Ohio Environmental Protection Agency's (OEPA) Mosquito Control Grant. Twenty-four mosquito traps were placed in various locations throughout Portsmouth, collecting a total of 2,196 mosquitoes to be tested. Scrap tire collection was also a valuable measure of the grant. During the mosquito breeding season, a total of 126 scrap tires were collected and properly disposed of. The scrap tire collections will continue through 2019.

***Letter of Transmittal
For the Year Ended December 31, 2018***

Community Development

The City received grant funding from the Ohio Development Services Agency to begin removal of underground gasoline tanks and cleanup at multiple locations throughout the City in 2018 and will continue into 2019 and possibly beyond.

Recreation

In an effort to meet community recreational needs, the City completed a redesign of the Mound Park tennis courts with four new tennis courts and eight new pickleball courts in 2018. Additionally, a multi-use path for walking, jogging and bicycles is in planning stages for completion in 2019 in Mound Park as well as along the Floodwall Murals on Front Street with funding from the Ohio Department of Natural Resources, the Ohio Department of Transportation and local private foundations along with matching funds from the City. The City has also received grant funding awards from the ODNR's Nature Works program for the construction of what will be the City's first dog park in downtown to begin in 2019. Plans are also being made to build the City's first skate park with grant funding to be procured from state and federal agencies along with private grants from local and national foundations, city matching funds and private donations.

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.

***Letter of Transmittal
For the Year Ended December 31, 2018***

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

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

Relevant Financial Policies

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

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-third 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.

***Letter of Transmittal
For the Year Ended December 31, 2018***

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.

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,



M. Trent Williams, CPM, CPFA
City Auditor

CITY OF PORTSMOUTH, OHIO

***List of Principal Officials
For the Year Ended December 31, 2018***

<u>Position</u>	<u>Name</u>		<u>Term of Office</u>	<u>Years with City</u>
<u>Executive</u>				
City Manager (Appointed)	Samuel J. Sutherland		Indefinite	30
City Auditor (Elected)	M. Trent Williams		01/04/16 - 01/05/20	20
City Solicitor (Elected)	John R. Haas		01/04/16 - 01/05/20	10
<u>Legislative</u> (Elected)				
Member of Council	Sean D. Dunne	<u>Ward</u> 1st	01/01/18 - 01/02/22	1
Member of Council	Jo Ann Aeh	2nd	01/04/16 - 01/05/20	33
Member of Council (Acting Mayor)	Kevin E. Johnson	3rd	01/01/18 - 01/02/22	6
Member of Council	Jerrold Albrecht	4th	01/04/16 - 01/05/20	9
Member of Council	Gene Meadows	5th	01/01/18 - 01/02/22	6
Member of Council	Thomas K. Lowe	6th	01/04/16 - 01/05/20	3
<u>Judicial</u> (Elected)				
Municipal Court Judge	Russell D. Kegley		01/01/18 - 12/31/23	16
Municipal Court Judge	Steven L. Mowery		01/01/16 - 12/31/21	9
<u>Administrative</u> (Appointed)				
Police Chief	Robert K. Ware		Indefinite	24
Fire Chief	William V. Raison		Indefinite	28
Public Service Director	William M. Beaumont		Indefinite	12
Director of Water	Samuel J. Sutherland		Indefinite	30
Director of Waste Water	Richard D. Duncan		Indefinite	24
Director of Utility Account Services	Crystal Weghorst		Indefinite	13
Community Development Director	Tracy A. Shearer		Indefinite	8
City Clerk	Diana L. Ratliff		Indefinite	6
Municipal Court Clerk	R. Leroy Kegley		Indefinite	40
Health Commissioner	Christopher S. Smith		Indefinite	23
Income Tax Commissioner	Vicki L. Musser		Indefinite	10
Civil Service Secretary	Kathy Hodkinson		Indefinite	21

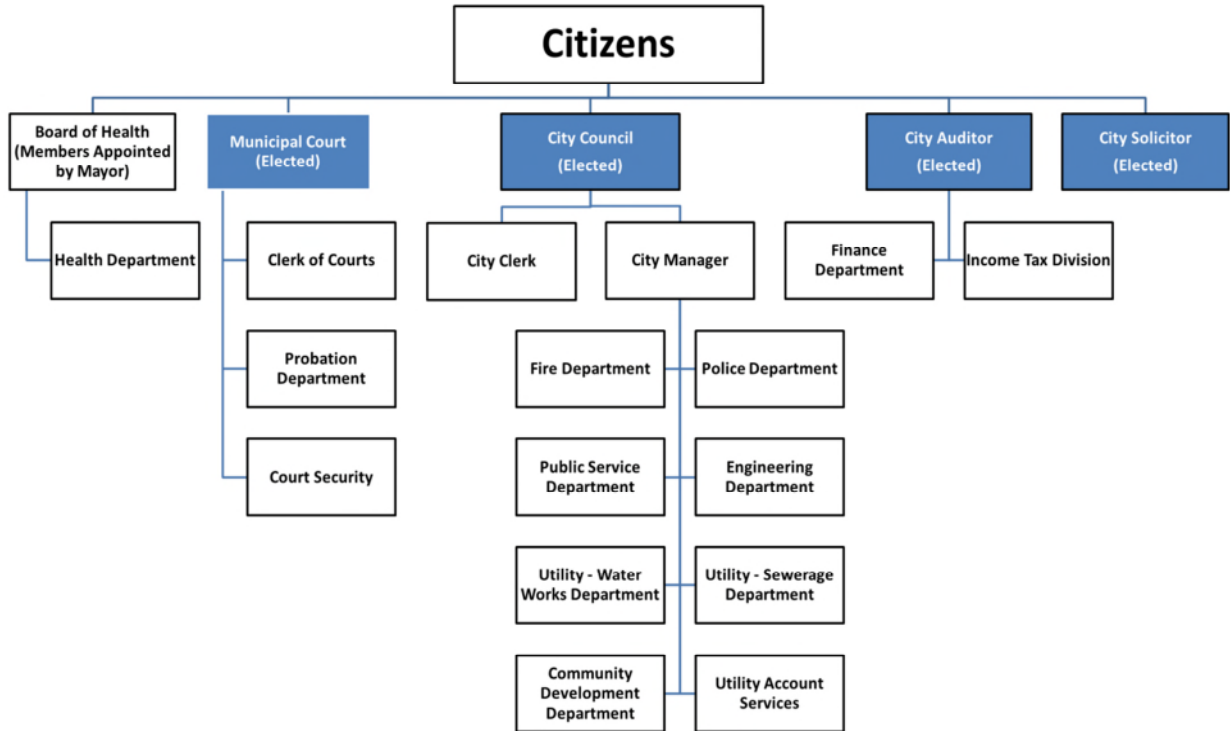
Executive Offices:

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

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

John R. Haas, Solicitor
City of Portsmouth
728 Second Street, Room 22
Portsmouth, Ohio 45662
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City Organizational Chart
For the Year Ended December 31, 2018





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, 2017

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION







Independent Auditor's Report

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

To the City Council:

Report on the 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, 2018, 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 such 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the 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.

Emphasis of Matter

As Discussed in Note 2 to the financial statements, during 2018, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial reporting for Postemployment Benefits Other than Pensions*. We did not modify our opinion regarding this matter.

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 and other post-employment benefit liabilities and pension and other post-employment 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 25, 2019, 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 25, 2019



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, 2018. 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 2018 are as follows:

- ❑ In total, net position increased \$854,212. Net position of governmental activities increased \$440,484 which represents a 13.4 % increase from 2017. Net position of business-type activities increased \$413,728, or 2.7% from 2018.
- ❑ General revenues accounted for \$18,147,976 in revenue or 46.8% 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 \$20,643,463 or 53.2% of total revenues of \$38,791,439.
- ❑ The City had \$23,911,949 in expenses related to governmental activities; only \$6,227,976 of these expenses were offset by program specific charges for services and sales, grants or contributions.
- ❑ Among major funds, the General Fund had \$17,316,472 in revenues and other financing sources and \$16,070,963 in expenditures and other financing uses. The General Fund's fund balance increased from \$5,928,439 to \$7,156,230.

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

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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 2018 compared to 2017:

	Governmental Activities		Business-type Activities		Total	
	2018	Restated 2017	2018	Restated 2017	2018	Restated 2017
	Current and other assets	\$18,416,048	\$16,874,531	\$5,322,424	\$4,901,289	\$23,738,472
Capital assets, Net	19,371,039	19,465,652	29,037,168	27,673,615	48,408,207	47,139,267
Total assets	<u>37,787,087</u>	<u>36,340,183</u>	<u>34,359,592</u>	<u>32,574,904</u>	<u>72,146,679</u>	<u>68,915,087</u>
Deferred outflows of resources	5,402,438	6,397,795	1,149,912	2,058,232	6,552,350	8,456,027
Long-term liabilities outstanding	1,674,071	1,745,191	11,576,253	11,436,792	13,250,324	13,181,983
Net Pension Liability	16,210,316	21,025,907	3,508,118	5,123,946	19,718,434	26,149,853
Net OPEB Liability	13,776,875	13,645,943	2,306,316	2,149,131	16,083,191	15,795,074
Other liabilities	496,570	785,136	1,400,817	556,467	1,897,387	1,341,603
Total liabilities	<u>32,157,832</u>	<u>37,202,177</u>	<u>18,791,504</u>	<u>19,266,336</u>	<u>50,949,336</u>	<u>56,468,513</u>
Deferred inflows of resources	7,300,108	2,244,700	1,144,575	207,103	8,444,683	2,451,803
Net position:						
Net investment in capital assets	19,371,039	19,448,701	16,842,545	16,482,329	36,213,584	35,931,030
Restricted	5,987,081	5,736,295	0	0	5,987,081	5,736,295
Unrestricted	<u>(21,626,535)</u>	<u>(21,893,895)</u>	<u>(1,269,120)</u>	<u>(1,322,632)</u>	<u>(22,895,655)</u>	<u>(23,216,527)</u>
Total net position	<u>\$3,731,585</u>	<u>\$3,291,101</u>	<u>\$15,573,425</u>	<u>\$15,159,697</u>	<u>\$19,305,010</u>	<u>\$18,450,798</u>

The net pension liability (NPL) is reported by the City pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the City adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

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

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

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In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. As a result of implementing GASB 75, the City is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017 from \$16,879,488 to \$3,291,101 for Governmental Activities and from \$17,279,722 to \$15,159,697 for Business-type Activities.

Changes in Net Position – The following table shows the changes in net position for 2018 compared to 2017:

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues:						
Charges for Services and Sales	\$2,494,778	\$1,831,494	\$13,508,309	\$13,057,312	\$16,003,087	\$14,888,806
Operating Grants and Contributions	3,733,198	3,199,010	0	0	3,733,198	3,199,010
Capital Grants and Contributions	0	790,795	907,178	269,624	907,178	1,060,419
Total Program Revenues	6,227,976	5,821,299	14,415,487	13,326,936	20,643,463	19,148,235
General revenues:						
Property Taxes	2,093,077	2,081,294	0	0	2,093,077	2,081,294
Income Taxes	14,305,157	13,789,556	0	0	14,305,157	13,789,556
Other Local Taxes	241,947	349,724	0	0	241,947	349,724
Intergovernmental Revenue, Unrestricted	991,191	962,843	0	0	991,191	962,843
Investment Earnings	9,001	1,259	0	0	9,001	1,259
Miscellaneous	507,603	425,618	0	0	507,603	425,618
Total General Revenues	18,147,976	17,610,294	0	0	18,147,976	17,610,294
Total Revenues	24,375,952	23,431,593	14,415,487	13,326,936	38,791,439	36,758,529
Program Expenses						
Security of Persons and Property	12,000,917	11,246,084	0	0	12,000,917	11,246,084
Public Health and Welfare Services	3,373,410	2,593,327	0	0	3,373,410	2,593,327
Leisure Time Activities	82,158	90,138	0	0	82,158	90,138
Community Environment	453,197	508,146	0	0	453,197	508,146
Transportation	2,414,383	2,042,145	0	0	2,414,383	2,042,145
General Government	5,562,132	5,242,442	0	0	5,562,132	5,242,442
Interest and Fiscal Charges	25,752	31,788	0	0	25,752	31,788
Water	0	0	6,853,813	6,144,431	6,853,813	6,144,431
Sewer	0	0	4,471,089	3,990,481	4,471,089	3,990,481
Sanitation	0	0	2,177,201	2,061,479	2,177,201	2,061,479
Primary Care	0	0	523,175	366,654	523,175	366,654
Total Expenses	23,911,949	21,754,070	14,025,278	12,563,045	37,937,227	34,317,115
Change in Net Position before transfers	464,003	1,677,523	390,209	763,891	854,212	2,441,414
Transfers	(23,519)	0	23,519	0	0	0
Total Change in Net Position	440,484	1,677,523	413,728	763,891	854,212	2,441,414
Beginning Net Position, Restated	3,291,101	N/A	15,159,697	N/A	18,450,798	N/A
Ending Net Position	\$3,731,585	\$3,291,101	\$15,573,425	\$15,159,697	\$19,305,010	\$18,450,798

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The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$57,556 for Governmental Activities and \$29,106 for Business-type Activities computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report OPEB expense of \$837,458 for Governmental Activities and \$188,375 for Business-type Activities.

Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

	Governmental Activities	Business-type Activities
Total 2018 program expenses under GASB 75	\$23,911,949	\$14,025,278
OPEB expense under GASB 75	(837,458)	(188,375)
2018 contractually required contribution	24,011	0
Adjusted 2018 program expenses	23,098,502	13,836,903
Total 2017 program expenses under GASB 45	21,754,070	12,563,045
Change in program expenses not related to OPEB	\$1,344,432	\$1,273,858

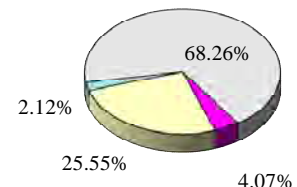
Governmental Activities

Net position of the City's governmental activities increased by \$440,484. The increase in net position is a result of new program revenue from Fire Department Emergency Medical Services that began in 2018 as well as increased income tax revenue from large employer withholding.

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 58.7% and 8.6% respectively of revenues for governmental activities for the City in 2018. The City's reliance upon tax revenues is demonstrated by the following graph indicating 68.26% of total revenues from general tax revenues:

Revenue Sources	2018	Percent of Total
General Tax Revenues	\$16,640,181	68.26%
Intergovernmental Revenue, Unrestricted	991,191	4.07%
Program Revenues	6,227,976	25.55%
General Other	516,604	2.12%
Total Revenue	\$24,375,952	100.00%



Business-Type Activities

The net position of the business-type activities increased by \$413,728. The increase in net position is primarily due to capital grants received by the Water Fund.

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FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City's governmental funds reported a combined fund balance of \$12,120,397, which is an increase from last year's balance of \$10,589,307. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2018 and 2017:

	<u>Fund Balance December 31, 2018</u>	<u>Fund Balance December 31, 2017</u>	<u>Increase (Decrease)</u>
General	\$7,156,230	\$5,928,439	\$1,227,791
General Obligation Bond Retirement	95,381	78,413	16,968
Capital Improvement	1,863,276	1,884,135	(20,859)
Other Governmental	<u>3,005,510</u>	<u>2,698,320</u>	<u>307,190</u>
Total	<u>\$12,120,397</u>	<u>\$10,589,307</u>	<u>\$1,531,090</u>

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

	<u>2018 Revenues</u>	<u>2017 Revenues</u>	<u>Increase (Decrease)</u>
Property and Other Taxes	\$14,433,150	\$14,033,943	\$399,207
Intergovernmental Revenue	934,358	909,234	25,124
Charges for Services	736,997	374,314	362,683
Licenses and Permits	173,262	165,177	8,085
Investment Earnings	8,988	1,245	7,743
Fines and Forfeitures	509,267	472,195	37,072
All Other Revenue	<u>406,671</u>	<u>396,208</u>	<u>10,463</u>
Total	<u>\$17,202,693</u>	<u>\$16,352,316</u>	<u>\$850,377</u>

General Fund revenues in 2018 increased approximately 5.2% compared to revenues in 2017. The increase in taxes and charges for services is due to new program revenue from Fire Department Emergency Medical Services that began in 2018, increased Police Special Duty and Impound Fees, back pay settlements from Scioto County for Municipal Court contractual agreements, and Workers' Compensation refunds, as well as increased income tax revenue from large employer withholding.

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	2018	2017	Increase
	Expenditures	Expenditures	(Decrease)
Security of Persons and Property	\$10,267,364	\$9,048,124	\$1,219,240
Public Health and Welfare Services	819,004	647,931	171,073
Community Environment	256,352	314,497	(58,145)
Transportation	429,639	373,203	56,436
General Government	4,036,604	3,612,864	423,740
Total	<u>\$15,808,963</u>	<u>\$13,996,619</u>	<u>\$1,812,344</u>

General Fund expenditures increased by \$1,812,344 or 12.9% compared to the prior year. The increase in security of persons and property is due to wage and benefit increases and new ambulance purchases. The increase in general government is a result of wage increases and a payment to Scioto County to support public transportation.

General Obligation Bond Retirement Fund – The General Obligation Bond Retirement Fund balance increased from \$78,413 to \$95,381. The fund remained stable compared to 2017.

Capital Improvement Fund - The Capital Improvement Fund balance decreased from \$1,884,135 to \$1,863,276, which was not a significant decrease.

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 2018 the City amended its General Fund budget several times. Final budgeted expenditures exceeded original budgeted expenditures by \$2,335,520 as a result of wage and benefit increases, new ambulance purchases totaling \$229,500, a \$140,000 transfer to Municipal Court and \$770,000 of end-of-year repayable advances to special revenue funds.

For the General Fund, final budget basis revenue of \$17,583,219 increased from original budget estimates of \$14,946,219 as a result of greater than anticipated income tax revenue, as well as new program revenue from Fire Department Emergency Medical Services that began in 2018, increased Police Special Duty and Impound Fees, back pay settlements from Scioto County for Municipal Court contractual agreements, Workers' Compensation refunds, and reimbursed transfers from end of previous year advances. The actual revenues of \$17,652,956 were not significantly different than the final budget basis revenue.

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CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018 the City had \$48,408,207 net of accumulated depreciation invested in buildings, improvements, machinery and equipment, and infrastructure. Of this total, \$19,371,039 related to governmental activities and \$29,037,168 to the business-type activities. The following table shows 2018 and 2017 balances:

	Governmental Activities		Increase (Decrease)
	2018	2017	
Land	\$1,987,027	\$1,987,027	\$0
Construction In Progress	21,391	0	21,391
Buildings	6,644,072	6,570,893	73,179
Improvements	2,849,788	2,773,082	76,706
Machinery and Equipment	11,150,975	10,356,097	794,878
Infrastructure	31,872,842	31,493,180	379,662
Less: Accumulated Depreciation	<u>(35,155,056)</u>	<u>(33,714,627)</u>	<u>(1,440,429)</u>
Totals	<u>\$19,371,039</u>	<u>\$19,465,652</u>	<u>(\$94,613)</u>

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

	Business-Type Activities		Increase (Decrease)
	2018	2017	
Land	\$63,504	\$63,504	\$0
Construction in Progress	2,602,067	162,076	2,439,991
Buildings	6,842,659	6,593,929	248,730
Improvements other than Buildings	36,606,442	36,606,442	0
Machinery and Equipment	15,665,758	15,179,835	485,923
Less: Accumulated Depreciation	<u>(32,743,262)</u>	<u>(30,932,171)</u>	<u>(1,811,091)</u>
Totals	<u>\$29,037,168</u>	<u>\$27,673,615</u>	<u>\$1,363,553</u>

Business type capital assets increased by \$1,363,553. Construction in Progress increased due to the water main construction for Sunrise Reservoir. Buildings increased due to the purchase of mixing tanks for the Water department and upgrades to the Sciotoville wastewater plant. Machinery and Equipment increased due to purchase of trucks for the Water and Sewer departments and a sanitation truck. Depreciation expense partially offset the additional acquisitions. Additional information on the City's capital assets can be found in Note 10.

CITY OF PORTSMOUTH, OHIO

**Management's Discussion and Analysis
For the Year Ended December 31, 2018**

Unaudited

Debt

At December 31, 2018, the City had \$905,000 in General Obligation Bonds outstanding, \$120,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2018 and 2017:

	2018	Restated 2017
	<u> </u>	<u> </u>
Governmental Activities:		
General Obligation Bond	\$905,000	\$1,025,000
Net Pension Liability	16,210,316	21,025,907
Net OPEB Liability	13,776,875	13,645,943
Compensated Absences	769,071	676,616
Capital Leases	0	43,575
Total Governmental Activities	<u>\$31,661,262</u>	<u>\$36,417,041</u>
Business-Type Activities:		
Ohio Public Works Commission Loan	\$2,071,959	\$1,561,256
Ohio Water Development Authority Loan	9,445,440	9,433,247
Net Pension Liability	3,508,118	5,123,946
Net OPEB Liability	2,306,316	2,149,131
Compensated Absences	58,854	79,034
Capital Leases	0	363,255
Total Business-Type Activities	<u>17,390,687</u>	<u>18,709,869</u>
Totals	<u>\$49,051,949</u>	<u>\$55,126,910</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, 2018, 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 the General fund has stabilized as well. The Auditor of State declared the City to be in Fiscal Watch on April 9, 2013. The City implemented its revised five-year fiscal recovery plan in October 2014 with a major component being a proposed one-half percent increase in the City's income tax rate. The increase was approved by the City's voters and became effective January 1, 2016. Although still under Fiscal Watch, the City has achieved significant financial improvement resulting in a growing General Fund balance and as seeing all other funds continue to improve and maintain positive end of year fund balances 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, 2018**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 11,833,457	\$ 1,325,470	\$ 13,158,927
Receivables:			
Taxes	4,135,027	0	4,135,027
Accounts	609,495	3,006,160	3,615,655
Intergovernmental	1,855,253	237,317	2,092,570
Internal Balances	(311,167)	311,167	0
Inventory of Supplies at Cost	45,448	56,290	101,738
Prepaid Items	38,695	16,274	54,969
Restricted Assets:			
Cash and Cash Equivalents	209,840	369,746	579,586
Capital Assets:			
Capital Assets Not Being Depreciated	2,008,418	2,665,571	4,673,989
Capital Assets Being Depreciated, Net of Accumulated Depreciation	17,362,621	26,371,597	43,734,218
Total Assets	37,787,087	34,359,592	72,146,679
Deferred Outflows of Resources:			
Pension	4,104,594	980,191	5,084,785
OPEB	1,297,844	169,721	1,467,565
Total Deferred Outflows of Resources	5,402,438	1,149,912	6,552,350
Liabilities:			
Accounts Payable	177,626	932,980	1,110,606
Accrued Wages and Benefits	34,484	35,309	69,793
Intergovernmental Payable	207,145	62,782	269,927
Claims Payable	69,692	0	69,692
Refundable Deposits	0	369,746	369,746
Accrued Interest Payable	7,623	0	7,623
Long-term Liabilities:			
Due Within One Year	259,346	584,180	843,526
Due in More Than One Year:			
Net Pension Liability	16,210,316	3,508,118	19,718,434
Net OPEB Liability	13,776,875	2,306,316	16,083,191
Other Amounts Due in More Than One Year	1,414,725	10,992,073	12,406,798
Total Liabilities	32,157,832	18,791,504	50,949,336

CITY OF PORTSMOUTH, OHIO

	Governmental Activities	Business-Type Activities	Total
Deferred Inflows of Resources:			
Property Tax	1,985,000	0	1,985,000
Pension	3,392,305	972,770	4,365,075
OPEB	1,922,803	171,805	2,094,608
Total Deferred Inflows of Resources	7,300,108	1,144,575	8,444,683
Net Position:			
Net Investment in Capital Assets	19,371,039	16,842,545	36,213,584
Restricted For:			
Streets and Highways	949,579	0	949,579
Community Development	341,575	0	341,575
Security of Persons and Property	1,768,617	0	1,768,617
Public Health and Welfare	571,559	0	571,559
Capital Projects	2,012,361	0	2,012,361
Debt Service	133,550	0	133,550
Perpetual Care:			
Expendable	182,997	0	182,997
Nonexpendable	26,843	0	26,843
Unrestricted (Deficit)	(21,626,535)	(1,269,120)	(22,895,655)
Total Net Position	\$ 3,731,585	\$ 15,573,425	\$ 19,305,010

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

**Statement of Activities
For the Year Ended December 31, 2018**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Security of Persons and Property	\$ 12,000,917	\$ 1,103,638	\$ 287,429	\$ 0
Public Health and Welfare Services	3,373,410	635,500	2,061,913	0
Leisure Time Activities	82,158	118,063	18,754	0
Community Environment	453,197	73,153	188,397	0
Transportation	2,414,383	36,931	900,500	0
General Government	5,562,132	527,493	276,205	0
Interest and Fiscal Charges	25,752	0	0	0
Total Governmental Activities	23,911,949	2,494,778	3,733,198	0
Business-Type Activities:				
Water	6,853,813	6,431,274	0	907,178
Sewer	4,471,089	4,520,067	0	0
Sanitation	2,177,201	2,110,316	0	0
Primary Care	523,175	446,652	0	0
Total Business-Type Activities	14,025,278	13,508,309	0	907,178
Totals	\$ 37,937,227	\$ 16,003,087	\$ 3,733,198	\$ 907,178

General Revenues and Transfers

Property Taxes Levied for:
 General Purposes
 Special Purpose
 Debt Service
 Income Taxes
 Other Local Taxes
 Intergovernmental Revenue, Unrestricted
 Investment Earnings
 Miscellaneous
 Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year, Restated

Net Position End of Year

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (10,609,850)	\$ 0	\$ (10,609,850)
(675,997)	0	(675,997)
54,659	0	54,659
(191,647)	0	(191,647)
(1,476,952)	0	(1,476,952)
(4,758,434)	0	(4,758,434)
(25,752)	0	(25,752)
<u>(17,683,973)</u>	<u>0</u>	<u>(17,683,973)</u>
0	484,639	484,639
0	48,978	48,978
0	(66,885)	(66,885)
0	(76,523)	(76,523)
<u>0</u>	<u>390,209</u>	<u>390,209</u>
<u>(17,683,973)</u>	<u>390,209</u>	<u>(17,293,764)</u>
1,645,052	0	1,645,052
306,076	0	306,076
141,949	0	141,949
14,305,157	0	14,305,157
241,947	0	241,947
991,191	0	991,191
9,001	0	9,001
507,603	0	507,603
(23,519)	23,519	0
<u>18,124,457</u>	<u>23,519</u>	<u>18,147,976</u>
440,484	413,728	854,212
<u>3,291,101</u>	<u>15,159,697</u>	<u>18,450,798</u>
<u>\$ 3,731,585</u>	<u>\$ 15,573,425</u>	<u>\$ 19,305,010</u>

CITY OF PORTSMOUTH, OHIO

**Balance Sheet
Governmental Funds
December 31, 2018**

	General	General Obligation Bond Retirement	Capital Improvement
Assets:			
Cash and Cash Equivalents	\$ 4,729,378	\$ 95,381	\$ 1,753,917
Receivables:			
Taxes	3,372,731	168,634	191,546
Accounts	346,900	0	0
Intergovernmental	433,901	9,158	159,495
Due from Other Funds	429,996	0	0
Interfund Loans Receivables	770,000	0	0
Inventory of Supplies, at Cost	45,448	0	0
Prepaid Items	29,990	0	0
Restricted Assets:			
Cash and Cash Equivalents	0	0	0
Total Assets	\$ 10,158,344	\$ 273,173	\$ 2,104,958
Liabilities:			
Accounts Payable	\$ 63,766	\$ 0	\$ 92,597
Accrued Wages and Benefits Payable	28,768	0	0
Intergovernmental Payable	175,733	0	0
Due to Other Funds	24,453	0	0
Interfund Loans Payable	0	0	0
Total Liabilities	292,720	0	92,597
Deferred Inflows of Resources:			
Property Tax	1,552,000	132,000	0
Unavailable Revenue	1,157,394	45,792	149,085
Total Deferred Inflows of Resources	2,709,394	177,792	149,085
Fund Balances:			
Nonspendable	75,438	0	0
Restricted	0	95,381	1,863,276
Committed	175,198	0	0
Assigned	358,000	0	0
Unassigned	6,547,594	0	0
Total Fund Balances	7,156,230	95,381	1,863,276
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,158,344	\$ 273,173	\$ 2,104,958

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

Other Governmental Funds	Total Governmental Funds
\$ 2,891,806	\$ 9,470,482
402,116	4,135,027
262,595	609,495
1,252,699	1,855,253
24,453	454,449
0	770,000
0	45,448
8,705	38,695
<u>209,840</u>	<u>209,840</u>
<u>\$ 5,052,214</u>	<u>\$ 17,588,689</u>
\$ 21,263	\$ 177,626
5,716	34,484
31,412	207,145
0	24,453
<u>735,000</u>	<u>735,000</u>
<u>793,391</u>	<u>1,178,708</u>
301,000	1,985,000
<u>952,313</u>	<u>2,304,584</u>
<u>1,253,313</u>	<u>4,289,584</u>
35,548	110,986
2,942,936	4,901,593
30,474	205,672
0	358,000
<u>(3,448)</u>	<u>6,544,146</u>
<u>3,005,510</u>	<u>12,120,397</u>
<u>\$ 5,052,214</u>	<u>\$ 17,588,689</u>

CITY OF PORTSMOUTH, OHIO

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2018***

Total Governmental Fund Balances	\$	12,120,397
 <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.		19,371,039
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.		2,304,584
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.		1,517,120
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	4,104,594	
Deferred Inflows - Pension	(3,392,305)	
Net Pension Liability	<u>(16,210,316)</u>	(15,498,027)
The net OBEP liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - OPEB	1,297,844	
Deferred Inflows - OPEB	(1,922,803)	
Net OPEB Liability	<u>(13,776,875)</u>	(14,401,834)
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	(905,000)	
Compensated Absences Payable	(769,071)	
Accrued Interest Payable	<u>(7,623)</u>	<u>(1,681,694)</u>
<i>Net Position of Governmental Activities</i>	\$	<u>3,731,585</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, 2018**

	General	General Obligation Bond Retirement	Capital Improvement
Revenues:			
Taxes	\$ 14,433,150	\$ 143,912	\$ 1,716,398
Intergovernmental Revenues	934,358	18,886	176,536
Charges for Services	736,997	0	0
Licenses and Permits	173,262	0	0
Investment Earnings	8,988	0	0
Fines and Forfeitures	509,267	0	0
All Other Revenue	406,671	0	85,346
Total Revenue	<u>17,202,693</u>	<u>162,798</u>	<u>1,978,280</u>
Expenditures:			
Current:			
Security of Persons and Property	10,267,364	0	0
Public Health and Welfare Services	819,004	0	0
Leisure Time Activities	0	0	0
Community Environment	256,352	0	0
Transportation	429,639	0	0
General Government	4,036,604	0	0
Capital Outlay	0	0	1,954,631
Debt Service:			
Principal Retirement	0	120,000	43,575
Interest and Fiscal Charges	0	25,830	933
Total Expenditures	<u>15,808,963</u>	<u>145,830</u>	<u>1,999,139</u>
Excess (Deficiency) of Revenues Over Expenditures	1,393,730	16,968	(20,859)
Other Financing Sources (Uses):			
Transfers In	113,779	0	0
Transfers Out	(262,000)	0	0
Total Other Financing Sources (Uses)	<u>(148,221)</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	1,245,509	16,968	(20,859)
Fund Balances at Beginning of Year	5,928,439	78,413	1,884,135
Decrease in Inventory	(17,718)	0	0
Fund Balances End of Year	<u>\$ 7,156,230</u>	<u>\$ 95,381</u>	<u>\$ 1,863,276</u>

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 412,160	\$ 16,705,620
3,609,142	4,738,922
484,517	1,221,514
0	173,262
13	9,001
556,385	1,065,652
29,331	521,348
<u>5,091,548</u>	<u>24,435,319</u>
517,199	10,784,563
2,434,445	3,253,449
67,786	67,786
112,401	368,753
856,957	1,286,596
904,510	4,941,114
0	1,954,631
0	163,575
0	26,763
<u>4,893,298</u>	<u>22,847,230</u>
198,250	1,588,089
342,769	456,548
<u>(218,067)</u>	<u>(480,067)</u>
<u>124,702</u>	<u>(23,519)</u>
322,952	1,564,570
2,698,320	10,589,307
<u>(15,762)</u>	<u>(33,480)</u>
<u>\$ 3,005,510</u>	<u>\$ 12,120,397</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, 2018***

Net Change in Fund Balances - Total Governmental Funds		\$ 1,564,570
<i>Amounts reported for governmental activities in the statement of activities are different because</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital Outlay	1,526,338	
Depreciation Expense	<u>(1,616,547)</u>	(90,209)
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.		
		(4,404)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(59,367)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		1,646,438
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(2,176,086)
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities.		
		(837,458)
The issuance of long-term debt (e.g. notes, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
General Obligation Bonds Payable	120,000	
Capital Leases Payable	<u>43,575</u>	163,575
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		1,011
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	(92,455)	
Change in Inventory	<u>(33,480)</u>	(125,935)
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.		
		358,349
<i>Change in Net Position of Governmental Activities</i>		<u>\$ 440,484</u>

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 12,765,000	\$ 14,414,000	\$ 14,414,980	\$ 980
Intergovernmental Revenue	896,219	935,000	935,328	328
Charges for Services	287,000	750,000	747,185	(2,815)
Licenses and Permits	184,000	173,000	172,912	(88)
Investment Earnings	0	9,000	8,988	(12)
Fines and Forfeitures	516,000	503,000	504,158	1,158
All Other Revenues	98,000	314,219	404,597	90,378
Total Revenues	14,746,219	17,098,219	17,188,148	89,929
Expenditures:				
Current:				
Security of Persons and Property	10,168,287	10,503,634	10,487,244	16,390
Community Environment	374,663	271,963	268,808	3,155
Transportation	355,941	441,070	426,135	14,935
General Government	2,396,107	3,475,814	3,040,147	435,667
Total Expenditures	13,294,998	14,692,481	14,222,334	470,147
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,451,221	2,405,738	2,965,814	560,076
Other Financing Sources (Uses):				
Transfers In	200,000	115,000	94,308	(20,692)
Transfers Out	(1,955,277)	(2,123,314)	(2,091,810)	31,504
Advances In	0	370,000	370,500	500
Advances Out	0	(770,000)	(770,000)	0
Total Other Financing Sources (Uses):	(1,755,277)	(2,408,314)	(2,397,002)	11,312
Net Change in Fund Balance	(304,056)	(2,576)	568,812	571,388
Fund Balance at Beginning of Year	4,120,784	4,120,784	4,120,784	0
Prior Year Encumbrances	55,400	55,400	55,400	0
Fund Balance at End of Year	\$ 3,872,128	\$ 4,173,608	\$ 4,744,996	\$ 571,388

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2018**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
Assets:			
Current assets:			
Cash and Cash Equivalents	\$ 851,093	\$ 0	\$ 441,752
Accounts receivable (net of allowance for uncollectibles)	1,449,538	1,126,400	430,222
Intergovernmental receivable	237,317	0	0
Inventory of Supplies at Cost	41,400	13,850	1,040
Prepaid Items	5,878	6,662	1,827
Total current assets	2,585,226	1,146,912	874,841
Noncurrent assets:			
Restricted Assets:			
Cash and Cash Equivalents	369,746	0	0
Capital assets:			
Capital Assets Not Being Depreciated	2,652,720	12,851	0
Capital Assets Being Depreciated, net of accumulated depreciation	13,109,085	12,538,051	724,461
Total capital assets	15,761,805	12,550,902	724,461
Total noncurrent assets	16,131,551	12,550,902	724,461
Total Assets	18,716,777	13,697,814	1,599,302
Deferred Outflows of Resources:			
Pension	463,098	266,313	148,839
OPEB	81,465	50,769	28,250
Total Deferred Outflows of Resources	544,563	317,082	177,089
Liabilities:			
Current liabilities:			
Accounts Payable	863,754	68,992	234
Accrued Wages and Benefits	15,941	12,433	6,935
Intergovernmental Payable	28,558	20,030	11,163
Claims Payable	0	0	0
Refundable Deposits	369,746	0	0
Due to Other Funds	0	429,996	0
Interfund Loan Payable	0	0	0
OWDA Loans Payable - Current	277,121	206,842	0
OPWC Loans Payable - Current	0	87,052	0
Compensated Absences Payable - Current	11,176	1,989	0
Total Current Liabilities	1,566,296	827,334	18,332

CITY OF PORTSMOUTH, OHIO

<u>Nonmajor</u> <u>Primary Care</u>	<u>Total</u>	<u>Governmental</u> <u>Activities -</u> <u>Internal Service</u> <u>Funds</u>
\$ 32,625	\$ 1,325,470	\$ 2,362,975
0	3,006,160	0
0	237,317	0
0	56,290	0
1,907	16,274	0
<u>34,532</u>	<u>4,641,511</u>	<u>2,362,975</u>
0	369,746	0
0	2,665,571	0
<u>0</u>	<u>26,371,597</u>	<u>0</u>
<u>0</u>	<u>29,037,168</u>	<u>0</u>
<u>0</u>	<u>29,406,914</u>	<u>0</u>
<u>34,532</u>	<u>34,048,425</u>	<u>2,362,975</u>
101,941	980,191	0
9,237	169,721	0
<u>111,178</u>	<u>1,149,912</u>	<u>0</u>
0	932,980	0
0	35,309	0
3,031	62,782	0
0	0	69,692
0	369,746	0
0	429,996	0
35,000	35,000	0
0	483,963	0
0	87,052	0
<u>0</u>	<u>13,165</u>	<u>0</u>
<u>38,031</u>	<u>2,449,993</u>	<u>69,692</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Statement of Net Position
Proprietary Funds
December 31, 2018**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
Noncurrent Liabilities:			
OWDA Loans Payable	3,568,593	5,392,884	0
OPWC Loans Payable	597,756	1,387,151	0
Compensated Absences Payable	25,709	19,980	0
Net Pension Liability	1,683,887	1,049,392	583,914
Net OPEB Liability	1,107,025	689,894	383,878
Total Noncurrent Liabilities	6,982,970	8,539,301	967,792
Total Liabilities	8,549,266	9,366,635	986,124
Deferred Inflows of Resources:			
Pension	439,437	329,719	158,862
OPEB	82,466	51,393	28,596
Total Deferred Inflows of Resources	521,903	381,112	187,458
Net Position:			
Net Investment in Capital Assets	10,551,111	5,566,973	724,461
Unrestricted	(360,940)	(1,299,824)	(121,652)
Total Net Position	\$ 10,190,171	\$ 4,267,149	\$ 602,809

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

Nonmajor Primary Care	Total	Governmental Activities - Internal Service Funds
0	8,961,477	0
0	1,984,907	0
0	45,689	0
190,925	3,508,118	0
125,519	2,306,316	0
316,444	16,806,507	0
354,475	19,256,500	69,692
44,752	972,770	0
9,350	171,805	0
54,102	1,144,575	0
0	16,842,545	0
(262,867)	(2,045,283)	2,293,283
\$ (262,867)	\$ 14,797,262	\$ 2,293,283
	776,163	
	\$ 15,573,425	

CITY OF PORTSMOUTH, OHIO

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2018**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
Operating Revenues:			
Charges for Services	\$ 6,317,172	\$ 4,476,264	\$ 2,088,773
Other Operating Revenues	114,102	43,803	21,543
Total Operating Revenues	6,431,274	4,520,067	2,110,316
Operating Expenses:			
Personal Services	2,998,305	2,368,847	1,395,699
Contractual Services	1,849,183	1,211,055	134,637
Materials and Supplies	807,802	207,848	588,120
Depreciation	1,150,655	574,446	85,990
Total Operating Expenses	6,805,945	4,362,196	2,204,446
Operating Income (Loss)	(374,671)	157,871	(94,130)
Non-Operating Revenue (Expenses):			
Interest and Fiscal Charges	(126,934)	(158,288)	0
Total Non-Operating Revenues (Expenses)	(126,934)	(158,288)	0
Income (Loss) Before Contributions and Transfers	(501,605)	(417)	(94,130)
Capital Contributions	907,178	0	0
Transfers In	13,586	9,933	0
Change in Net Position	419,159	9,516	(94,130)
Net Position Beginning of Year, Restated	9,771,012	4,257,633	696,939
Net Position End of Year	\$ 10,190,171	\$ 4,267,149	\$ 602,809

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

<u>Nonmajor</u> <u>Primary Care</u>	<u>Total</u>	Governmental Activities - <u>Internal Service</u> <u>Funds</u>
\$ 83,026	\$ 12,965,235	\$ 953,262
363,626	543,074	0
<u>446,652</u>	<u>13,508,309</u>	<u>953,262</u>
354,492	7,117,343	434,347
31,767	3,226,642	0
141,776	1,745,546	0
0	1,811,091	0
<u>528,035</u>	<u>13,900,622</u>	<u>434,347</u>
(81,383)	(392,313)	518,915
<u>0</u>	<u>(285,222)</u>	<u>0</u>
<u>0</u>	<u>(285,222)</u>	<u>0</u>
(81,383)	(677,535)	518,915
0	907,178	0
<u>0</u>	<u>23,519</u>	<u>0</u>
(81,383)	253,162	518,915
<u>(181,484)</u>	<u>14,544,100</u>	<u>1,774,368</u>
<u>\$ (262,867)</u>	<u>\$ 14,797,262</u>	<u>\$ 2,293,283</u>
	253,162	
	<u>160,566</u>	
	<u>\$ 413,728</u>	

CITY OF PORTSMOUTH, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$6,381,585	\$4,482,987	\$2,094,029
Cash Received from Interfund Services	0	0	0
Cash Payments for Goods and Services	(2,601,614)	(1,388,728)	(724,105)
Cash Payments to Employees	(2,860,101)	(2,266,777)	(1,321,083)
Customer Deposits Received	105,470	0	0
Customer Deposits Refunded	(93,386)	0	0
Net Cash Provided (Used) by Operating Activities	931,954	827,482	48,841
<u>Cash Flows from Noncapital Financing Activities:</u>			
Loan from Other Funds	0	429,996	0
Receipt of Loan Payment from Other Funds	0	11,496	0
Repayment of Loan to Other Funds	(5,882)	(659,395)	0
Transfer In from Other Funds	13,586	9,933	0
Principal Paid on Ohio Public Works Commission Loan	0	(30,000)	0
Net Cash Provided (Used) by Noncapital Financing Activities	7,704	(237,970)	0
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from Ohio Water Development Authority Loan	473,604	5,408	0
Proceeds from Ohio Public Works Commission Loan	597,756	0	0
Proceeds from Intergovernmental Grants	755,311	0	0
Acquisition and Construction of Assets	(2,148,416)	(120,048)	(177,090)
Principal Paid on Ohio Public Works Commission Loan	0	(57,053)	0
Principal Paid on Ohio Water Development Authority Loan	(274,406)	(192,413)	0
Capital Lease Payment	(296,137)	(67,118)	0
Interest Paid on All Debt	(126,934)	(158,288)	0
Net Cash Used by Capital and Related Financing Activities	(1,019,222)	(589,512)	(177,090)
Net Increase (Decrease) in Cash and Cash Equivalents	(79,564)	0	(128,249)
Cash and Cash Equivalents at Beginning of Year	1,300,403	0	570,001
Cash and Cash Equivalents at End of Year	\$1,220,839	\$0	\$441,752
<u>Reconciliation of Cash and Cash Equivalent per the Statement of Net Position:</u>			
Cash and Cash Equivalents	\$851,093	\$0	\$441,752
Restricted Cash and Cash Equivalents	369,746	0	0
Cash and Cash Equivalents at End of Year	\$1,220,839	\$0	\$441,752

CITY OF PORTSMOUTH, OHIO

<u>Nonmajor</u>		Governmental Activities Internal Service Fund
Primary Care	Total	
\$446,652	\$13,405,253	\$0
0	0	953,262
(175,450)	(4,889,897)	(395,830)
(283,252)	(6,731,213)	0
0	105,470	0
0	(93,386)	0
<u>(12,050)</u>	<u>1,796,227</u>	<u>557,432</u>
35,000	464,996	0
0	11,496	0
0	(665,277)	0
0	23,519	0
0	(30,000)	0
<u>35,000</u>	<u>(195,266)</u>	<u>0</u>
0	479,012	0
0	597,756	0
0	755,311	0
0	(2,445,554)	0
0	(57,053)	0
0	(466,819)	0
0	(363,255)	0
0	(285,222)	0
<u>0</u>	<u>(1,785,824)</u>	<u>0</u>
22,950	(184,863)	557,432
9,675	1,880,079	1,805,543
<u>\$32,625</u>	<u>\$1,695,216</u>	<u>\$2,362,975</u>
\$32,625	\$1,325,470	\$2,362,975
0	369,746	0
<u>\$32,625</u>	<u>\$1,695,216</u>	<u>\$2,362,975</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018**

	Business-Type Activities		
	Enterprise Funds		
	Major		
	Water	Sewer	Sanitation
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$374,671)	\$157,871	(\$94,130)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	1,150,655	574,446	85,990
Changes in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
Increase in Accounts Receivable	(49,689)	(37,080)	(16,287)
Increase in Inventory	0	372	0
Increase in Prepaid Items	0	0	(189)
Decrease in Deferred Outflows-Pension	440,105	371,341	190,679
Increase in Deferred Outflows-OPEB	(68,060)	(41,305)	(23,279)
Increase (Decrease) in Accounts Payable	55,371	29,803	(1,159)
Increase (Decrease) in Intergovernmental Payable	(2,087)	(351)	1,130
Increase in Accrued Wages and Benefits	2,160	10,632	4,646
Increase in Claims Payable	0	0	0
Increase in Customer Deposits	12,084	0	0
Increase (Decrease) in Compensated Absences	(20,807)	627	0
Decrease in Net Pension Liability	(675,968)	(616,646)	(291,254)
Increase in Net OPEB Liability	75,448	47,019	26,163
Increase in Deferred Inflows-Pension	304,947	279,360	137,935
Increase in Deferred Inflows-OPEB	82,466	51,393	28,596
Total Adjustments	1,306,625	669,611	142,971
Net Cash Provided by Operating Activities	\$931,954	\$827,482	\$48,841

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2018 the Water Fund had outstanding liabilities of \$767,224 for certain capital assets.

At December 31, 2018 the Water Fund had an outstanding capital grant receivable of \$160,476.

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

Nonmajor		Governmental Activities Internal Service Fund
Primary Care	Total	
(\$81,383)	(\$392,313)	\$518,915
0	1,811,091	0
0	(103,056)	0
0	372	0
(1,907)	(2,096)	0
46,810	1,048,935	0
(7,971)	(140,615)	0
0	84,015	0
3,031	1,723	0
0	17,438	0
0	0	38,517
0	12,084	0
0	(20,180)	0
(31,960)	(1,615,828)	0
8,555	157,185	0
43,425	765,667	0
9,350	171,805	0
69,333	2,188,540	38,517
(\$12,050)	\$1,796,227	\$557,432

CITY OF PORTSMOUTH, OHIO

**Statement of Net Position
Fiduciary Funds
December 31, 2018**

	Private Purpose Trust	
	<u>Private Purpose</u>	<u>Agency</u>
Assets:		
Cash and Cash Equivalents	\$ 66,817	\$ 0
Receivables:		
Accounts	0	606,427
Restricted Assets:		
Cash and Cash Equivalents	0	50,814
Total Assets	<u>66,817</u>	<u>657,241</u>
Liabilities:		
Intergovernmental Payable	0	19,508
Claims Payable	54,738	0
Due to Others	0	637,733
Total Liabilities	<u>54,738</u>	<u>657,241</u>
Unrestricted	<u>12,079</u>	<u>0</u>
Total Net Position	<u>\$ 12,079</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

CITY OF PORTSMOUTH, OHIO

***Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended December 31, 2018***

	<u>Private Purpose</u>
Additions:	
Total Additions	\$ 0
Deductions:	
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><u> \$ 12,079</u></u>

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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, 2018 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, 2018***

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, 2018***

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, 2018***

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, 2018***

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, 2018***

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 2018.

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 2018. 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, 2018***

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:

	<u>Net Change in Fund Balance</u>
	<u>General Fund</u>
GAAP Basis (as reported)	\$1,245,509
Increase (Decrease):	
Accrued Revenues at December 31, 2018 received during 2019	(2,244,446)
Accrued Revenues at December 31, 2017 received during 2018	1,830,401
Accrued Expenditures at December 31, 2018 paid during 2019	273,233
Accrued Expenditures at December 31, 2017 paid during 2018	(292,839)
2017 Prepays for 2018	32,680
2018 Prepays for 2019	(27,938)
Perspective Difference-	
Budgeted Special Revenue Funds reclassified as General Fund	110,212
Outstanding Encumbrances	(358,000)
Budget Basis	<u>\$568,812</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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, 2018, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

I. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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. Donated capital assets are recorded at their acquisition value as of the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Position and in the respective funds.

3. Depreciation

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

Description	Governmental and Business-Type Activities Estimated Lives (in years)
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:

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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/Other Postemployment Benefits (OPEB)

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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, 2018***

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 and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

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 and OPEB plans are reported on the government-wide and proprietary statements of net position explained in Notes 11 and 12.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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 2018, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” Statement No. 85, “Omnibus 2017,” and Statement No. 86, “Certain Debt Extinguishment Issues.”

GASB Statement No. 75 addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to OPEB.

GASB Statement No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE (Continued)

The implementation of GASB 75 had the following effect on net position as reported December 31, 2017:

	Governmental Activities	Business-type Activities	Water Fund	Sewer Fund
Net position December 31, 2017	\$16,879,488	\$17,279,722	\$10,789,184	\$4,891,044
Adjustments:				
Net OPEB Liability	(13,645,943)	(2,149,131)	(1,031,577)	(642,875)
Deferred Outflow - Payments Subsequent to the Measurement Date	57,556	29,106	13,405	9,464
Restated Net Position December 31, 2017	<u>\$3,291,101</u>	<u>\$15,159,697</u>	<u>\$9,771,012</u>	<u>\$4,257,633</u>
	Sanitation Fund	Primary Care Fund		
Net position December 31, 2017	\$1,049,683	(\$65,786)		
Adjustments:				
Net OPEB Liability	(357,715)	(116,964)		
Deferred Outflow - Payments Subsequent to the Measurement Date	4,971	1,266		
Restated Net Position December 31, 2017	<u>\$696,939</u>	<u>(\$181,484)</u>		

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

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	\$29,990	\$0	\$0	\$8,705	\$38,695
Supplies Inventory	45,448	0	0	0	45,448
Endowment	0	0	0	26,843	26,843
Total Nonspendable	<u>75,438</u>	<u>0</u>	<u>0</u>	<u>35,548</u>	<u>110,986</u>
Restricted:					
Transportation Projects	0	0	0	691,940	691,940
Court Projects	0	0	0	723,378	723,378
Public Safety	0	0	0	658,418	658,418
Health	0	0	0	426,156	426,156
Cemetery	0	0	0	182,997	182,997
Community Development	0	0	0	229,055	229,055
Debt Retirement	0	95,381	0	0	95,381
Capital Improvements	0	0	1,863,276	0	1,863,276
Parks and Recreation	0	0	0	30,992	30,992
Total Restricted	<u>0</u>	<u>95,381</u>	<u>1,863,276</u>	<u>2,942,936</u>	<u>4,901,593</u>
Committed:					
Parks and Recreation	0	0	0	30,474	30,474
Health	20,366	0	0	0	20,366
Compensated Absences	154,832	0	0	0	154,832
Total Committed	<u>175,198</u>	<u>0</u>	<u>0</u>	<u>30,474</u>	<u>205,672</u>
Assigned:					
Services and Supplies	358,000	0	0	0	358,000
Total Assigned	<u>358,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>358,000</u>
Unassigned:					
	6,547,594	0	0	(3,448)	6,544,146
Total Fund Balances	<u>\$7,156,230</u>	<u>\$95,381</u>	<u>\$1,863,276</u>	<u>\$3,005,510</u>	<u>\$12,120,397</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

A. Fund Deficit

The fund deficits of \$2,545 in the Municipal Court Security Fund and \$903 in the Rural AIDS State Grant 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. The fund deficit of \$262,867 in the Primary Care Fund (enterprise fund) arose from the recognition of expenses on the 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 \$429,996 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, 2018***

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. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At year end the carrying amount of the City’s deposits was \$13,856,144 and the bank balance was \$14,962,609. Federal depository insurance covered \$388,057 of the bank balance and \$14,574,552 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held in the Ohio Pooled Collateral System	<u>\$14,574,552</u>
Total Balance	<u><u>\$14,574,552</u></u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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 2018 were levied after October 1, 2017 on assessed values as of January 1, 2017, 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 2017. 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, 2018 was \$10.25 per \$1,000 of assessed value. The assessed value upon which the 2018 tax collections were based was \$232,591,780. This amount constituted \$208,638,830 in real property assessed value and \$23,952,950 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 50% of the tax paid to another municipality to a maximum of the total amount assessed.

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

NOTE 7 - RECEIVABLES

Receivables at December 31, 2018 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, 2018***

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables balances at December 31, 2018 are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$429,996	\$24,453
Other Governmental Funds	24,453	0
Total Governmental Funds	<u>454,449</u>	<u>24,453</u>
Sewer Fund	0	429,996
Total Enterprise Funds	<u>0</u>	<u>429,996</u>
	<u>\$454,449</u>	<u>\$454,449</u>

	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$770,000	\$0
Other Governmental Funds	0	735,000
Total Governmental Funds	<u>770,000</u>	<u>735,000</u>
Primary Care Fund	0	35,000
Total Enterprise Funds	<u>0</u>	<u>35,000</u>
	<u>\$770,000</u>	<u>\$770,000</u>

On the Statement of Net Position, the Business-Type Activities reported an internal balance at December 31, 2018 of \$311,167, 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. The Interfund Loan is a short-term loan which will be paid back within the year. The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by December 31, 2018. All interfund receivables are expected to be collected within the next year.

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 9 - TRANSFERS

Following is a summary of Transfers in and out for all funds for 2018:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General Fund	\$113,779	\$262,000
Other Governmental Funds	342,769	218,067
Total Governmental Funds	<u>456,548</u>	<u>480,067</u>
Proprietary Funds:		
Water Fund	13,586	0
Sewer Fund	9,933	0
Total Enterprise Funds	<u>23,519</u>	<u>0</u>
Totals	<u>\$480,067</u>	<u>\$480,067</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.

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 10 - CAPITAL ASSETS

A. Governmental Capital Assets

Summary by category of changes in Governmental Capital Assets:

Historical Cost:

Class	December 31, 2017	Additions	Deletions	December 31, 2018
<i>Capital assets not being depreciated:</i>				
Land	\$1,987,027	\$0	\$0	\$1,987,027
Construction in Progress	0	21,391	0	21,391
Subtotal	1,987,027	21,391	0	2,008,418
<i>Capital assets being depreciated:</i>				
Buildings	6,570,893	73,179	0	6,644,072
Improvements	2,773,082	76,706	0	2,849,788
Machinery and Equipment	10,356,097	926,959	(132,081)	11,150,975
Infrastructure	31,493,180	428,103	(48,441)	31,872,842
Subtotal	51,193,252	1,504,947	(180,522)	52,517,677
Total Cost	\$53,180,279	\$1,526,338	(\$180,522)	\$54,526,095

Accumulated Depreciation:

Class	December 31, 2017	Additions	Deletions	December 31, 2018
Buildings	(\$2,875,302)	(\$140,540)	\$0	(\$3,015,842)
Improvements	(1,577,805)	(103,483)	0	(1,681,288)
Machinery and Equipment	(7,955,122)	(548,893)	132,081	(8,371,934)
Infrastructure	(21,306,398)	(823,631)	44,037	(22,085,992)
Total Depreciation	(\$33,714,627)	(\$1,616,547) *	\$176,118	(\$35,155,056)
<i>Net Value:</i>	\$19,465,652			\$19,371,039

* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$426,228
Public Health & Welfare Services	42,082
Leisure Time Activities	11,665
Community Environment	79,475
Transportation	850,004
General Government	207,093
Total Depreciation Expense	\$1,616,547

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 10 - CAPITAL ASSETS (Continued)

B. Business Type Capital Assets

Summary by Category at December 31, 2018:

Historical Cost:

Class	December 31, 2017	Additions	Deletions	December 31, 2018
<i>Capital assets not being depreciated:</i>				
Land	\$63,504	\$0	\$0	\$63,504
Construction in Progress	162,076	2,439,991	0	2,602,067
Subtotal	225,580	2,439,991	0	2,665,571
<i>Capital assets being depreciated:</i>				
Buildings	6,593,929	248,730	0	6,842,659
Improvements other than Buildings	36,606,442	0	0	36,606,442
Machinery and Equipment	15,179,835	485,923	0	15,665,758
Subtotal	58,380,206	734,653	0	59,114,859
Total Cost	\$58,605,786	\$3,174,644	\$0	\$61,780,430

Accumulated Depreciation:

Class	December 31, 2017	Additions	Deletions	December 31, 2018
Buildings	(\$1,389,031)	(\$152,032)	\$0	(\$1,541,063)
Improvements other than Buildings	(19,763,353)	(768,926)	0	(20,532,279)
Machinery and Equipment	(9,779,787)	(890,133)	0	(10,669,920)
Total Depreciation	(\$30,932,171)	(\$1,811,091)	\$0	(\$32,743,262)

Net Value:

\$27,673,615	\$29,037,168
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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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, 2018**

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):

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

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***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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>
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2018 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$1,063,095 for 2018. Of this amount, \$86,643 is reported as an intergovernmental payable.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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 may be obtained by visiting the OPF website at www.opf.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, 2018**

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>
2018 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee:		
January 1, 2018 through December 31, 2018	12.25 %	12.25 %
2018 Actual Contribution Rates		
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, 2018 through December 31, 2018	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$1,026,790 for 2018. Of this amount, \$82,125 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, 2017, 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, 2017, and was determined by rolling forward the total pension liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$7,978,164	\$11,740,270	\$19,718,434
Proportion of the Net Pension Liability-2018	0.050855%	0.191289%	
Proportion of the Net Pension Liability-2017	<u>0.051062%</u>	<u>0.229788%</u>	
Percentage Change	<u>(0.000207%)</u>	<u>(0.03850%)</u>	
Pension Expense	\$1,509,172	\$1,333,146	\$2,842,318

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$953,444	\$511,585	\$1,465,029
Differences between expected and actual experience	8,148	178,167	186,315
Change in proportionate share	89,907	1,253,649	1,343,556
City contributions subsequent to the measurement date	<u>1,063,095</u>	<u>1,026,790</u>	<u>2,089,885</u>
Total Deferred Outflows of Resources	<u>\$2,114,594</u>	<u>\$2,970,191</u>	<u>\$5,084,785</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$1,712,807	\$406,125	\$2,118,932
Differences between expected and actual experience	157,224	21,237	178,461
Change in proportionate share	<u>234,125</u>	<u>1,833,557</u>	<u>2,067,682</u>
Total Deferred Inflows of Resources	<u>\$2,104,156</u>	<u>\$2,260,919</u>	<u>\$4,365,075</u>

\$2,089,885 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2019	\$589,543	\$251,269	\$840,812
2020	(184,155)	144,492	(39,663)
2021	(754,228)	(276,153)	(1,030,381)
2022	(703,817)	(196,446)	(900,263)
2023	0	(188,164)	(188,164)
2024	<u>0</u>	<u>(52,516)</u>	<u>(52,516)</u>
Total	<u>(\$1,052,657)</u>	<u>(\$317,518)</u>	<u>(\$1,370,175)</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, 2018***

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, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA (Pre 1/7/13 retirees)	3 percent simple
COLA or Ad Hoc COLA (Post 1/7/13 retirees)	3 percent simple through 2018. 2.15 percent simple, thereafter
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

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.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

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 2017 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 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability was 7.5 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 7.5 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 (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$14,167,186	\$7,978,164	\$2,818,384

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – OPF

OPF’s total pension liability as of December 31, 2017 is based on the results of an actuarial valuation date of January 1, 2017, 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, 2017, are presented below:

Valuation Date	January 1, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Increases	3.25 percent
Inflation Assumptions	2.75 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent for increases based on the lesser of the increase in CPI and 3%.

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%. Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

	Age	Police	Fire
Healthy Mortality			
	67 or less	77%	68%
	68-77	105%	87%
	78 and up	115%	120%
Disabled Mortality			
	59 or less	35%	35%
	60-69	60%	45%
	70-79	75%	70%
	80 and up	100%	90%

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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.

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, 2017 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	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected *	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Real Assets	5.00	6.87
Master Limited Partnerships	8.00	7.36
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 8.00 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 8.00 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 11 – DEFINED BENEFIT PENSION PLANS (Continued)

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 8.00 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 (7.00 percent), or one percentage point higher (9.00 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	\$16,275,092	\$11,740,270	\$8,041,707

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2018.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

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 2018, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contractually required contribution to OP&F was \$24,011 for 2018. Of this amount, \$1,920 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2017, and was determined by rolling forward the total OPEB liability as of January 1, 2017, to December 31, 2017. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$5,245,024	\$10,838,167	\$16,083,191
Proportion of the Net OPEB Liability-2018	0.048300%	0.191289%	
Proportion of the Net OPEB Liability-2017	<u>0.048390%</u>	<u>0.229788%</u>	
Percentage Change	<u>(0.000090%)</u>	<u>(0.03850%)</u>	
OPEB Expense	\$428,075	\$597,758	\$1,025,833

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Changes in assumptions	\$381,894	\$1,057,574	\$1,439,468
Differences between expected and actual experience	4,086	0	4,086
City contributions subsequent to the measurement date	<u>0</u>	<u>24,011</u>	<u>24,011</u>
Total Deferred Outflows of Resources	<u>\$385,980</u>	<u>\$1,081,585</u>	<u>\$1,467,565</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$390,719	\$71,342	\$462,061
Differences between expected and actual experience	0	54,663	54,663
Change in proportionate share	<u>0</u>	<u>1,577,884</u>	<u>1,577,884</u>
Total Deferred Inflows of Resources	<u>\$390,719</u>	<u>\$1,703,889</u>	<u>\$2,094,608</u>

\$24,011 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2019	\$86,857	(\$101,896)	(\$15,039)
2020	86,857	(101,896)	(15,039)
2021	(80,774)	(101,896)	(182,670)
2022	(97,679)	(101,898)	(199,577)
2023	0	(84,061)	(84,061)
2024	0	(84,061)	(84,061)
2025	<u>0</u>	<u>(70,607)</u>	<u>(70,607)</u>
Total	<u>(\$4,739)</u>	<u>(\$646,315)</u>	<u>(\$651,054)</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future 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.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 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	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City’s proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease █ (2.85%)	Current Discount Rate █ (3.85%)	1% Increase █ (4.85%)
City's proportionate share of the net OPEB liability	\$6,968,241	\$5,245,024	\$3,850,959

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$5,018,370	\$5,245,024	\$5,479,152

Actuarial Assumptions – OP&F

OP&F’s total OPEB liability as of December 31, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 12 - DEFINED BENEFIT OPEB 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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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

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

Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.24 percent
Prior measurement date	3.79 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016. The prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted 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. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2017, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	16.00	5.21
Non-US Equity	16.00	5.40
Core Fixed Income *	20.00	2.37
Global Inflation Protected Securities*	20.00	2.33
High Yield	15.00	4.48
Real Estate	12.00	5.65
Private Markets	8.00	7.99
Timber	5.00	6.87
Master Limited Partnerships	8.00	7.36
Total	<u>120.00 %</u>	

Note: Assumptions are geometric.

* levered 2x

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on the 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 OPEB liability was calculated using the discount rate of 3.24 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 3.16 percent at December 31, 2017 and 3.71 percent at December 31, 2016, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.24 percent. The municipal bond rate was determined using the S&P Municipal Bond 20 Year High Grade Rate Index. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2025. The long-term expected rate of return on health care investments was applied to projected costs through 2025, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.24 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.24 percent), or one percentage point higher (4.24 percent) than the current rate.

	1% Decrease (2.24%)	Current Discount Rate (3.24%)	1% Increase (4.24%)
City's proportionate share of the net OPEB liability	\$13,547,839	\$10,838,167	\$8,753,193

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 12 - DEFINED BENEFIT OPEB PLANS (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

Year	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

To illustrate the potential impact, the following table presents the net OPEB liability calculated using the current healthcare cost trend current rates as outlined in the table above, a one percent decrease in the trend rates and a one percent increase in the trend rates.

	1% Decrease	Current Rates	1% Increase
City's proportionate share of the net OPEB liability	\$8,419,283	\$10,838,167	\$14,098,004

Changes between Measurement Date and Report Date

In March 2018, the OP&F Board of Trustees approved the implementation date and framework for a new health care model. Beginning January 1, 2019, the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. The impact to the City's NOL is not known.

CITY OF PORTSMOUTH, OHIO

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

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

Long-term debt and other long-term obligations of the City at December 31, 2018 were as follows:

				Restated Balance December 31, 2017	Additions	(Deletions)	Balance December 31, 2018	Amount due Within One Year
Business-Type Activities Long-Term Debt:								
Ohio Public Works Commission Loans:								
2000	0.0%	Wastewater Improvement	2021	\$120,000	\$0	(\$30,000)	\$90,000	\$30,000
2008	0.0%	Wastewater-Sludge Digester	2029	420,000	0	(35,000)	385,000	35,000
2011	0.0%	Wastewater-Primary Clarifier	2028	441,049	0	(22,053)	418,996	22,052
2014	0.0%	Wastewater-Grandview Avenue	2035	580,207	0	0	580,207	0
2018	0.0%	Water - Sunrise Reservoir Water Main	2048	0	597,756	0	597,756	0
Total Ohio Public Works Commission Loans				1,561,256	597,756	(87,053)	2,071,959	87,052
Ohio Water Development Authority Loans:								
2007	3.25%	Water MIEX Installation	2028	2,165,900	0	(186,540)	1,979,360	192,653
2008	4.11%	Wastewater-Sludge Digester	2038	402,114	0	(12,818)	389,296	13,351
2009	3.43%	Wastewater-Lawson Run	2031	1,239,109	0	(77,097)	1,162,012	79,764
2010	0.00%	Water-High Service Pumps	2029	25,895	0	(2,252)	23,643	2,252
2010	4.39%	Wastewater-Collection System	2016	615,306	0	(16,496)	598,810	16,951
2012	2.00%	Water-Filtration Filter Rebuild	2032	1,288,303	0	(80,596)	1,207,707	82,216
2014	3.30%	Wastewater-Sewer Improvements	2044	3,530,202	5,408	(86,002)	3,449,608	96,776
2016	2.90%	Water-Sunrise Reservoir	2039	166,418	473,604	(5,018)	635,004	0
Total Ohio Water Development Authority Loans				9,433,247	479,012	(466,819)	9,445,440	483,963
Net Pension Liability								
Ohio Public Employees Retirement System				5,123,946	0	(1,615,828)	3,508,118	0
Net OPEB Liability								
Ohio Public Employees Retirement System				2,149,131	157,185	0	2,306,316	0
Compensated Absences				79,034	228,828	(249,008)	58,854	13,165
Capital Lease - Enterprise Funds				363,255	0	(363,255)	0	0
Total Business-Type Long-Term Debt				\$18,709,869	\$1,462,781	(\$2,781,963)	\$17,390,687	\$584,180
Governmental Activities Long-Term Debt:								
General Obligation Bond								
2016	2.52%	Refunding General Obligation Bond-Police and Fireman's Disability/Pension	2025	\$1,025,000	\$0	(\$120,000)	\$905,000	\$120,000
Net Pension Liability								
Ohio Public Employees Retirement System				6,471,366	0	(2,001,320)	4,470,046	0
Ohio Police and Fire Pension Fund				14,554,541	0	(2,814,271)	11,740,270	0
Total Net Pension Liability				21,025,907	0	(4,815,591)	16,210,316	0
Net OPEB Liability								
Ohio Public Employees Retirement System				2,738,423	200,285	0	2,938,708	0
Ohio Police and Fire Pension Fund				10,907,520	0	(69,353)	10,838,167	0
Total Net OPEB Liability				13,645,943	200,285	(69,353)	13,776,875	0
Compensated Absences				676,616	792,572	(700,117)	769,071	139,346
Capital Lease Payable				43,575	0	(43,575)	0	0
Total Governmental Activities				\$36,417,041	\$992,857	(\$5,748,636)	\$31,661,262	\$259,346

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

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

				<u>Original Issue</u>
Business-Type Activities				
Ohio Public Works Commission Loans (OPWC):				
0.00%	Wastewater Improvement	2001-2021		\$600,000
0.00%	Wastewater-Sludge Digester	2008-2029		700,000
0.00%	Wastewater-Primary Clarifier	2011-2028		441,049
0.00%	Wastewater-Grandview Avenue	2014-2035		580,207 *
0.00%	Water - Sunrise Reservoir Water Main	2018-2048		597,756 *
Total OPWC Loans				<u>\$2,919,012</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		3,738,695 *
2.90%	Water-Sunrise Reservoir Improvements	2016-2039		645,040 *
Total OWDA Loans				<u>\$12,792,579</u>
* Amount Disbursed as of December 31, 2018				
Governmental Activities Long-Term Debt				
General Obligation Bonds:				
Police and Fireman's Disability and Pension				
2.52%	Refunding	2016-2025		\$1,250,000
Total General Obligation Bonds				<u>\$1,250,000</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 \$3,449,608 at December 31, 2018.

In 2018, the City entered into an agreement with the OWDA, as administrator for the U.S. Environmental Protection Agency (EPA), for the City to receive a loan in the amount of \$1,133,222 for water main replacement and pump. The amount is subject to change and has not been finalized. The interest rate on the loan is 2.9% per annum. An estimate of future financing requirements has been made based on the remaining loan balance of \$1,143,693 at December 31, 2018.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

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, 2018 follows:

Business-Type Activities:				
Years	OPWC Loans		OWDA Loan	
	Principal	Interest	Principal	Interest
2019	\$87,052	\$0	\$483,963	\$279,152
2020	142,053	0	522,750	264,861
2021	142,053	0	538,891	249,595
2022	112,053	0	555,546	233,845
2023	112,053	0	572,732	217,593
2024-2028	560,262	0	2,883,780	827,417
2029-2033	420,262	0	1,643,784	482,610
2034-2038	278,415	0	1,287,592	269,193
2039-2043	100,000	0	956,402	69,096
2044-2048	100,000	0	0	0
2049	17,756	0	0	0
Totals	<u>\$2,071,959</u>	<u>\$0</u>	<u>\$9,445,440</u>	<u>\$2,893,362</u>

Governmental Activities:		
Years	General Obligation Bonds	
	Principal	Interest
2019	\$120,000	\$22,806
2020	120,000	19,782
2021	125,000	16,758
2022	130,000	13,608
2023	135,000	10,332
2024-2026	275,000	10,458
Totals	<u>\$905,000</u>	<u>\$93,744</u>

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2018***

NOTE 14 - INSURANCE AND RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City 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 \$69,692 reported in the fund at December 31, 2018 is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability is based on an estimate provided by the third party administrator.

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2017	\$51,003	\$388,604	(\$408,432)	\$31,175
2018	\$31,175	\$434,347	(\$395,830)	\$69,692

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.

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2018**

NOTE 15 – CONTINGENCIES (Continued)

B. Federal and State Grants

For the period January 1, 2018 to December 31, 2018, 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.

NOTE 16 – SIGNIFICANT COMMITMENTS

As of December 31, 2018, the City had the following commitments with respect to capital projects:

<u>Contractual Commitments</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Sunrise Reservoir	\$378,404	2019

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

Governmental Funds:	
General Fund	\$358,000
Capital Improvement Fund	1,250,000
Other Governmental Funds	<u>61,423</u>
Total Governmental Funds	1,669,423
Enterprise Funds:	
Water Fund	290,000
Sewer Fund	<u>38,000</u>
Total Enterprise Funds	<u>328,000</u>
Total	<u>\$1,997,423</u>

NOTE 17 – 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

CITY OF PORTSMOUTH, OHIO

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

Ohio Public Employees Retirement System

Year	<u>2014</u>	<u>2015</u>	<u>2016</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 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 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>2014</u>	<u>2015</u>	<u>2016</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 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 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 2014 is not available.

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

CITY OF PORTSMOUTH, OHIO

<u>2017</u>	<u>2018</u>
0.051062%	0.050855%
\$11,595,312	\$7,978,164
\$6,627,308	\$6,586,669
174.96%	121.13%
77.25%	84.66%

<u>2017</u>	<u>2018</u>
0.229788%	0.191289%
\$14,554,541	\$11,740,270
\$4,729,486	\$4,158,486
307.74%	282.32%
68.36%	70.91%

CITY OF PORTSMOUTH, OHIO

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

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$880,654	\$816,208	\$800,245
Contributions in relation to the contractually required contribution	<u>880,654</u>	<u>816,208</u>	<u>800,245</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$6,774,262	\$6,801,733	\$6,668,708
Contributions as a percentage of covered payroll	13.00%	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>
Contractually required contribution	\$718,990	\$819,318	\$840,603
Contributions in relation to the contractually required contribution	<u>718,990</u>	<u>819,318</u>	<u>840,603</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$3,981,831	\$3,799,457	\$3,949,444
Contributions as a percentage of covered payroll	18.06%	21.56%	21.28%

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

Notes: The City implemented GASB Statement 68 in 2015.

CITY OF PORTSMOUTH, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>
\$795,277	\$856,267	\$1,063,095
<u>795,277</u>	<u>856,267</u>	<u>1,063,095</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,627,308	\$6,586,669	\$7,593,536
12.00%	13.00%	14.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>
\$1,031,501	\$884,510	\$1,026,790
<u>1,031,501</u>	<u>884,510</u>	<u>1,026,790</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,729,486	\$4,158,486	\$4,802,572
21.81%	21.27%	21.38%



CITY OF PORTSMOUTH, OHIO

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

Ohio Public Employees Retirement System

Year	2017	2018
City's proportion of the net OPEB liability	0.048390%	0.048300%
City's proportionate share of the net OPEB liability	\$4,887,554	\$5,245,024
City's covered payroll	\$6,627,308	\$6,586,669
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	73.75%	79.63%
Plan fiduciary net position as a percentage of the total OPEB liability	54.50%	54.14%

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

Ohio Police and Fire Pension Fund

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

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

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2017 is not available.

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

CITY OF PORTSMOUTH, OHIO

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

Ohio Public Employees Retirement System

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$67,743	\$136,035	\$133,374
Contributions in relation to the contractually required contribution	<u>67,743</u>	<u>136,035</u>	<u>133,374</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$6,774,262	\$6,801,733	\$6,668,708
Contributions as a percentage of covered payroll	1.00%	2.00%	2.00%

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>
Contractually required contribution	\$143,238	\$18,997	\$19,747
Contributions in relation to the contractually required contribution	<u>143,238</u>	<u>18,997</u>	<u>19,747</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City's covered payroll	\$3,981,831	\$3,799,457	\$3,949,444
Contributions as a percentage of covered payroll	3.60%	0.50%	0.50%

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

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2013 is not available. Additional years' information will be displayed as it becomes available.

CITY OF PORTSMOUTH, OHIO

<u>2016</u>	<u>2017</u>	<u>2018</u>
\$132,546	\$65,866	\$0
<u>132,546</u>	<u>65,866</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,627,308	\$6,586,669	\$7,593,536
2.00%	1.00%	0.00%

<u>2016</u>	<u>2017</u>	<u>2018</u>
\$23,645	\$20,796	\$24,011
<u>23,645</u>	<u>20,796</u>	<u>24,011</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,729,486	\$4,158,486	\$4,802,572
0.50%	0.50%	0.50%

***Notes to the Required Supplemental Information
For the Year Ended December 31, 2018***

NET PENSION LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2018.

Changes in assumptions:

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

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

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%

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

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: There were no changes in benefit terms for the period 2014-2018.

Changes in assumptions:

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

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

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%

***Notes to the Required Supplemental Information
For the Year Ended December 31, 2018***

NET OPEB LIABILITY

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms: For 2018, there were no changes in benefit terms.

Changes in assumptions: For 2018, the single discount rate changed from 4.23% to 3.85%.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms: For 2018, there were no changes in benefit terms.

Changes in assumptions: For 2018, the single discount rate changed from 3.79% to 3.24%.

*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Municipal Court Grants Fund

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

Municipal Court Subsidy Fund

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

Municipal Court Special Projects Fund

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

Municipal Court Probation Services Fund

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

Municipal Court Programs Fund

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

Justice Reinvestment and Incentive Grant Fund

To account for grant monies to the probation department to adopt policies and practices for reducing the number of offenders on probation supervision who violate the conditions of the supervision.

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

(Continued)

Special Revenue Funds

Fire Pension Fund

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

Police Pension Fund

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

D.A.R.E. State Grant Fund

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

Police Donation Fund

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

Justice Assistance Grant (JAG) Grants Fund

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

Community Oriented Policing Services (COPS) Fast Grant Fund

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

Indigent Drivers Alcohol Treatment Fund

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

Indigent Drivers Alcohol Monitoring Fund

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

Enforcement and Education Fund

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

Mandatory Fines Fund

To account for mandatory fines for drug offenses.

Law Enforcement Fund

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

Federal Forfeitures Fund

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

(Continued)

Special Revenue Funds

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

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.

Rural Health Opioid Program Fund

To account for federal grant funds to be used for expanding the delivery of opioid related health care services.

F.E.M.A. Grant Fund

To account for Federal Emergency Management Agency funds received as reimbursement for flood damage. (The Balance Sheet is not presented because there are no assets or liabilities at year end.).

Ryan White Title III Fund

To account for federal grant funds to assist clients with early intervention services with respect to HIV. (The Balance Sheet is not presented because there are no assets or liabilities at year end.).

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).

(Continued)

Special Revenue Funds

Land Reutilization Fund

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

Council Trust for Recreation Fund

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

Playground Trust Fund

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

Permanent Funds

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

Cemetery Trust Fund

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

Mausoleum Trust Fund

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

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:			
Cash and Cash Equivalents	\$ 2,891,806	\$ 0	\$ 2,891,806
Receivables (net of allowance for doubtful accounts):			
Taxes	402,116	0	402,116
Accounts	262,595	0	262,595
Intergovernmental	1,252,699	0	1,252,699
Due from Other Funds	24,453	0	24,453
Prepaid Items	8,705	0	8,705
Restricted Assets:			
Cash and Cash Equivalents	0	209,840	209,840
Total Assets	\$ 4,842,374	\$ 209,840	\$ 5,052,214
Liabilities:			
Accounts Payable	\$ 21,263	\$ 0	\$ 21,263
Accrued Wages and Benefits Payable	5,716	0	5,716
Intergovernmental Payable	31,412	0	31,412
Interfund Loans Payable	735,000	0	735,000
Total Liabilities	793,391	0	793,391
Deferred Inflows of Resources			
Property Tax	301,000	0	301,000
Unavailable Revenue	952,313	0	952,313
Total Deferred Inflows of Resources	1,253,313	0	1,253,313
Fund Balances:			
Nonspendable	8,705	26,843	35,548
Restricted	2,759,939	182,997	2,942,936
Committed	30,474	0	30,474
Unassigned	(3,448)	0	(3,448)
Total Fund Balances	2,795,670	209,840	3,005,510
Total Liabilities, Deferred Inflows of Resources, and Funds Balances	\$ 4,842,374	\$ 209,840	\$ 5,052,214

CITY OF PORTSMOUTH, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2018**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ 412,160	\$ 0	\$ 412,160
Intergovernmental Revenues	3,609,142	0	3,609,142
Charges for Services	482,517	2,000	484,517
Investment Earnings	13	0	13
Fines and Forfeitures	556,385	0	556,385
All Other Revenue	29,331	0	29,331
Total Revenue	<u>5,089,548</u>	<u>2,000</u>	<u>5,091,548</u>
Expenditures:			
Current:			
Security of Persons and Property	517,199	0	517,199
Public Health and Welfare Services	2,426,315	8,130	2,434,445
Leisure Time Activities	67,786	0	67,786
Community Environment	112,401	0	112,401
Transportation	856,957	0	856,957
General Government	904,510	0	904,510
Total Expenditures	<u>4,885,168</u>	<u>8,130</u>	<u>4,893,298</u>
Excess (Deficiency) of Revenues Over Expenditures	204,380	(6,130)	198,250
Other Financing Sources (Uses):			
Transfers In	342,769	0	342,769
Transfers Out	(218,067)	0	(218,067)
Total Other Financing Sources (Uses)	<u>124,702</u>	<u>0</u>	<u>124,702</u>
Net Change in Fund Balances	329,082	(6,130)	322,952
Fund Balances at Beginning of Year	2,482,350	215,970	2,698,320
Decrease in Inventory	(15,762)	0	(15,762)
Fund Balances End of Year	<u>\$ 2,795,670</u>	<u>\$ 209,840</u>	<u>\$ 3,005,510</u>

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018**

	Municipal Court Grants	Municipal Court Special Project	Municipal Court Probation Services
Assets:			
Cash and Cash Equivalents	\$ 40,704	\$ 188,785	\$ 179,355
Receivables (net of allowance for doubtful accounts):			
Taxes	0	0	0
Accounts	0	67,744	165,782
Intergovernmental	75,552	0	0
Due from Other Funds	0	0	0
Prepaid Items	0	0	400
Total Assets	\$ 116,256	\$ 256,529	\$ 345,537
Liabilities:			
Accounts Payable	\$ 0	\$ 2,930	\$ 0
Accrued Wages and Benefits Payable	0	976	0
Intergovernmental Payable	2,925	674	1,568
Interfund Loans Payable	0	0	0
Total Liabilities	2,925	4,580	1,568
Deferred Inflows of Resources:			
Property Tax	0	0	0
Unavailable Revenue	37,776	46,872	114,705
Total Deferred Inflows of Resources	37,776	46,872	114,705
Fund Balances:			
Nonspendable	0	0	400
Restricted	75,555	205,077	228,864
Committed	0	0	0
Unassigned	0	0	0
Total Fund Balances	75,555	205,077	229,264
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 116,256	\$ 256,529	\$ 345,537

CITY OF PORTSMOUTH, OHIO

Municipal Court Programs	Justice Reinvestment and Incentive Grant	Municipal Court Computer	Municipal Court Security	Fire Pension	Police Pension
\$ 57,868	\$ 13,636	\$ 26,544	\$ 0	\$ 0	\$ 0
0	0	0	0	77,700	77,700
4,754	0	13,879	0	0	0
12,968	28,314	0	0	3,925	3,925
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 75,590</u>	<u>\$ 41,950</u>	<u>\$ 40,423</u>	<u>\$ 0</u>	<u>\$ 81,625</u>	<u>\$ 81,625</u>
\$ 7,022	\$ 0	\$ 754	\$ 0	\$ 0	\$ 0
3,312	0	0	0	0	0
1,245	0	0	2,545	0	0
0	0	0	0	0	0
<u>11,579</u>	<u>0</u>	<u>754</u>	<u>2,545</u>	<u>0</u>	<u>0</u>
0	0	0	0	62,000	62,000
3,289	21,235	9,603	0	19,625	19,625
<u>3,289</u>	<u>21,235</u>	<u>9,603</u>	<u>0</u>	<u>81,625</u>	<u>81,625</u>
0	0	0	0	0	0
60,722	20,715	30,066	0	0	0
0	0	0	0	0	0
0	0	0	(2,545)	0	0
<u>60,722</u>	<u>20,715</u>	<u>30,066</u>	<u>(2,545)</u>	<u>0</u>	<u>0</u>
<u>\$ 75,590</u>	<u>\$ 41,950</u>	<u>\$ 40,423</u>	<u>\$ 0</u>	<u>\$ 81,625</u>	<u>\$ 81,625</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018**

	D.A.R.E. State Grant	Police Donation	JAG Grants
Assets:			
Cash and Cash Equivalents	\$ 52,533	\$ 5,387	\$ 2,365
Receivables (net of allowance for doubtful accounts):			
Taxes	0	0	0
Accounts	0	0	0
Intergovernmental	0	0	0
Due from Other Funds	0	0	0
Prepaid Items	0	0	0
Total Assets	<u>\$ 52,533</u>	<u>\$ 5,387</u>	<u>\$ 2,365</u>
Liabilities:			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0
Intergovernmental Payable	0	0	0
Interfund Loans Payable	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:			
Property Tax	0	0	0
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Nonspendable	0	0	0
Restricted	52,533	5,387	2,365
Committed	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>52,533</u>	<u>5,387</u>	<u>2,365</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 52,533</u>	<u>\$ 5,387</u>	<u>\$ 2,365</u>

CITY OF PORTSMOUTH, OHIO

<u>COPS Fast Grant</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Indigent Drivers Alcohol Monitoring</u>	<u>Enforcement and Education</u>	<u>Mandatory Fines</u>	<u>Law Enforcement</u>
\$ 235,486	\$ 70,739	\$ 14,946	\$ 1,969	\$ 13,424	\$ 70,415
0	0	0	0	0	0
0	5,789	3,470	417	0	0
49,046	0	0	0	50	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$ 284,532</u>	<u>\$ 76,528</u>	<u>\$ 18,416</u>	<u>\$ 2,386</u>	<u>\$ 13,474</u>	<u>\$ 70,415</u>
\$ 0	\$ 0	\$ 1,730	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	1,730	0	0	0
0	0	0	0	0	0
49,046	4,005	2,401	289	0	0
49,046	4,005	2,401	289	0	0
0	0	0	0	0	0
235,486	72,523	14,285	2,097	13,474	70,415
0	0	0	0	0	0
0	0	0	0	0	0
<u>235,486</u>	<u>72,523</u>	<u>14,285</u>	<u>2,097</u>	<u>13,474</u>	<u>70,415</u>
<u>\$ 284,532</u>	<u>\$ 76,528</u>	<u>\$ 18,416</u>	<u>\$ 2,386</u>	<u>\$ 13,474</u>	<u>\$ 70,415</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018**

	Federal Forfeitures	OPOTA Fund	COPS - Hiring Recovery Program Grant
Assets:			
Cash and Cash Equivalents	\$ 102,782	\$ 28,480	\$ 14,805
Receivables (net of allowance for doubtful accounts):			
Taxes	0	0	0
Accounts	0	0	0
Intergovernmental	0	0	0
Due from Other Funds	0	0	0
Prepaid Items	0	0	0
Total Assets	\$ 102,782	\$ 28,480	\$ 14,805
Liabilities:			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0
Intergovernmental Payable	0	0	0
Interfund Loans Payable	0	0	0
Total Liabilities	0	0	0
Deferred Inflows of Resources:			
Property Tax	0	0	0
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	0	0	0
Fund Balances:			
Nonspendable	0	0	0
Restricted	102,782	28,480	14,805
Committed	0	0	0
Unassigned	0	0	0
Total Fund Balances	102,782	28,480	14,805
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 102,782	\$ 28,480	\$ 14,805

CITY OF PORTSMOUTH, OHIO

<u>Rural Law Enforcement Assistance Grant</u>	<u>Street Construction, Maintenance and Repair</u>	<u>State Highway Improvement</u>	<u>Environmental State Grants</u>	<u>Community Development</u>	<u>Tourism and Cultural Development</u>
\$ 13,342	\$ 410,394	\$ 141,891	\$ 156,148	\$ 161,777	\$ 19,682
0	0	0	0	0	23,143
0	0	0	0	0	0
0	425,851	25,371	270,080	82,000	0
0	0	0	0	24,453	0
0	2,503	0	1,303	0	0
<u>\$ 13,342</u>	<u>\$ 838,748</u>	<u>\$ 167,262</u>	<u>\$ 427,531</u>	<u>\$ 268,230</u>	<u>\$ 42,825</u>
\$ 0	\$ 364	\$ 0	\$ 252	\$ 0	\$ 0
0	1,428	0	0	0	0
0	5,775	0	5,284	0	0
0	0	0	0	0	0
0	7,567	0	5,536	0	0
0	0	0	0	0	0
0	287,000	17,000	179,892	82,000	0
0	287,000	17,000	179,892	82,000	0
0	2,503	0	1,303	0	0
13,342	541,678	150,262	240,800	186,230	42,825
0	0	0	0	0	0
0	0	0	0	0	0
<u>13,342</u>	<u>544,181</u>	<u>150,262</u>	<u>242,103</u>	<u>186,230</u>	<u>42,825</u>
<u>\$ 13,342</u>	<u>\$ 838,748</u>	<u>\$ 167,262</u>	<u>\$ 427,531</u>	<u>\$ 268,230</u>	<u>\$ 42,825</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018**

	State Grant Health	Rural AIDS State Grant	Drug Free Communities Grant
Assets:			
Cash and Cash Equivalents	\$ 49,770	\$ 19,087	\$ 71,368
Receivables (net of allowance for doubtful accounts):			
Taxes	0	0	0
Accounts	0	0	0
Intergovernmental	11,164	20,010	0
Due from Other Funds	0	0	0
Prepaid Items	0	0	300
Total Assets	\$ 60,934	\$ 39,097	\$ 71,668
Liabilities:			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0
Intergovernmental Payable	534	0	1,183
Interfund Loans Payable	50,000	40,000	70,000
Total Liabilities	50,534	40,000	71,183
Deferred Inflows of Resources:			
Property Tax	0	0	0
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	0	0	0
Fund Balances:			
Nonspendable	0	0	300
Restricted	10,400	0	185
Committed	0	0	0
Unassigned	0	(903)	0
Total Fund Balances	10,400	(903)	485
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 60,934	\$ 39,097	\$ 71,668

CITY OF PORTSMOUTH, OHIO

<u>Injury Prevention</u>	<u>Family Planning</u>	<u>Rural Health Opioid Program</u>	<u>F.E.M.A. Grant</u>	<u>Flood Defense</u>	<u>Public Health Emergency Preparedness</u>
\$ 55,369	\$ 108,564	\$ 131,951	\$ 20,959	\$ 119,104	\$ 71,689
0	0	0	0	223,573	0
0	0	0	0	760	0
56,860	15,807	0	0	11,377	5,733
0	0	0	0	0	0
0	1,855	0	0	0	0
<u>\$ 112,229</u>	<u>\$ 126,226</u>	<u>\$ 131,951</u>	<u>\$ 20,959</u>	<u>\$ 354,814</u>	<u>\$ 77,422</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,000	\$ 0
0	0	0	0	0	0
2,050	3,305	1,766	0	0	742
<u>90,000</u>	<u>25,000</u>	<u>125,000</u>	<u>0</u>	<u>0</u>	<u>75,000</u>
<u>92,050</u>	<u>28,305</u>	<u>126,766</u>	<u>0</u>	<u>8,000</u>	<u>75,742</u>
0	0	0	0	177,000	0
0	0	0	0	57,950	0
0	0	0	0	234,950	0
0	1,855	0	0	0	0
20,179	96,066	5,185	20,959	111,864	1,680
0	0	0	0	0	0
0	0	0	0	0	0
<u>20,179</u>	<u>97,921</u>	<u>5,185</u>	<u>20,959</u>	<u>111,864</u>	<u>1,680</u>
<u>\$ 112,229</u>	<u>\$ 126,226</u>	<u>\$ 131,951</u>	<u>\$ 20,959</u>	<u>\$ 354,814</u>	<u>\$ 77,422</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018**

	HIV Prevention - Federal	HIV Prevention - State	Land Reutilization
Assets:			
Cash and Cash Equivalents	\$ 112,302	\$ 18,210	\$ 28,299
Receivables (net of allowance for doubtful accounts):			
Taxes	0	0	0
Accounts	0	0	0
Intergovernmental	154,666	0	0
Due from Other Funds	0	0	0
Prepaid Items	1,855	0	0
Total Assets	\$ 268,823	\$ 18,210	\$ 28,299
Liabilities:			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Wages and Benefits Payable	0	0	0
Intergovernmental Payable	1,816	0	0
Interfund Loans Payable	260,000	0	0
Total Liabilities	261,816	0	0
Deferred Inflows of Resources:			
Property Tax	0	0	0
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	0	0	0
Fund Balances:			
Nonspendable	1,855	0	0
Restricted	5,152	18,210	28,299
Committed	0	0	0
Unassigned	0	0	0
Total Fund Balances	7,007	18,210	28,299
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 268,823	\$ 18,210	\$ 28,299

CITY OF PORTSMOUTH, OHIO

Council Trust for Recreation	Playground Trust	Total Nonmajor Special Revenue Funds
\$ 30,685	\$ 30,992	\$ 2,891,806
0	0	402,116
0	0	262,595
0	0	1,252,699
0	0	24,453
489	0	8,705
<u>\$ 31,174</u>	<u>\$ 30,992</u>	<u>\$ 4,842,374</u>
\$ 211	\$ 0	\$ 21,263
0	0	5,716
0	0	31,412
0	0	735,000
<u>211</u>	<u>0</u>	<u>793,391</u>
0	0	301,000
0	0	952,313
<u>0</u>	<u>0</u>	<u>1,253,313</u>
489	0	8,705
0	30,992	2,759,939
30,474	0	30,474
0	0	(3,448)
<u>30,963</u>	<u>30,992</u>	<u>2,795,670</u>
<u>\$ 31,174</u>	<u>\$ 30,992</u>	<u>\$ 4,842,374</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, 2018**

	Municipal Court Grants	Municipal Court Special Project	Municipal Court Probation Services
Revenues:			
Taxes	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	188,879	0	0
Charges for Services	0	0	0
Investment Earnings	0	0	0
Fines and Forfeitures	0	100,430	180,520
All Other Revenue	0	0	0
Total Revenue	<u>188,879</u>	<u>100,430</u>	<u>180,520</u>
Expenditures:			
Current:			
Security of Persons and Property	0	0	0
Public Health and Welfare Services	0	0	0
Leisure Time Activities	0	0	0
Community Environment	0	0	0
Transportation	0	0	0
General Government	253,324	117,294	118,035
Total Expenditures	<u>253,324</u>	<u>117,294</u>	<u>118,035</u>
Excess (Deficiency) of Revenues Over Expenditures	(64,445)	(16,864)	62,485
Other Financing Sources (Uses):			
Transfers In	140,000	0	0
Transfers Out	0	(19,471)	0
Total Other Financing Sources (Uses)	<u>140,000</u>	<u>(19,471)</u>	<u>0</u>
Net Change in Fund Balances	75,555	(36,335)	62,485
Fund Balances at Beginning of Year	0	241,412	166,779
Decrease in Inventory Reserve	0	0	0
Fund Balances End of Year	<u>\$ 75,555</u>	<u>\$ 205,077</u>	<u>\$ 229,264</u>

CITY OF PORTSMOUTH, OHIO

Municipal Court Programs	Justice Reinvestment and Incentive Grant	Municipal Court Computer	Municipal Court Security	Fire Donation	Fire Pension
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 61,678
0	28,315	0	30,000	0	8,094
0	0	0	0	0	0
0	0	0	0	0	0
170,492	0	28,618	47,185	0	0
0	0	0	0	0	0
<u>170,492</u>	<u>28,315</u>	<u>28,618</u>	<u>77,185</u>	<u>0</u>	<u>69,772</u>
0	0	0	0	3,987	69,772
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
123,509	7,600	20,934	248,106	0	0
<u>123,509</u>	<u>7,600</u>	<u>20,934</u>	<u>248,106</u>	<u>3,987</u>	<u>69,772</u>
46,983	20,715	7,684	(170,921)	(3,987)	0
0	0	0	159,500	0	0
<u>(55,500)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(55,500)</u>	<u>0</u>	<u>0</u>	<u>159,500</u>	<u>0</u>	<u>0</u>
(8,517)	20,715	7,684	(11,421)	(3,987)	0
69,239	0	22,382	8,876	3,987	0
0	0	0	0	0	0
<u>\$ 60,722</u>	<u>\$ 20,715</u>	<u>\$ 30,066</u>	<u>\$ (2,545)</u>	<u>\$ 0</u>	<u>\$ 0</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, 2018**

	Police Pension	D.A.R.E. State Grant	Police Donation
Revenues:			
Taxes	\$ 61,678	\$ 0	\$ 0
Intergovernmental Revenues	8,094	0	0
Charges for Services	0	0	0
Investment Earnings	0	0	0
Fines and Forfeitures	0	0	0
All Other Revenue	0	0	0
Total Revenue	<u>69,772</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Security of Persons and Property	69,772	0	1,760
Public Health and Welfare Services	0	0	0
Leisure Time Activities	0	0	0
Community Environment	0	0	0
Transportation	0	0	0
General Government	0	0	0
Total Expenditures	<u>69,772</u>	<u>0</u>	<u>1,760</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(1,760)
Other Financing Sources (Uses):			
Transfers In	0	0	0
Transfers Out	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	(1,760)
Fund Balances at Beginning of Year	0	52,533	7,147
Decrease in Inventory Reserve	0	0	0
Fund Balances End of Year	<u>\$ 0</u>	<u>\$ 52,533</u>	<u>\$ 5,387</u>

CITY OF PORTSMOUTH, OHIO

JAG Grants	COPS Fast Grant	Indigent Drivers Alcohol Treatment	Indigent Drivers Alcohol Monitoring	Enforcement and Education	Mandatory Fines
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	81,712	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	13,009	11,177	594	923
0	3,090	0	0	0	0
0	84,802	13,009	11,177	594	923
0	62,283	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	15,708	0	0
0	62,283	0	15,708	0	0
0	22,519	13,009	(4,531)	594	923
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	22,519	13,009	(4,531)	594	923
2,365	212,967	59,514	18,816	1,503	12,551
0	0	0	0	0	0
\$ 2,365	\$ 235,486	\$ 72,523	\$ 14,285	\$ 2,097	\$ 13,474

(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, 2018***

	Law Enforcement	Federal Forfeitures	OPOTA Fund
Revenues:			
Taxes	\$ 0	\$ 0	\$ 0
Intergovernmental Revenues	0	0	13,600
Charges for Services	0	0	0
Investment Earnings	0	0	0
Fines and Forfeitures	3,437	0	0
All Other Revenue	295	0	0
Total Revenue	<u>3,732</u>	<u>0</u>	<u>13,600</u>
Expenditures:			
Current:			
Security of Persons and Property	42,527	3,994	0
Public Health and Welfare Services	0	0	0
Leisure Time Activities	0	0	0
Community Environment	0	0	0
Transportation	0	0	0
General Government	0	0	0
Total Expenditures	<u>42,527</u>	<u>3,994</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(38,795)	(3,994)	13,600
Other Financing Sources (Uses):			
Transfers In	0	0	0
Transfers Out	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(38,795)	(3,994)	13,600
Fund Balances at Beginning of Year	109,210	106,776	14,880
Decrease in Inventory Reserve	0	0	0
Fund Balances End of Year	<u>\$ 70,415</u>	<u>\$ 102,782</u>	<u>\$ 28,480</u>

CITY OF PORTSMOUTH, OHIO

COPS Hiring Recovery Program Grant	Rural Law Enforcement Assistance Grant	Street Construction, Maintenance and Repair	State Highway Improvement	Environmental State Grants	Community Development
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	862,932	48,568	549,524	11,861
0	0	0	0	0	0
0	0	0	0	0	13
0	0	0	0	0	0
0	0	870	0	7,500	0
0	0	863,802	48,568	557,024	11,874
0	0	0	0	0	0
0	0	0	0	529,281	0
0	0	0	0	0	0
0	0	0	0	0	10,800
0	0	856,957	0	0	0
0	0	0	0	0	0
0	0	856,957	0	529,281	10,800
0	0	6,845	48,568	27,743	1,074
0	0	0	0	18,000	0
0	0	0	0	0	0
0	0	0	0	18,000	0
0	0	6,845	48,568	45,743	1,074
14,805	13,342	552,477	101,694	196,797	185,156
0	0	(15,141)	0	(437)	0
\$ 14,805	\$ 13,342	\$ 544,181	\$ 150,262	\$ 242,103	\$ 186,230

(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, 2018**

	Tourism and Cultural Development	State Grant Health	Rural AIDS State Grant
Revenues:			
Taxes	\$ 101,872	\$ 0	\$ 0
Intergovernmental Revenues	0	54,236	62,178
Charges for Services	0	0	0
Investment Earnings	0	0	0
Fines and Forfeitures	0	0	0
All Other Revenue	0	0	0
Total Revenue	101,872	54,236	62,178
Expenditures:			
Current:			
Security of Persons and Property	0	0	0
Public Health and Welfare Services	0	21,856	65,355
Leisure Time Activities	0	0	0
Community Environment	101,601	0	0
Transportation	0	0	0
General Government	0	0	0
Total Expenditures	101,601	21,856	65,355
Excess (Deficiency) of Revenues Over Expenditures	271	32,380	(3,177)
Other Financing Sources (Uses):			
Transfers In	0	0	0
Transfers Out	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balances	271	32,380	(3,177)
Fund Balances at Beginning of Year	42,554	(21,980)	2,458
Decrease in Inventory Reserve	0	0	(184)
Fund Balances End of Year	\$ 42,825	\$ 10,400	\$ (903)

CITY OF PORTSMOUTH, OHIO

Drug Free Communities Grant	Injury Prevention	Family Planning	Rural Health Opioid Program	F.E.M.A. Grant	Ryan White Title III
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
130,665	138,784	71,175	290,452	164,055	7,294
0	0	436,727	0	0	420
0	0	0	0	0	0
0	0	0	0	0	0
0	99	206	0	0	0
<u>130,665</u>	<u>138,883</u>	<u>508,108</u>	<u>290,452</u>	<u>164,055</u>	<u>7,714</u>
0	0	0	0	0	0
114,031	137,303	420,373	285,267	0	9,052
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>114,031</u>	<u>137,303</u>	<u>420,373</u>	<u>285,267</u>	<u>0</u>	<u>9,052</u>
16,634	1,580	87,735	5,185	164,055	(1,338)
0	0	0	0	0	0
0	0	0	0	(143,096)	0
0	0	0	0	(143,096)	0
<u>16,634</u>	<u>1,580</u>	<u>87,735</u>	<u>5,185</u>	<u>20,959</u>	<u>(1,338)</u>
(16,149)	18,599	10,186	0	0	1,338
0	0	0	0	0	0
<u>\$ 485</u>	<u>\$ 20,179</u>	<u>\$ 97,921</u>	<u>\$ 5,185</u>	<u>\$ 20,959</u>	<u>\$ 0</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, 2018**

	Flood Defense	Public Health Emergency Preparedness	HIV Prevention - Federal
Revenues:			
Taxes	\$ 186,932	\$ 0	\$ 0
Intergovernmental Revenues	23,431	143,304	495,596
Charges for Services	0	0	0
Investment Earnings	0	0	0
Fines and Forfeitures	0	0	0
All Other Revenue	3,100	0	0
Total Revenue	213,463	143,304	495,596
Expenditures:			
Current:			
Security of Persons and Property	263,104	0	0
Public Health and Welfare Services	0	134,730	523,655
Leisure Time Activities	0	0	0
Community Environment	0	0	0
Transportation	0	0	0
General Government	0	0	0
Total Expenditures	263,104	134,730	523,655
Excess (Deficiency) of Revenues Over Expenditures	(49,641)	8,574	(28,059)
Other Financing Sources (Uses):			
Transfers In	25,269	0	0
Transfers Out	0	0	0
Total Other Financing Sources (Uses)	25,269	0	0
Net Change in Fund Balances	(24,372)	8,574	(28,059)
Fund Balances at Beginning of Year	136,236	(6,894)	35,066
Decrease in Inventory Reserve	0	0	0
Fund Balances End of Year	\$ 111,864	\$ 1,680	\$ 7,007

CITY OF PORTSMOUTH, OHIO

HIV Prevention - State	Land Reutilization	Council Trust for Recreation	Playground Trust	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 412,160
179,960	0	16,433	0	3,609,142
0	0	45,370	0	482,517
0	0	0	0	13
0	0	0	0	556,385
0	11,350	500	2,321	29,331
<u>179,960</u>	<u>11,350</u>	<u>62,303</u>	<u>2,321</u>	<u>5,089,548</u>
0	0	0	0	517,199
179,960	5,452	0	0	2,426,315
0	0	67,786	0	67,786
0	0	0	0	112,401
0	0	0	0	856,957
0	0	0	0	904,510
<u>179,960</u>	<u>5,452</u>	<u>67,786</u>	<u>0</u>	<u>4,885,168</u>
0	5,898	(5,483)	2,321	204,380
0	0	0	0	342,769
0	0	0	0	(218,067)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>124,702</u>
0	5,898	(5,483)	2,321	329,082
18,210	22,401	36,446	28,671	2,482,350
0	0	0	0	(15,762)
<u>\$ 18,210</u>	<u>\$ 28,299</u>	<u>\$ 30,963</u>	<u>\$ 30,992</u>	<u>\$ 2,795,670</u>

CITY OF PORTSMOUTH, OHIO

**Combining Balance Sheet
Nonmajor Permanent Funds
December 31, 2018**

	<u>Cemetery Trust</u>	<u>Mausoleum Trust</u>	<u>Total Nonmajor Permanent Funds</u>
Assets:			
Restricted Assets:			
Cash and Cash Equivalents	\$ 204,988	\$ 4,852	\$ 209,840
Total Assets	<u>\$ 204,988</u>	<u>\$ 4,852</u>	<u>\$ 209,840</u>
Fund Balances:			
Nonspendable	\$ 22,339	\$ 4,504	\$ 26,843
Restricted	<u>182,649</u>	<u>348</u>	<u>182,997</u>
Total Fund Balances	<u>\$ 204,988</u>	<u>\$ 4,852</u>	<u>\$ 209,840</u>

CITY OF PORTSMOUTH, OHIO

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Permanent Funds
For the Year Ended December 31, 2018**

	<u>Cemetery Trust</u>	<u>Mausoleum Trust</u>	<u>Total Nonmajor Permanent Funds</u>
Revenues:			
Charges for Services	\$ 2,000	\$ 0	\$ 2,000
Total Revenue	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Expenditures:			
Current:			
Public Health and Welfare Services	8,130	0	8,130
Total Expenditures	<u>8,130</u>	<u>0</u>	<u>8,130</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,130)	0	(6,130)
Fund Balances at Beginning of Year	<u>211,118</u>	<u>4,852</u>	<u>215,970</u>
Fund Balances End of Year	<u>\$ 204,988</u>	<u>\$ 4,852</u>	<u>\$ 209,840</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, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 12,765,000	\$ 14,414,000	\$ 14,414,980	\$ 980
Intergovernmental Revenues	896,219	935,000	935,328	328
Charges for Services	287,000	750,000	747,185	(2,815)
Licenses and Permits	184,000	173,000	172,912	(88)
Investment Earnings	0	9,000	8,988	(12)
Fines and Forfeitures	516,000	503,000	504,158	1,158
All Other Revenues	98,000	314,219	404,597	90,378
Total Revenues	14,746,219	17,098,219	17,188,148	89,929
Expenditures:				
Security of Persons and Property:				
Police:				
Personal Services	4,336,192	4,312,633	4,303,151	9,482
Materials and Supplies	156,181	180,881	179,763	1,118
Contractual Services	256,654	283,748	280,823	2,925
Capital Outlay	2,604	1,504	1,466	38
Total Police	4,751,631	4,778,766	4,765,203	13,563
Fire:				
Personal Services	4,338,548	4,446,053	4,444,909	1,144
Materials and Supplies	81,450	83,248	82,850	398
Contractual Services	131,300	141,473	140,750	723
Capital Outlay	0	230,150	230,150	0
Total Fire	4,551,298	4,900,924	4,898,659	2,265
Police Dispatch:				
Personal Services	616,337	577,837	577,309	528
Contractual Services	9,331	5,831	5,797	34
Total Police Dispatch	625,668	583,668	583,106	562
Street Lighting:				
Contractual Services	213,500	197,051	197,051	0
Capital Outlay	26,190	43,225	43,225	0
Total Street Lighting	239,690	240,276	240,276	0
Total Security of Persons and Property	10,168,287	10,503,634	10,487,244	16,390

(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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Community Environment:				
Building Inspection:				
Personal Services	202,248	156,248	155,168	1,080
Materials and Supplies	13,455	9,455	8,942	513
Contractual Services	<u>66,600</u>	<u>12,100</u>	<u>11,097</u>	<u>1,003</u>
Total Building Inspection	<u>282,303</u>	<u>177,803</u>	<u>175,207</u>	<u>2,596</u>
Administration:				
Personal Services	87,700	91,600	91,385	215
Materials and Supplies	1,050	950	738	212
Contractual Services	<u>3,610</u>	<u>1,610</u>	<u>1,478</u>	<u>132</u>
Total Administration	<u>92,360</u>	<u>94,160</u>	<u>93,601</u>	<u>559</u>
Total Community Environment	<u>374,663</u>	<u>271,963</u>	<u>268,808</u>	<u>3,155</u>
Transportation:				
Traffic Lights:				
Personal Services	164,605	222,205	221,772	433
Materials and Supplies	7,550	13,750	13,312	438
Contractual Services	<u>22,125</u>	<u>22,325</u>	<u>21,520</u>	<u>805</u>
Total Traffic Lights	<u>194,280</u>	<u>258,280</u>	<u>256,604</u>	<u>1,676</u>
Cemetery Grounds:				
Personal Services	130,780	151,380	150,733	647
Materials and Supplies	6,000	11,600	11,345	255
Contractual Services	6,510	18,310	5,969	12,341
Capital Outlay	<u>1,500</u>	<u>1,500</u>	<u>1,484</u>	<u>16</u>
Total Cemetery Grounds	<u>144,790</u>	<u>182,790</u>	<u>169,531</u>	<u>13,259</u>
Recreational Grounds:				
Personal Services	11,871	0	0	0
Materials and Supplies	2,500	0	0	0
Contractual Services	<u>2,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Recreational Grounds	<u>16,871</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Transportation	<u>355,941</u>	<u>441,070</u>	<u>426,135</u>	<u>14,935</u>
General Government:				
City Council:				
Personal Services	123,044	124,544	122,350	2,194
Materials and Supplies	750	750	76	674
Contractual Services	<u>7,050</u>	<u>5,550</u>	<u>4,936</u>	<u>614</u>
Total City Council	<u>130,844</u>	<u>130,844</u>	<u>127,362</u>	<u>3,482</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Executive:				
Personal Services	77,233	150,333	47,369	102,964
Materials and Supplies	1,250	2,850	2,487	363
Contractual Services	4,754	89,254	87,866	1,388
Total Executive	83,237	242,437	137,722	104,715
Legal:				
Personal Services	277,404	344,904	299,468	45,436
Materials and Supplies	2,520	6,212	5,132	1,080
Contractual Services	7,182	26,990	24,268	2,722
Total Legal	287,106	378,106	328,868	49,238
Finance:				
Personal Services	214,483	316,677	223,181	93,496
Materials and Supplies	1,624	4,524	4,152	372
Contractual Services	23,316	33,711	32,022	1,689
Total Finance	239,423	354,912	259,355	95,557
Civil Service:				
Personal Services	15,420	16,820	16,475	345
Materials and Supplies	100	0	0	0
Contractual Services	10,500	15,200	15,184	16
Total Civil Service	26,020	32,020	31,659	361
Income Tax:				
Personal Services	129,951	132,951	132,543	408
Materials and Supplies	4,972	6,572	5,967	605
Contractual Services	18,793	21,193	20,598	595
Total Income Tax	153,716	160,716	159,108	1,608
Engineering:				
Personal Services	0	450	450	0
Materials and Supplies	1,250	8,150	7,396	754
Contractual Services	36,500	217,311	216,394	917
Total Engineering	37,750	225,911	224,240	1,671

(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, 2018***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Service:				
Personal Services	37,630	92,830	29,704	63,126
Materials and Supplies	247	5,897	5,788	109
Contractual Services	15,206	53,856	17,203	36,653
Capital Outlay	360	260	234	26
Total Public Service	53,443	152,843	52,929	99,914
City Building:				
Personal Services	75,928	79,328	78,797	531
Materials and Supplies	3,000	7,100	7,076	24
Contractual Services	119,210	138,010	137,257	753
Total City Building	198,138	224,438	223,130	1,308
Drainage Projects:				
Capital Outlay	75,000	33,679	33,679	0
Total Drainage Projects	75,000	33,679	33,679	0
Garage:				
Personal Services	89,239	154,429	96,648	57,781
Materials and Supplies	15,736	184,136	182,295	1,841
Contractual Services	9,408	18,818	18,745	73
Capital Outlay	3,136	136	0	136
Total Garage	117,519	357,519	297,688	59,831
Economic Development:				
Materials and Supplies	30,000	30,000	30,000	0
Contractual Services	20,000	20,000	19,567	433
Total Economic Development	50,000	50,000	49,567	433
Non-Departmental:				
Personal Services	15,028	50,409	35,712	14,697
Materials and Supplies	0	7,700	7,682	18
Contractual Services	928,883	1,074,280	1,071,446	2,834
Total Non-Departmental	943,911	1,132,389	1,114,840	17,549
Total General Government	2,396,107	3,475,814	3,040,147	435,667
Total Expenditures	13,294,998	14,692,481	14,222,334	470,147
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,451,221	2,405,738	2,965,814	560,076

(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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers In	200,000	115,000	94,308	(20,692)
Transfers Out	(1,955,277)	(2,123,314)	(2,091,810)	31,504
Advances In	0	370,000	370,500	500
Advances Out	0	(770,000)	(770,000)	0
Total Other Financing Sources (Uses)	<u>(1,755,277)</u>	<u>(2,408,314)</u>	<u>(2,397,002)</u>	<u>11,312</u>
Net Change in Fund Balance	(304,056)	(2,576)	568,812	571,388
Fund Balance at Beginning of Year	4,120,784	4,120,784	4,120,784	0
Prior Year Encumbrances	55,400	55,400	55,400	0
Fund Balance at End of Year	<u>\$ 3,872,128</u>	<u>\$ 4,173,608</u>	<u>\$ 4,744,996</u>	<u>\$ 571,388</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, 2018**

GENERAL OBLIGATION BOND RETIREMENT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 140,000	\$ 140,000	\$ 143,912	\$ 3,912
Intergovernmental Revenues	20,000	20,000	18,886	(1,114)
Total Revenues	<u>160,000</u>	<u>160,000</u>	<u>162,798</u>	<u>2,798</u>
Expenditures:				
Debt Service:				
Principal Retirement	120,000	120,000	120,000	0
Interest and Fiscal Charges	25,830	25,830	25,830	0
Total Expenditures	<u>145,830</u>	<u>145,830</u>	<u>145,830</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,170	14,170	16,968	2,798
Fund Balance at Beginning of Year	78,413	78,413	78,413	0
Fund Balance at End of Year	<u>\$ 92,583</u>	<u>\$ 92,583</u>	<u>\$ 95,381</u>	<u>\$ 2,798</u>

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Major Funds – Capital Project Funds
For the Year Ended December 31, 2018***

CAPITAL IMPROVEMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,500,000	\$ 1,725,000	\$ 1,713,920	\$ (11,080)
Intergovernmental Revenues	0	140,000	141,736	1,736
All Other Revenues	0	85,000	85,346	346
Total Revenues	<u>1,500,000</u>	<u>1,950,000</u>	<u>1,941,002</u>	<u>(8,998)</u>
Expenditures:				
Capital Outlay	1,288,547	3,527,309	3,522,645	4,664
Debt Service:				
Principal Retirement	0	49,616	49,616	0
Interest and Fiscal Charges	0	506	506	0
Total Expenditures	<u>1,288,547</u>	<u>3,577,431</u>	<u>3,572,767</u>	<u>4,664</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	211,453	(1,627,431)	(1,631,765)	(4,334)
Fund Balance at Beginning of Year	847,135	847,135	847,135	0
Prior Year Encumbrances	<u>1,288,547</u>	<u>1,288,547</u>	<u>1,288,547</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,347,135</u>	<u>\$ 508,251</u>	<u>\$ 503,917</u>	<u>\$ (4,334)</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, 2018***

MUNICIPAL COURT GRANTS FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 200,000	\$ 150,000	\$ 151,103	\$ 1,103
Total Revenues	<u>200,000</u>	<u>150,000</u>	<u>151,103</u>	<u>1,103</u>
Expenditures:				
General Government:				
Personal Services	273,831	253,251	250,399	2,852
Contractual Services	9,400	400	0	400
Capital Outlay	4,000	0	0	0
Total Expenditures	<u>287,231</u>	<u>253,651</u>	<u>250,399</u>	<u>3,252</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(87,231)	(103,651)	(99,296)	4,355
Other Financing Sources (Uses):				
Transfers In	0	140,000	140,000	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>140,000</u>	<u>140,000</u>	<u>0</u>
Net Change in Fund Balance	(87,231)	36,349	40,704	4,355
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ (87,231)</u>	<u>\$ 36,349</u>	<u>\$ 40,704</u>	<u>\$ 4,355</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, 2018**

MUNICIPAL COURT SUBSIDY FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
General Government:				
Personal Services	1,096,166	1,103,573	1,103,167	406
Materials and Supplies	9,500	7,900	7,258	642
Contractual Services	37,875	40,375	38,550	1,825
Total Expenditures	<u>1,143,541</u>	<u>1,151,848</u>	<u>1,148,975</u>	<u>2,873</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,143,541)	(1,151,848)	(1,148,975)	2,873
Other Financing Sources (Uses):				
Transfers In	1,000,000	1,200,000	1,170,714	(29,286)
Total Other Financing Sources (Uses)	<u>1,000,000</u>	<u>1,200,000</u>	<u>1,170,714</u>	<u>(29,286)</u>
Net Change in Fund Balance	(143,541)	48,152	21,739	(26,413)
Fund Balance at Beginning of Year	<u>(21,739)</u>	<u>(21,739)</u>	<u>(21,739)</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (165,280)</u>	<u>\$ 26,413</u>	<u>\$ 0</u>	<u>\$ (26,413)</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, 2018**

MUNICIPAL COURT SPECIAL PROJECT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Fines and Forfeitures	\$ 100,000	\$ 100,000	\$ 100,888	\$ 888
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>100,888</u>	<u>888</u>
Expenditures:				
General Government:				
Personal Services	31,163	52,863	52,556	307
Materials and Supplies	50,000	34,800	34,708	92
Contractual Services	35,000	28,300	28,207	93
Total Expenditures	<u>116,163</u>	<u>115,963</u>	<u>115,471</u>	<u>492</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,163)	(15,963)	(14,583)	1,380
Other Financing Sources (Uses):				
Transfers Out	0	(19,471)	(19,471)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(19,471)</u>	<u>(19,471)</u>	<u>0</u>
Net Change in Fund Balance	(16,163)	(35,434)	(34,054)	1,380
Fund Balance at Beginning of Year	<u>216,801</u>	<u>216,801</u>	<u>216,801</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 200,638</u>	<u>\$ 181,367</u>	<u>\$ 182,747</u>	<u>\$ 1,380</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	<u>\$ 100,000</u>	<u>\$ 175,000</u>	<u>\$ 174,779</u>	<u>\$ (221)</u>
Total Revenues	<u>100,000</u>	<u>175,000</u>	<u>174,779</u>	<u>(221)</u>
Expenditures:				
General Government:				
Personal Services	77,625	99,525	98,907	618
Materials and Supplies	10,000	14,000	13,940	60
Contractual Services	<u>1,000</u>	<u>4,100</u>	<u>4,020</u>	<u>80</u>
Total Expenditures	<u>88,625</u>	<u>117,625</u>	<u>116,867</u>	<u>758</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,375	57,375	57,912	537
Fund Balance at Beginning of Year	<u>110,236</u>	<u>110,236</u>	<u>110,236</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 121,611</u>	<u>\$ 167,611</u>	<u>\$ 168,148</u>	<u>\$ 537</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, 2018***

MUNICIPAL COURT PROGRAMS FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 100,000	\$ 160,000	\$ 158,784	\$ (1,216)
Total Revenues	<u>100,000</u>	<u>160,000</u>	<u>158,784</u>	<u>(1,216)</u>
Expenditures:				
General Government:				
Personal Services	18,935	82,347	81,256	1,091
Contractual Services	<u>60,000</u>	<u>40,000</u>	<u>39,053</u>	<u>947</u>
Total Expenditures	<u>78,935</u>	<u>122,347</u>	<u>120,309</u>	<u>2,038</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,065	37,653	38,475	822
Other Financing Sources (Uses):				
Transfers Out	<u>0</u>	<u>(55,500)</u>	<u>(55,500)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(55,500)</u>	<u>(55,500)</u>	<u>0</u>
Net Change in Fund Balance	21,065	(17,847)	(17,025)	822
Fund Balance at Beginning of Year	<u>74,608</u>	<u>74,608</u>	<u>74,608</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 95,673</u>	<u>\$ 56,761</u>	<u>\$ 57,583</u>	<u>\$ 822</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 21,000	\$ 21,236	\$ 236
Total Revenues	<u>0</u>	<u>21,000</u>	<u>21,236</u>	<u>236</u>
Expenditures:				
General Government:				
Contractual Services	0	7,600	7,600	0
Total Expenditures	<u>0</u>	<u>7,600</u>	<u>7,600</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	13,400	13,636	236
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 13,400</u>	<u>\$ 13,636</u>	<u>\$ 236</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 25,000	\$ 25,000	\$ 28,225	\$ 3,225
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>28,225</u>	<u>3,225</u>
Expenditures:				
General Government:				
Materials and Supplies	0	17	17	0
Contractual Services	15,000	15,623	15,623	0
Capital Outlay	15,000	5,771	5,771	0
Total Expenditures	<u>30,000</u>	<u>21,411</u>	<u>21,411</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,000)	3,589	6,814	3,225
Fund Balance at Beginning of Year	<u>17,908</u>	<u>17,908</u>	<u>17,908</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,908</u>	<u>\$ 21,497</u>	<u>\$ 24,722</u>	<u>\$ 3,225</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, 2018***

MUNICIPAL COURT SECURITY FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 30,000	\$ 30,000	\$ 0
Fines and Forfeitures	0	47,185	47,185	0
Total Revenues	<u>0</u>	<u>77,185</u>	<u>77,185</u>	<u>0</u>
Expenditures:				
General Government:				
Personal Services	226,758	245,561	245,561	0
Total Expenditures	<u>226,758</u>	<u>245,561</u>	<u>245,561</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(226,758)	(168,376)	(168,376)	0
Other Financing Sources (Uses):				
Transfers In	150,000	159,815	159,500	(315)
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>159,815</u>	<u>159,500</u>	<u>(315)</u>
Net Change in Fund Balance	(76,758)	(8,561)	(8,876)	(315)
Fund Balance at Beginning of Year	8,876	8,876	8,876	0
Fund Balance at End of Year	<u>\$ (67,882)</u>	<u>\$ 315</u>	<u>\$ 0</u>	<u>\$ (315)</u>

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	<u>1,000</u>	<u>3,987</u>	<u>3,987</u>	<u>0</u>
Total Expenditures	<u>1,000</u>	<u>3,987</u>	<u>3,987</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,000)	(3,987)	(3,987)	0
Fund Balance at Beginning of Year	<u>3,987</u>	<u>3,987</u>	<u>3,987</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 2,987</u>	<u>\$ 0</u>	<u>\$ 0</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, 2018**

FIRE PENSION FUND

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 60,000	\$ 60,000	\$ 61,678	\$ 1,678
Intergovernmental Revenues	10,000	10,000	8,094	(1,906)
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>69,772</u>	<u>(228)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	60,000	69,772	69,772	0
Total Expenditures	<u>60,000</u>	<u>69,772</u>	<u>69,772</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,000	228	0	(228)
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>\$ 10,000</u>	<u>\$ 228</u>	<u>\$ 0</u>	<u>\$ (228)</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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 60,000	\$ 60,000	\$ 61,678	\$ 1,678
Intergovernmental Revenues	10,000	10,000	8,094	(1,906)
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>69,772</u>	<u>(228)</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	<u>60,000</u>	<u>69,772</u>	<u>69,772</u>	<u>0</u>
Total Expenditures	<u>60,000</u>	<u>69,772</u>	<u>69,772</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,000	228	0	(228)
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>\$ 10,000</u>	<u>\$ 228</u>	<u>\$ 0</u>	<u>\$ (228)</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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	<u>15,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>15,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,000)	0	0	0
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>\$ 37,533</u>	<u>\$ 52,533</u>	<u>\$ 52,533</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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	<u> 7,054</u>	<u> 1,760</u>	<u> 1,760</u>	<u> 0</u>
Total Expenditures	<u> 7,054</u>	<u> 1,760</u>	<u> 1,760</u>	<u> 0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u> (7,054)</u>	<u> (1,760)</u>	<u> (1,760)</u>	<u> 0</u>
Fund Balance at Beginning of Year	<u> 7,147</u>	<u> 7,147</u>	<u> 7,147</u>	<u> 0</u>
Fund Balance at End of Year	<u><u>\$ 93</u></u>	<u><u>\$ 5,387</u></u>	<u><u>\$ 5,387</u></u>	<u><u>\$ 0</u></u>

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018***

	JAG GRANTS FUND			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	<u> 15,000</u>	<u> 0</u>	<u> 0</u>	<u> 0</u>
Total Expenditures	<u> 15,000</u>	<u> 0</u>	<u> 0</u>	<u> 0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u> (15,000)</u>	<u> 0</u>	<u> 0</u>	<u> 0</u>
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><u>\$ (12,635)</u></u>	<u><u>\$ 2,365</u></u>	<u><u>\$ 2,365</u></u>	<u><u>\$ 0</u></u>

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018***

COPS FAST GRANT FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 81,712	\$ 81,712
All Other Revenues	0	0	3,090	3,090
Total Revenues	<u>0</u>	<u>0</u>	<u>84,802</u>	<u>84,802</u>
Expenditures:				
Security of Persons and Property:				
Contractual Services	25,000	10,000	10,000	0
Capital Outlay	45,400	52,283	52,283	0
Total Expenditures	<u>70,400</u>	<u>62,283</u>	<u>62,283</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,400)	(62,283)	22,519	84,802
Other Financing Sources (Uses):				
Transfers In	5,000	5,000	0	(5,000)
Transfers Out	(30,000)	0	0	0
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>5,000</u>	<u>0</u>	<u>(5,000)</u>
Net Change in Fund Balance	(95,400)	(57,283)	22,519	79,802
Fund Balance at Beginning of Year	<u>212,967</u>	<u>212,967</u>	<u>212,967</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 117,567</u>	<u>\$ 155,684</u>	<u>\$ 235,486</u>	<u>\$ 79,802</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 10,000	\$ 10,000	\$ 12,648	\$ 2,648
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>12,648</u>	<u>2,648</u>
Expenditures:				
General Government:				
Contractual Services	<u>40,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>40,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,000)	10,000	12,648	2,648
Fund Balance at Beginning of Year	<u>57,744</u>	<u>57,744</u>	<u>57,744</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 27,744</u>	<u>\$ 67,744</u>	<u>\$ 70,392</u>	<u>\$ 2,648</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 10,000	\$ 10,000	\$ 10,725	\$ 725
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>10,725</u>	<u>725</u>
Expenditures:				
General Government:				
Contractual Services	<u>20,000</u>	<u>14,126</u>	<u>14,126</u>	<u>0</u>
Total Expenditures	<u>20,000</u>	<u>14,126</u>	<u>14,126</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,000)	(4,126)	(3,401)	725
Fund Balance at Beginning of Year	<u>18,139</u>	<u>18,139</u>	<u>18,139</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,139</u>	<u>\$ 14,013</u>	<u>\$ 14,738</u>	<u>\$ 725</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 567	\$ 567
Total Revenues	<u>0</u>	<u>0</u>	<u>567</u>	<u>567</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	0	567	567
Fund Balance at Beginning of Year	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,377</u>	<u>\$ 1,377</u>	<u>\$ 1,944</u>	<u>\$ 567</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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 1,073	\$ 1,073
Total Revenues	<u>0</u>	<u>0</u>	<u>1,073</u>	<u>1,073</u>
Expenditures:				
Security of Persons and Property:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	0	1,073	1,073
Fund Balance at Beginning of Year	<u>12,351</u>	<u>12,351</u>	<u>12,351</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 12,351</u>	<u>\$ 12,351</u>	<u>\$ 13,424</u>	<u>\$ 1,073</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Fines and Forfeitures	\$ 0	\$ 0	\$ 3,437	\$ 3,437
All Other Revenues	0	0	295	295
Total Revenues	<u>0</u>	<u>0</u>	<u>3,732</u>	<u>3,732</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	<u>50,000</u>	<u>42,527</u>	<u>42,527</u>	<u>0</u>
Total Expenditures	<u>50,000</u>	<u>42,527</u>	<u>42,527</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	(42,527)	(38,795)	3,732
Fund Balance at Beginning of Year	<u>109,210</u>	<u>109,210</u>	<u>109,210</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 59,210</u>	<u>\$ 66,683</u>	<u>\$ 70,415</u>	<u>\$ 3,732</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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Security of Persons and Property:				
Materials and Supplies	0	3,994	3,994	0
Contractual Services	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>25,000</u>	<u>3,994</u>	<u>3,994</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(25,000)	(3,994)	(3,994)	0
Fund Balance at Beginning of Year	<u>106,776</u>	<u>106,776</u>	<u>106,776</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 81,776</u>	<u>\$ 102,782</u>	<u>\$ 102,782</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, 2018**

OHIO PEACE OFFICERS TRAINING FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 13,600	\$ 13,600
Total Revenues	<u>0</u>	<u>0</u>	<u>13,600</u>	<u>13,600</u>
Expenditures:				
Security of Persons and Property:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	13,600	13,600
Fund Balance at Beginning of Year	<u>14,880</u>	<u>14,880</u>	<u>14,880</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 14,880</u>	<u>\$ 14,880</u>	<u>\$ 28,480</u>	<u>\$ 13,600</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	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

***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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 950,000	\$ 870,000	\$ 867,983	\$ (2,017)
All Other Revenues	0	0	870	870
Total Revenues	<u>950,000</u>	<u>870,000</u>	<u>868,853</u>	<u>(1,147)</u>
Expenditures:				
Transportation:				
Personal Services	677,915	714,515	714,157	358
Materials and Supplies	83,850	104,950	104,607	343
Contractual Services	32,719	32,659	32,516	143
Total Expenditures	<u>794,484</u>	<u>852,124</u>	<u>851,280</u>	<u>844</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	155,516	17,876	17,573	(303)
Fund Balance at Beginning of Year	<u>392,821</u>	<u>392,821</u>	<u>392,821</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 548,337</u>	<u>\$ 410,697</u>	<u>\$ 410,394</u>	<u>\$ (303)</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 55,000	\$ 50,000	\$ 48,900	\$ (1,100)
Total Revenues	<u>55,000</u>	<u>50,000</u>	<u>48,900</u>	<u>(1,100)</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	55,000	50,000	48,900	(1,100)
Fund Balance at Beginning of Year	<u>92,991</u>	<u>92,991</u>	<u>92,991</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 147,991</u>	<u>\$ 142,991</u>	<u>\$ 141,891</u>	<u>\$ (1,100)</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, 2018***

ENVIRONMENTAL STATE GRANTS FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 538,000	\$ 478,000	\$ 481,259	\$ 3,259
All Other Revenues	7,000	7,000	7,500	500
Total Revenues	<u>545,000</u>	<u>485,000</u>	<u>488,759</u>	<u>3,759</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	411,230	409,483	408,931	552
Materials and Supplies	26,001	26,280	26,074	206
Contractual Services	65,752	47,802	47,665	137
Capital Outlay	74,615	42,429	42,378	51
Total Expenditures	<u>577,598</u>	<u>525,994</u>	<u>525,048</u>	<u>946</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,598)	(40,994)	(36,289)	4,705
Other Financing Sources (Uses):				
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	(14,598)	(22,994)	(18,289)	4,705
Fund Balance at Beginning of Year	174,437	174,437	174,437	0
Fund Balance at End of Year	<u>\$ 159,839</u>	<u>\$ 151,443</u>	<u>\$ 156,148</u>	<u>\$ 4,705</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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 260,000	\$ 11,861	\$ (248,139)
Investment Earnings	0	0	13	13
All Other Revenues	<u>200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>200,000</u>	<u>260,000</u>	<u>11,874</u>	<u>(248,126)</u>
Expenditures:				
Community Environment:				
Contractual Services	<u>832,000</u>	<u>314,597</u>	<u>64,123</u>	<u>250,474</u>
Total Expenditures	<u>832,000</u>	<u>314,597</u>	<u>64,123</u>	<u>250,474</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(632,000)	(54,597)	(52,249)	2,348
Fund Balance at Beginning of Year	<u>160,703</u>	<u>160,703</u>	<u>160,703</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (471,297)</u>	<u>\$ 106,106</u>	<u>\$ 108,454</u>	<u>\$ 2,348</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, 2018**

TOURISM AND CULTURAL DEVELOPMENT FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 75,000	\$ 102,000	\$ 101,396	\$ (604)
Total Revenues	<u>75,000</u>	<u>102,000</u>	<u>101,396</u>	<u>(604)</u>
Expenditures:				
Community Environment:				
Contractual Services	84,150	101,601	101,601	0
Total Expenditures	<u>84,150</u>	<u>101,601</u>	<u>101,601</u>	<u>0</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(9,150)	399	(205)	(604)
Fund Balance at Beginning of Year	<u>19,887</u>	<u>19,887</u>	<u>19,887</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 10,737</u>	<u>\$ 20,286</u>	<u>\$ 19,682</u>	<u>\$ (604)</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, 2018***

HEALTH DEPARTMENT SUBSIDY FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Public Health and Welfare Services:				
Personal Services	572,884	716,334	714,814	1,520
Materials and Supplies	6,500	7,000	5,415	1,585
Contractual Services	241,183	99,293	96,554	2,739
Total Expenditures	<u>820,567</u>	<u>822,627</u>	<u>816,783</u>	<u>5,844</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(820,567)	(822,627)	(816,783)	5,844
Other Financing Sources (Uses):				
Transfers In	<u>654,000</u>	<u>679,000</u>	<u>678,567</u>	<u>(433)</u>
Total Other Financing Sources (Uses)	<u>654,000</u>	<u>679,000</u>	<u>678,567</u>	<u>(433)</u>
Net Change in Fund Balance	(166,567)	(143,627)	(138,216)	5,411
Fund Balance at Beginning of Year	22,286	22,286	22,286	0
Prior Year Encumbrances	<u>142,000</u>	<u>142,000</u>	<u>142,000</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (2,281)</u>	<u>\$ 20,659</u>	<u>\$ 26,070</u>	<u>\$ 5,411</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, 2018**

STATE GRANT HEALTH FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 43,000	\$ 43,072	\$ 72
Charges for Services	47,000	0	0	0
Total Revenues	<u>47,000</u>	<u>43,000</u>	<u>43,072</u>	<u>72</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	45,250	20,995	20,140	855
Materials and Supplies	500	700	524	176
Contractual Services	1,250	1,250	658	592
Total Expenditures	<u>47,000</u>	<u>22,945</u>	<u>21,322</u>	<u>1,623</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	20,055	21,750	1,695
Other Financing Sources (Uses):				
Advances In	0	50,000	50,000	0
Advances Out	0	(23,000)	(23,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>27,000</u>	<u>27,000</u>	<u>0</u>
Net Change in Fund Balance	0	47,055	48,750	1,695
Fund Balance at Beginning of Year	<u>1,020</u>	<u>1,020</u>	<u>1,020</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 1,020</u>	<u>\$ 48,075</u>	<u>\$ 49,770</u>	<u>\$ 1,695</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, 2018**

RURAL AIDS STATE GRANT FUND				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental Revenues	\$ 67,000	\$ 49,000	\$ 48,868	\$ (132)
Total Revenues	<u>67,000</u>	<u>49,000</u>	<u>48,868</u>	<u>(132)</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	8,322	9,722	9,365	357
Contractual Services	59,072	57,122	56,906	216
Total Expenditures	<u>67,394</u>	<u>66,844</u>	<u>66,271</u>	<u>573</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(394)	(17,844)	(17,403)	441
Other Financing Sources (Uses):				
Advances In	0	40,000	40,000	0
Advances Out	0	(15,000)	(15,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>25,000</u>	<u>25,000</u>	<u>0</u>
Net Change in Fund Balance	(394)	7,156	7,597	441
Fund Balance at Beginning of Year	<u>11,490</u>	<u>11,490</u>	<u>11,490</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 11,096</u>	<u>\$ 18,646</u>	<u>\$ 19,087</u>	<u>\$ 441</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
DRUG FREE COMMUNITIES GRANT FUND				
Revenues:				
Intergovernmental Revenues	<u>\$ 125,000</u>	<u>\$ 130,000</u>	<u>\$ 130,665</u>	<u>\$ 665</u>
Total Revenues	<u>125,000</u>	<u>130,000</u>	<u>130,665</u>	<u>665</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	115,036	93,836	93,220	616
Materials and Supplies	2,500	5,100	5,021	79
Contractual Services	<u>7,464</u>	<u>15,864</u>	<u>14,907</u>	<u>957</u>
Total Expenditures	<u>125,000</u>	<u>114,800</u>	<u>113,148</u>	<u>1,652</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	0	15,200	17,517	2,317
Other Financing Sources (Uses):				
Advances In	<u>0</u>	<u>70,000</u>	<u>70,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>70,000</u>	<u>70,000</u>	<u>0</u>
Net Change in Fund Balance	0	85,200	87,517	2,317
Fund Balance at Beginning of Year	<u>(16,149)</u>	<u>(16,149)</u>	<u>(16,149)</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (16,149)</u>	<u>\$ 69,051</u>	<u>\$ 71,368</u>	<u>\$ 2,317</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, 2018***

INJURY PREVENTION FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 90,000	\$ 90,000	\$ 89,064	\$ (936)
All Other Revenues	0	0	99	99
Total Revenues	<u>90,000</u>	<u>90,000</u>	<u>89,163</u>	<u>(837)</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	81,600	87,800	87,317	483
Materials and Supplies	1,244	38,144	37,984	160
Contractual Services	7,156	8,356	7,952	404
Capital Outlay	0	2,000	2,000	0
Total Expenditures	<u>90,000</u>	<u>136,300</u>	<u>135,253</u>	<u>1,047</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(46,300)	(46,090)	210
Other Financing Sources (Uses):				
Advances In	0	90,000	90,000	0
Advances Out	0	(18,500)	(18,500)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>71,500</u>	<u>71,500</u>	<u>0</u>
Net Change in Fund Balance	0	25,200	25,410	210
Fund Balance at Beginning of Year	<u>29,959</u>	<u>29,959</u>	<u>29,959</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 29,959</u>	<u>\$ 55,159</u>	<u>\$ 55,369</u>	<u>\$ 210</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, 2018***

FAMILY PLANNING FUND				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 74,000	\$ 55,000	\$ 55,368	\$ 368
Charges for Services	38,000	435,000	436,727	1,727
All Other Revenues	0	0	206	206
Total Revenues	<u>112,000</u>	<u>490,000</u>	<u>492,301</u>	<u>2,301</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	136,326	213,576	212,885	691
Materials and Supplies	4,880	205,880	204,706	1,174
Contractual Services	4,400	2,400	1,332	1,068
Total Expenditures	<u>145,606</u>	<u>421,856</u>	<u>418,923</u>	<u>2,933</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,606)	68,144	73,378	5,234
Other Financing Sources (Uses):				
Advances In	0	25,000	25,000	0
Advances Out	0	(20,000)	(20,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Net Change in Fund Balance	(33,606)	73,144	78,378	5,234
Fund Balance at Beginning of Year	<u>30,186</u>	<u>30,186</u>	<u>30,186</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ (3,420)</u>	<u>\$ 103,330</u>	<u>\$ 108,564</u>	<u>\$ 5,234</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
RURAL HEALTH OPIOID PROGRAM FUND				
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 290,000	\$ 290,452	\$ 452
Total Revenues	<u>0</u>	<u>290,000</u>	<u>290,452</u>	<u>452</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	247,343	249,943	248,435	1,508
Materials and Supplies	1,157	19,157	18,972	185
Contractual Services	600	16,300	16,094	206
Capital Outlay	900	0	0	0
Total Expenditures	<u>250,000</u>	<u>285,400</u>	<u>283,501</u>	<u>1,899</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(250,000)	4,600	6,951	2,351
Other Financing Sources (Uses):				
Advances In	0	125,000	125,000	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>125,000</u>	<u>125,000</u>	<u>0</u>
Net Change in Fund Balance	(250,000)	129,600	131,951	2,351
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$ (250,000)</u>	<u>\$ 129,600</u>	<u>\$ 131,951</u>	<u>\$ 2,351</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 165,000	\$ 164,055	\$ (945)
Total Revenues	<u>0</u>	<u>165,000</u>	<u>164,055</u>	<u>(945)</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	165,000	164,055	(945)
Other Financing Sources (Uses):				
Transfers Out	<u>0</u>	<u>(143,096)</u>	<u>(143,096)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>(143,096)</u>	<u>(143,096)</u>	<u>0</u>
Net Change in Fund Balance	0	21,904	20,959	(945)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 21,904</u>	<u>\$ 20,959</u>	<u>\$ (945)</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 249,000	\$ 14,000	\$ 7,656	\$ (6,344)
Charges for Services	0	0	420	420
Total Revenues	<u>249,000</u>	<u>14,000</u>	<u>8,076</u>	<u>(5,924)</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	<u>25,000</u>	<u>9,052</u>	<u>9,052</u>	<u>0</u>
Total Expenditures	<u>25,000</u>	<u>9,052</u>	<u>9,052</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	224,000	4,948	(976)	(5,924)
Fund Balance at Beginning of Year	<u>976</u>	<u>976</u>	<u>976</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 224,976</u>	<u>\$ 5,924</u>	<u>\$ 0</u>	<u>\$ (5,924)</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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 181,000	\$ 181,000	\$ 186,932	\$ 5,932
Intergovernmental Revenues	20,000	20,000	23,431	3,431
All Other Revenues	0	0	2,340	2,340
Total Revenues	<u>201,000</u>	<u>201,000</u>	<u>212,703</u>	<u>11,703</u>
Expenditures:				
Security of Persons and Property:				
Personal Services	2,099	60,300	60,130	170
Materials and Supplies	8,500	22,500	22,181	319
Contractual Services	31,000	109,990	108,999	991
Capital Outlay	159,152	78,151	77,059	1,092
Total Expenditures	<u>200,751</u>	<u>270,941</u>	<u>268,369</u>	<u>2,572</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	249	(69,941)	(55,666)	14,275
Other Financing Sources (Uses):				
Transfers In	0	0	25,269	25,269
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>25,269</u>	<u>25,269</u>
Net Change in Fund Balance	249	(69,941)	(30,397)	39,544
Fund Balance at Beginning of Year	<u>149,501</u>	<u>149,501</u>	<u>149,501</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 149,750</u>	<u>\$ 79,560</u>	<u>\$ 119,104</u>	<u>\$ 39,544</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, 2018***

PUBLIC HEALTH EMERGENCY PREPAREDNESS FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 87,000	\$ 137,000	\$ 137,571	\$ 571
Total Revenues	<u>87,000</u>	<u>137,000</u>	<u>137,571</u>	<u>571</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	78,965	80,165	79,406	759
Materials and Supplies	5,000	19,500	18,782	718
Contractual Services	3,000	14,800	14,262	538
Capital Outlay	949	15,449	14,788	661
Total Expenditures	<u>87,914</u>	<u>129,914</u>	<u>127,238</u>	<u>2,676</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(914)	7,086	10,333	3,247
Other Financing Sources (Uses):				
Advances In	0	75,000	75,000	0
Advances Out	0	(39,000)	(39,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>36,000</u>	<u>36,000</u>	<u>0</u>
Net Change in Fund Balance	(914)	43,086	46,333	3,247
Fund Balance at Beginning of Year	<u>25,356</u>	<u>25,356</u>	<u>25,356</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 24,442</u>	<u>\$ 68,442</u>	<u>\$ 71,689</u>	<u>\$ 3,247</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, 2018***

HIV PREVENTION - FEDERAL FUND				Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:				
Intergovernmental Revenues	\$ 557,000	\$ 457,000	\$ 453,300	\$ (3,700)
Total Revenues	<u>557,000</u>	<u>457,000</u>	<u>453,300</u>	<u>(3,700)</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	210,903	95,651	95,651	0
Materials and Supplies	30,000	22,170	22,170	0
Contractual Services	<u>316,427</u>	<u>415,880</u>	<u>415,880</u>	<u>0</u>
Total Expenditures	<u>557,330</u>	<u>533,701</u>	<u>533,701</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(330)	(76,701)	(80,401)	(3,700)
Other Financing Sources (Uses):				
Advances In	0	260,000	260,000	0
Advances Out	<u>0</u>	<u>(255,000)</u>	<u>(255,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Net Change in Fund Balance	(330)	(71,701)	(75,401)	(3,700)
Fund Balance at Beginning of Year	<u>187,703</u>	<u>187,703</u>	<u>187,703</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 187,373</u>	<u>\$ 116,002</u>	<u>\$ 112,302</u>	<u>\$ (3,700)</u>

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	<u>\$ 112,000</u>	<u>\$ 182,000</u>	<u>\$ 179,960</u>	<u>\$ (2,040)</u>
Total Revenues	<u>112,000</u>	<u>182,000</u>	<u>179,960</u>	<u>(2,040)</u>
Expenditures:				
Public Health and Welfare Services:				
Personal Services	36,598	102,848	102,631	217
Contractual Services	<u>75,913</u>	<u>77,363</u>	<u>77,329</u>	<u>34</u>
Total Expenditures	<u>112,511</u>	<u>180,211</u>	<u>179,960</u>	<u>251</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(511)	1,789	0	(1,789)
Fund Balance at Beginning of Year	<u>18,210</u>	<u>18,210</u>	<u>18,210</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 17,699</u>	<u>\$ 19,999</u>	<u>\$ 18,210</u>	<u>\$ (1,789)</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses and Permits	\$ 8,000	\$ 0	\$ 0	\$ 0
All Other Revenues	0	8,000	11,350	3,350
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>11,350</u>	<u>3,350</u>
Expenditures:				
Public Health and Welfare Services:				
Contractual Services	<u>23,000</u>	<u>14,200</u>	<u>13,652</u>	<u>548</u>
Total Expenditures	<u>23,000</u>	<u>14,200</u>	<u>13,652</u>	<u>548</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,000)	(6,200)	(2,302)	3,898
Fund Balance at Beginning of Year	<u>22,501</u>	<u>22,501</u>	<u>22,501</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 7,501</u>	<u>\$ 16,301</u>	<u>\$ 20,199</u>	<u>\$ 3,898</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, 2018**

COUNCIL TRUST FOR RECREATION FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental Revenues	\$ 0	\$ 0	\$ 16,433	\$ 16,433
Charges for Services	55,000	55,000	45,370	(9,630)
All Other Revenues	0	0	500	500
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>62,303</u>	<u>7,303</u>
Expenditures:				
Leisure Time Activities:				
Personal Services	34,828	23,178	22,395	783
Materials and Supplies	26,250	9,964	9,349	615
Contractual Services	21,959	36,395	36,110	285
Total Expenditures	<u>83,037</u>	<u>69,537</u>	<u>67,854</u>	<u>1,683</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,037)	(14,537)	(5,551)	8,986
Fund Balance at Beginning of Year	<u>36,236</u>	<u>36,236</u>	<u>36,236</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 8,199</u>	<u>\$ 21,699</u>	<u>\$ 30,685</u>	<u>\$ 8,986</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, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
All Other Revenues	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 2,321</u>	<u>\$ 321</u>
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>2,321</u>	<u>321</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,000	2,000	2,321	321
Fund Balance at Beginning of Year	<u>28,671</u>	<u>28,671</u>	<u>28,671</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 30,671</u>	<u>\$ 30,671</u>	<u>\$ 30,992</u>	<u>\$ 321</u>

CITY OF PORTSMOUTH, OHIO

**Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Fund
For the Year Ended December 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for Services	\$ 10,000	\$ 10,000	\$ 2,000	\$ (8,000)
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>2,000</u>	<u>(8,000)</u>
Expenditures:				
Public Health and Welfare Services:				
Contractual Services	420	420	420	0
Capital Outlay	<u>15,000</u>	<u>7,800</u>	<u>7,710</u>	<u>90</u>
Total Expenditures	<u>15,420</u>	<u>8,220</u>	<u>8,130</u>	<u>90</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,420)	1,780	(6,130)	(7,910)
Fund Balance at Beginning of Year	<u>211,118</u>	<u>211,118</u>	<u>211,118</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 205,698</u>	<u>\$ 212,898</u>	<u>\$ 204,988</u>	<u>\$ (7,910)</u>

CITY OF PORTSMOUTH, OHIO

***Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
Nonmajor Permanent Fund
For the Year Ended December 31, 2018***

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	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

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

Agency Funds

Performance Bonds Fund

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

Law Library Fund

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

Ohio Board of Building Standards Fund

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

Municipal Court Fund

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

CITY OF PORTSMOUTH, OHIO

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2018**

	Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018
Performance Bonds Fund				
Restricted Assets:				
Cash and Cash Equivalents	\$32,208	\$15,956	(\$36,317)	\$11,847
Total Assets	<u>\$32,208</u>	<u>\$15,956</u>	<u>(\$36,317)</u>	<u>\$11,847</u>
Liabilities:				
Due to Others	\$32,208	\$15,956	(\$36,317)	\$11,847
Total Liabilities	<u>\$32,208</u>	<u>\$15,956</u>	<u>(\$36,317)</u>	<u>\$11,847</u>
Law Library Fund				
Assets:				
Accounts Receivable	\$21,414	\$21,886	(\$21,414)	\$21,886
Restricted Assets:				
Cash and Cash Equivalents	1,314	22,806	(22,808)	1,312
Total Assets	<u>\$22,728</u>	<u>\$44,692</u>	<u>(\$44,222)</u>	<u>\$23,198</u>
Liabilities:				
Due to Others	\$22,728	\$44,692	(\$44,222)	\$23,198
Total Liabilities	<u>\$22,728</u>	<u>\$44,692</u>	<u>(\$44,222)</u>	<u>\$23,198</u>
Ohio Board of Building Standards Fund				
Restricted Assets:				
Cash and Cash Equivalents	\$2,314	\$1,675	\$0	\$3,989
Total Assets	<u>\$2,314</u>	<u>\$1,675</u>	<u>\$0</u>	<u>\$3,989</u>
Liabilities:				
Due to Others	\$2,314	\$1,675	\$0	\$3,989
Total Liabilities	<u>\$2,314</u>	<u>\$1,675</u>	<u>\$0</u>	<u>\$3,989</u>
Municipal Court Fund				
Assets:				
Accounts Receivable	\$467,677	\$584,541	(\$467,677)	\$584,541
Restricted Assets:				
Cash and Cash Equivalents	38,077	1,754,764	(1,759,175)	33,666
Total Assets	<u>\$505,754</u>	<u>\$2,339,305</u>	<u>(\$2,226,852)</u>	<u>\$618,207</u>
Liabilities:				
Intergovernmental Payables	\$20,405	\$353,600	(\$354,497)	\$19,508
Due to Others	485,349	1,985,705	(1,872,355)	598,699
Total Liabilities	<u>\$505,754</u>	<u>\$2,339,305</u>	<u>(\$2,226,852)</u>	<u>\$618,207</u>

(Continued)

CITY OF PORTSMOUTH, OHIO

***Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2018***

	Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018
Totals - All Agency Funds				
Assets:				
Accounts Receivable	\$489,091	\$606,427	(\$489,091)	\$606,427
Restricted Assets:				
Cash and Cash Equivalents	73,913	1,795,201	(1,818,300)	50,814
Total Assets	<u>\$563,004</u>	<u>\$2,401,628</u>	<u>(\$2,307,391)</u>	<u>\$657,241</u>
Liabilities:				
Intergovernmental Payables	\$20,405	\$353,600	(\$354,497)	\$19,508
Due to Others	542,599	2,048,028	(1,952,894)	637,733
Total Liabilities	<u>\$563,004</u>	<u>\$2,401,628</u>	<u>(\$2,307,391)</u>	<u>\$657,241</u>

STATISTICAL SECTION





STATISTICAL TABLES

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

Contents

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

City of Portsmouth, Ohio

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

	2009	2010	2011	2012
Governmental Activities:	(1)		(1)	
Net Investment in Capital Assets	\$17,772,546	\$17,777,202	\$20,921,788	\$20,630,492
Restricted	6,422,601	6,165,793	6,931,652	5,446,225
Unrestricted	(568,870)	(1,189,432)	(2,855,991)	(1,846,035)
Total Governmental Activities Net Position	<u>\$23,626,277</u>	<u>\$22,753,563</u>	<u>\$24,997,449</u>	<u>\$24,230,682</u>
Business-type Activities:				
Net Investment in Capital Assets	\$10,048,483	\$13,226,718	\$14,001,292	\$14,995,902
Restricted	873,786	930,461	942,914	953,034
Unrestricted	1,772,923	1,998,260	2,030,176	1,921,714
Total Business-type Activities Net Position	<u>\$12,695,192</u>	<u>\$16,155,439</u>	<u>\$16,974,382</u>	<u>\$17,870,650</u>
Primary Government:				
Net Investment in Capital Assets	\$27,821,029	\$31,003,920	\$34,923,080	\$35,626,394
Restricted	7,296,387	7,096,254	7,874,566	6,399,259
Unrestricted	1,204,053	808,828	(825,815)	75,679
Total Primary Government Net Position	<u>\$36,321,469</u>	<u>\$38,909,002</u>	<u>\$41,971,831</u>	<u>\$42,101,332</u>

Source: City Auditor's Office

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

City of Portsmouth, Ohio

2013	2014	2015	2016	2017	2018
	(1)			(1)	
\$20,650,606	\$19,585,820	\$18,924,619	\$18,518,783	\$19,448,701	\$19,371,039
5,948,525	5,561,675	5,578,284	5,525,394	5,736,295	5,987,081
(101,280)	(11,796,128)	(10,850,195)	(8,842,212)	(21,893,895)	(21,626,535)
<u>\$26,497,851</u>	<u>\$13,351,367</u>	<u>\$13,652,708</u>	<u>\$15,201,965</u>	<u>\$3,291,101</u>	<u>\$3,731,585</u>
\$15,122,072	\$15,436,290	\$15,753,500	\$16,163,417	\$16,482,329	\$16,842,545
963,878	557,025	0	0	0	0
2,337,602	163,750	820,725	352,414	(1,322,632)	(1,269,120)
<u>\$18,423,552</u>	<u>\$16,157,065</u>	<u>\$16,574,225</u>	<u>\$16,515,831</u>	<u>\$15,159,697</u>	<u>\$15,573,425</u>
\$35,772,678	\$35,022,110	\$34,678,119	\$34,682,200	\$35,931,030	\$36,213,584
6,912,403	6,118,700	5,578,284	5,525,394	5,736,295	5,987,081
2,236,322	(11,632,378)	(10,029,470)	(8,489,798)	(23,216,527)	(22,895,655)
<u>\$44,921,403</u>	<u>\$29,508,432</u>	<u>\$30,226,933</u>	<u>\$31,717,796</u>	<u>\$18,450,798</u>	<u>\$19,305,010</u>

City of Portsmouth, Ohio

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

	2009	2010	2011
Expenses	(1)		(1)
Governmental Activities:			
Security of Persons and Property	\$8,048,728	\$7,783,737	\$8,579,519
Public Health and Welfare Services	3,044,217	3,148,969	2,621,773
Leisure Time Activities	67,947	68,553	79,666
Community Environment	750,295	547,482	693,688
Transportation	2,471,165	2,394,638	1,632,106
General Government	4,099,865	3,655,472	4,197,318
Interest and Fiscal Charges	158,928	126,256	121,302
<i>Total Governmental Activities Expenses</i>	<u>18,641,145</u>	<u>17,725,107</u>	<u>17,925,372</u>
Business-type Activities:			
Water	6,383,345	6,683,628	5,786,341
Sewer	2,634,267	2,575,805	2,896,984
Sanitation	1,396,175	1,438,197	1,314,807
Primary Care	82,577	13,571	44,432
<i>Total Business-type Activities Expenses</i>	<u>10,496,364</u>	<u>10,711,201</u>	<u>10,042,564</u>
<i>Total Primary Government Expenses</i>	<u>\$29,137,509</u>	<u>\$28,436,308</u>	<u>\$27,967,936</u>
Program Revenues			
Governmental Activities:			
Charges for Services			
Security of Persons and Property	\$1,058,701	\$782,236	\$758,640
Public Health and Welfare Services	374,135	367,324	336,951
Leisure Time Activities	75,800	76,784	68,158
Community Environment	88,559	114,273	95,092
Transportation	36,450	37,253	41,584
General Government	402,007	432,183	349,822
Operating Grants and Contributions	5,066,400	4,186,589	2,727,791
Capital Grants and Contributions	0	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>7,102,052</u>	<u>5,996,642</u>	<u>4,378,038</u>

City of Portsmouth, Ohio

2012	2013	2014	2015	2016	2017	2018
\$8,608,663	\$8,888,183	\$9,047,187	\$9,277,034	\$10,060,825	\$11,246,084	\$12,000,917
2,840,139	2,893,736	2,959,083	2,646,659	2,993,466	2,593,327	3,373,410
126,749	83,400	68,933	74,438	71,114	90,138	82,158
822,320	616,289	1,236,218	750,567	624,103	508,146	453,197
2,119,056	1,872,986	2,431,358	2,048,345	2,597,717	2,042,145	2,414,383
3,960,999	3,890,219	4,037,247	4,194,086	4,089,277	5,242,442	5,562,132
113,254	111,808	100,934	89,558	50,031	31,788	25,752
<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>	<u>21,754,070</u>	<u>23,911,949</u>
6,032,711	5,841,561	5,939,858	5,549,162	6,456,104	6,144,431	6,853,813
2,894,710	3,097,309	3,538,609	3,303,902	3,976,485	3,990,481	4,471,089
1,431,274	1,532,213	1,858,980	1,739,108	1,904,954	2,061,479	2,177,201
50,045	92,388	111,594	41,722	201,008	366,654	523,175
<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>12,563,045</u>	<u>14,025,278</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>	<u>\$34,317,115</u>	<u>\$37,937,227</u>
\$862,367	\$1,179,840	\$755,818	\$778,082	\$708,802	\$847,879	\$1,103,638
414,378	407,318	351,480	279,450	237,720	264,343	635,500
86,633	79,158	76,153	76,955	82,455	80,821	118,063
89,638	76,568	93,865	112,766	116,083	75,345	73,153
36,224	34,715	39,790	31,081	35,198	35,831	36,931
435,442	442,522	497,485	448,460	391,251	527,275	527,493
2,926,892	4,341,552	3,108,213	3,201,644	3,191,459	3,199,010	3,733,198
0	0	0	0	124,695	790,795	0
<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>	<u>5,821,299</u>	<u>6,227,976</u>

(continued)

City of Portsmouth, Ohio

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

	2009	2010	2011
Business-type Activities:	(1)		(1)
Charges for Services			
Water	5,497,291	6,264,595	6,008,911
Sewer	2,620,549	2,915,708	2,943,096
Sanitation	1,417,370	1,375,636	1,369,124
Primary Care	61,011	36,409	40,166
Capital Grants and Contributions	0	2,761,124	500,210
<i>Total Business-type Activities Program Revenues</i>	<u>9,596,221</u>	<u>13,353,472</u>	<u>10,861,507</u>
<i>Total Primary Government Program Revenues</i>	<u>16,698,273</u>	<u>19,350,114</u>	<u>15,239,545</u>
Net (Expense)/Revenue			
Governmental Activities	(11,539,093)	(11,728,465)	(13,547,334)
Business-type Activities	(900,143)	2,642,271	818,943
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(\$12,439,236)</u>	<u>(\$9,086,194)</u>	<u>(\$12,728,391)</u>
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	\$1,774,175	\$1,735,968	\$1,596,316
Special Purposes	336,757	331,289	326,443
Debt Service	755,347	638,636	154,074
Income Taxes	6,573,256	6,705,817	6,684,933
Other Local Taxes	343,294	279,059	296,427
Grants and Entitlements not			
Restricted to Specific Programs	1,815,651	1,707,566	2,536,309
Investment Earnings	2,347	686	44
Miscellaneous	635,052	274,706	251,205
Transfers	(62,500)	(817,976)	0
<i>Total Governmental Activities</i>	<u>12,173,379</u>	<u>10,855,751</u>	<u>11,845,751</u>
Business-type Activities:			
Transfers	62,500	817,976	0
<i>Total Business-type Activities</i>	<u>62,500</u>	<u>817,976</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$12,235,879</u>	<u>\$11,673,727</u>	<u>\$11,845,751</u>
Change in Net Position			
Governmental Activities	\$634,286	(\$872,714)	(\$1,701,583)
Business-type Activities	(837,643)	3,460,247	818,943
<i>Total Primary Government Change in Net Position</i>	<u>(\$203,357)</u>	<u>\$2,587,533</u>	<u>(\$882,640)</u>

Source: City Auditor's Office

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

City of Portsmouth, Ohio

2012	2013	2014	2015	2016	2017	2018
6,332,121	6,348,951	6,260,916	5,693,192	6,174,408	6,372,974	6,431,274
3,178,003	3,289,947	3,350,865	3,074,800	3,703,214	4,314,536	4,520,067
1,341,395	1,385,365	1,957,495	2,181,292	2,042,592	2,105,509	2,110,316
45,259	92,110	80,164	66,219	253,339	264,293	446,652
408,230	0	0	35,551	306,604	269,624	907,178
<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>	<u>13,326,936</u>	<u>14,415,487</u>
16,156,582	17,678,046	16,572,244	15,979,492	17,367,820	19,148,235	20,643,463
(13,739,606)	(11,794,948)	(14,958,156)	(14,152,249)	(15,598,870)	(15,932,771)	(17,683,973)
896,268	552,902	200,399	417,160	(58,394)	763,891	390,209
<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>	<u>(\$15,168,880)</u>	<u>(\$17,293,764)</u>
\$1,465,856	\$1,455,262	\$1,397,123	\$1,575,946	\$1,602,080	\$1,631,039	\$1,645,052
300,613	289,880	303,136	306,374	307,312	306,846	306,076
147,508	145,693	136,218	138,622	140,242	143,409	141,949
9,620,121	10,253,546	10,165,799	10,605,852	13,263,572	13,789,556	14,305,157
330,303	318,840	311,926	313,388	320,904	349,724	241,947
806,287	1,285,909	917,790	1,069,435	919,894	962,843	991,191
40	1,641	182	30	14	1,259	9,001
302,111	311,346	544,864	443,943	594,109	425,618	507,603
0	0	(47,325)	0	0	0	(23,519)
<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>	<u>17,610,294</u>	<u>18,124,457</u>
0	0	47,325	0	0	0	23,519
0	0	47,325	0	0	0	23,519
<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>	<u>\$17,610,294</u>	<u>\$18,147,976</u>
(\$766,767)	\$2,267,169	(\$1,228,443)	\$301,341	\$1,549,257	\$1,677,523	\$440,484
896,268	552,902	247,724	417,160	(58,394)	763,891	413,728
<u>\$129,501</u>	<u>\$2,820,071</u>	<u>(\$980,719)</u>	<u>\$718,501</u>	<u>\$1,490,863</u>	<u>\$2,441,414</u>	<u>\$854,212</u>

City of Portsmouth, Ohio

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

	2009	2010	2011	2012
General Fund	(1)			
Nonspendable	\$0	\$0	\$46,310	\$33,670
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	(1,704,694)	(795,901)
Reserved	72,684	19,498	0	0
Unreserved	(217,359)	(549,541)	0	0
<i>Total General Fund</i>	(144,675)	(530,043)	(1,658,384)	(762,231)
All Other Governmental Funds				
Nonspendable	\$0	\$0	\$57,896	\$55,253
Restricted	0	0	4,927,522	4,699,200
Committed	0	0	55,800	132,861
Unassigned	0	0	(227,741)	(102,569)
Reserved	572,079	485,976	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	3,013,959	2,373,901	0	0
Capital Projects Funds	671,599	1,099,276	0	0
Permanent Fund	159,635	157,531	0	0
<i>Total All Other Governmental Funds</i>	4,417,272	4,116,684	4,813,477	4,784,745
<i>Total Governmental Funds</i>	\$4,272,597	\$3,586,641	\$3,155,093	\$4,022,514

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, Ohio

2013	2014	2015	2016	2017	2018
\$36,236	\$72,839	\$58,906	\$56,728	\$97,898	\$75,438
0	0	52,556	319,965	358,947	175,198
0	373,351	62,043	0	289,028	358,000
937,700	887,753	1,601,983	3,352,833	5,182,566	6,547,594
0	0	0	0	0	0
0	0	0	0	0	0
973,936	1,333,943	1,775,488	3,729,526	5,928,439	7,156,230
\$63,215	\$86,495	\$61,360	\$70,874	\$53,953	\$35,548
4,735,911	4,723,099	4,636,197	4,676,483	4,622,731	4,901,593
104,261	74,273	58,919	49,934	35,957	30,474
(42,822)	(75,571)	(18,382)	(76,160)	(51,773)	(3,448)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
4,860,565	4,808,296	4,738,094	4,721,131	4,660,868	4,964,167
\$5,834,501	\$6,142,239	\$6,513,582	\$8,450,657	\$10,589,307	\$12,120,397

City of Portsmouth, Ohio

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

	2009	2010	2011	2012
Revenues:	(1)			
Taxes	\$9,699,794	\$9,701,137	\$9,061,432	\$11,758,657
Intergovernmental Revenues	5,784,432	5,386,662	5,973,637	5,189,942
Charges for Services	568,133	516,537	448,864	472,811
Licenses and Permits	199,195	226,215	200,268	273,045
Investment Earnings	2,347	686	44	40
Fines and Forfeitures	1,248,024	1,095,018	974,985	1,115,368
All Other Revenue	199,061	319,215	267,930	413,568
Total Revenue	17,700,986	17,245,470	16,927,160	19,223,431
Expenditures:				
Current:				
Security of Persons and Property	7,782,726	7,447,624	8,359,182	8,200,417
Public Health and Welfare Services	2,991,954	3,104,530	2,585,053	2,782,053
Leisure Time Activities	52,655	53,261	64,374	65,033
Community Environment	685,755	486,232	668,983	809,263
Transportation	1,421,995	1,330,947	1,306,133	1,291,458
General Government	3,257,913	3,380,820	3,462,550	3,376,636
Capital Outlay	1,933,349	1,069,168	699,867	1,830,744
Debt Service:				
Principal Retirement	248,519	242,748	161,881	286,885
Interest and Fiscal Charges	159,771	127,206	122,282	114,338
Total Expenditures	18,534,637	17,242,536	17,430,305	18,756,827
Excess (Deficiency) of Revenues Over Expenditures	(833,651)	2,934	(503,145)	466,604
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	474,793	45,369	33,034	27,030
Other Financing Sources - Capital Leases	0	129,610	0	389,116
Refunding General Obligation Bonds	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	716,242	711,600	18,000	40,862
Transfers Out	(716,242)	(1,529,576)	(18,000)	(40,862)
Total Other Financing Sources (Uses)	474,793	(642,997)	33,034	416,146
Net Change in Fund Balance	(\$358,858)	(\$640,063)	(\$470,111)	\$882,750
Debt Service as a Percentage of Noncapital Expenditures	2.37%	2.30%	1.65%	2.35%

Source: City Auditor's Office

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

City of Portsmouth, Ohio

2013	2014	2015	2016	2017	2018
\$12,497,593	\$12,500,502	\$12,749,590	\$15,506,101	\$16,193,330	\$16,705,620
5,163,625	4,414,477	4,056,009	4,366,694	3,823,990	4,738,922
393,396	403,816	414,356	496,119	521,577	1,221,514
273,901	238,668	210,454	213,680	165,177	173,262
1,641	182	30	14	1,259	9,001
1,581,009	1,109,375	1,093,935	882,641	1,030,819	1,065,652
369,475	574,018	525,638	683,141	557,477	521,348
<u>20,280,640</u>	<u>19,241,038</u>	<u>19,050,012</u>	<u>22,148,390</u>	<u>22,293,629</u>	<u>24,435,319</u>
8,535,167	8,560,561	8,937,793	9,257,240	9,711,886	10,784,563
2,855,740	2,939,025	2,626,098	2,988,836	2,344,996	3,253,449
70,920	56,452	62,191	57,121	73,178	67,786
551,749	904,167	588,429	538,514	419,810	368,753
1,014,996	1,297,001	1,148,978	1,288,165	1,165,108	1,286,596
3,373,740	3,672,978	3,685,862	3,945,141	4,691,647	4,941,114
1,696,298	1,161,110	1,323,226	1,739,556	1,512,327	1,954,631
248,051	255,331	238,079	333,781	216,618	163,575
112,998	102,147	90,883	64,184	32,756	26,763
<u>18,459,659</u>	<u>18,948,772</u>	<u>18,701,539</u>	<u>20,212,538</u>	<u>20,168,326</u>	<u>22,847,230</u>
1,820,981	292,266	348,473	1,935,852	2,125,303	1,588,089
0	0	57,067	0	0	0
0	0	0	0	0	0
0	0	0	1,250,000	0	0
0	0	0	(1,250,000)	0	0
18,000	178,410	389,427	536,408	231,852	456,548
(18,000)	225,735	(389,427)	(536,408)	(231,852)	(480,067)
<u>0</u>	<u>404,145</u>	<u>57,067</u>	<u>0</u>	<u>0</u>	<u>(23,519)</u>
<u>\$1,820,981</u>	<u>\$696,411</u>	<u>\$405,540</u>	<u>\$1,935,852</u>	<u>\$2,125,303</u>	<u>\$1,564,570</u>
2.13%	1.92%	1.87%	2.07%	1.35%	0.89%

City of Portsmouth, Ohio

Income Tax Revenues by Source, Governmental Funds Last Ten Years

Tax year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Income Tax Rate	1.40%	1.40%	1.40%	2.00%
Estimated Personal Income (in thousands)	\$570,628	\$565,377	\$584,289	\$615,922
Total Tax Collected	\$6,624,731	\$6,687,883	\$6,717,776	\$9,272,190
Income Tax Receipts				
Withholding	5,775,601	5,810,503	5,900,172	8,296,325
Percentage	87.18%	86.89%	87.83%	89.48%
Corporate	603,317	653,048	565,908	678,619
Percentage	9.11%	9.76%	8.42%	7.32%
Individuals	245,813	224,332	251,696	297,246
Percentage	3.71%	3.35%	3.75%	3.20%

Source: City Income Tax Department

City of Portsmouth, Ohio

2013	2014	2015	2016	2017	2018
2.00%	2.00%	2.00%	2.50%	2.50%	2.50%
\$620,756	\$639,688	\$663,939	\$674,315	\$737,561	\$737,561
\$10,223,100	\$10,151,503	\$10,282,891	\$12,978,301	\$14,085,123	\$14,275,245
8,846,473	8,921,883	9,013,520	11,475,951	12,336,088	12,655,154
86.53%	87.89%	87.66%	88.42%	87.58%	88.65%
1,006,435	891,858	887,742	1,081,816	1,212,293	1,031,434
9.84%	8.79%	8.63%	8.34%	8.61%	7.23%
370,192	337,762	381,629	420,534	536,742	588,657
3.63%	3.32%	3.71%	3.24%	3.81%	4.12%



City of Portsmouth, Ohio

*Income Tax Collections
Current Year and Nine Years Ago*

Calendar Year 2018

Income Tax Filers	Number of Filers	Percent of Total	Taxable Income	Percent of Income	Income Tax Collections	Percent of Income
Top Ten	10	0.08%	\$268,461,480	47.02%	\$6,711,537	47.02%
All Others	12,813	99.92%	302,548,320	52.98%	7,563,708	52.98%
Total	<u>12,823</u>	<u>100.00%</u>	<u>\$571,009,800</u>	<u>100.00%</u>	<u>\$14,275,245</u>	<u>100.00%</u>

Calendar Year 2009

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

Source: City Income Tax Department

City of Portsmouth, Ohio

*Ratio of Outstanding Debt By Type
Last Ten Years*

	2009	2010	2011	2012
Governmental Activities (1)				
General Obligation Bonds Payable	\$1,705,000	\$1,645,000	\$1,585,000	\$1,520,000
Capital Leases	828,223	775,085	673,204	840,435
Business-type Activities (1)				
OWDA Loan Payable	\$3,968,134	\$4,881,242	\$5,237,048	\$6,944,097
OPWC Loan Payable	1,060,000	995,000	1,299,069	1,306,049
Water Refunding Revenue Bonds Payable	2,995,045	2,575,000	2,100,000	1,605,000
Capital Leases	6,901,831	6,109,916	5,284,523	4,424,232
Total Primary Government	<u>\$17,458,233</u>	<u>\$16,981,243</u>	<u>\$16,178,844</u>	<u>\$16,639,813</u>
Population (2)				
City of Portsmouth	20,909	20,226	20,226	20,226
Outstanding Debt Per Capita	\$835	\$840	\$800	\$823
Income (3)				
Personal (in thousands)	570,628	565,377	584,289	615,922
Percentage of Personal Income	3.06%	3.00%	2.77%	2.70%

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, Ohio

2013	2014	2015	2016	2017	2018
\$1,450,000	\$1,380,000	\$1,305,000	\$1,140,000	\$1,025,000	\$905,000
662,384	477,053	313,974	145,193	43,575	0
\$6,974,518	\$8,289,564	\$9,933,465	\$9,764,232	\$9,433,247	\$9,445,440
1,208,549	1,366,722	1,626,817	1,626,256	1,561,256	2,071,959
1,090,000	555,000	0	0	0	0
3,786,817	2,983,048	2,145,492	1,272,725	363,255	0
<u>\$15,172,268</u>	<u>\$15,051,387</u>	<u>\$15,324,748</u>	<u>\$13,948,406</u>	<u>\$12,426,333</u>	<u>\$12,422,399</u>
20,226	20,226	20,226	20,226	20,226	20,226
\$750	\$744	\$758	\$690	\$614	\$614
620,756	639,688	663,939	674,315	737,561	737,561
2.44%	2.35%	2.31%	2.07%	1.68%	1.68%

City of Portsmouth, Ohio

*Ratios of General Bonded Debt Outstanding
Last Ten Years*

<u>Year</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Population (1)	20,909	20,226	20,226	20,226
Assessed Value (2)	\$214,886,500	\$217,525,430	\$217,525,430	\$215,298,860
General Bonded Debt (3)				
General Obligation Bonds-Governmental	\$1,705,000	\$1,645,000	\$1,585,000	\$1,520,000
Resources Available to Pay Principal (4)	\$11,191	\$40,553	\$65,065	\$80,553
Net General Bonded Debt	\$1,693,809	\$1,604,447	\$1,519,935	\$1,439,447
Ratio of Net Bonded Debt to Assessed Value	0.79%	0.74%	0.70%	0.67%
Net Bonded Debt per Capita	\$81.01	\$79.33	\$75.15	\$71.17

Source:

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

City of Portsmouth, Ohio

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
20,226	20,226	20,226	20,226	20,226	20,226
\$213,252,580	\$216,860,000	\$215,872,520	\$224,323,360	\$233,969,550	\$232,591,780
\$1,450,000	\$1,380,000	\$1,305,000	\$1,140,000	\$1,025,000	\$905,000
\$97,815	\$124,831	\$123,719	\$60,382	\$78,413	\$95,381
\$1,352,185	\$1,255,169	\$1,181,281	\$1,079,618	\$946,587	\$809,619
0.63%	0.58%	0.55%	0.48%	0.40%	0.35%
\$66.85	\$62.06	\$58.40	\$53.38	\$46.80	\$40.03



City of Portsmouth, Ohio

*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2018*

<u>Jurisdiction</u>	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to the City of Portsmouth</u>	<u>Amount Applicable to the City of Portsmouth</u>
Direct:			
City of Portsmouth	\$905,000	100.00%	\$905,000
Overlapping:			
Scioto County	5,693,096	20.78%	1,183,025
Portsmouth City School District	9,256,334	92.33%	<u>8,546,373</u>
		Subtotal	<u>9,729,398</u>
		Total	<u><u>\$10,634,398</u></u>

Source: Scioto County Auditor
Portsmouth City School District

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

City of Portsmouth, Ohio

*Debt Limitations
Last Ten Years*

Collection Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Debt				
Net Assessed Valuation	\$214,886,500	\$217,525,430	\$217,525,430	\$215,298,860
Legal Debt Limitation (%) (1)	10.50%	10.50%	10.50%	10.50%
Legal Debt Limitation (\$) (1)	22,563,083	22,840,170	22,840,170	22,606,380
City Debt Outstanding (2)	2,385,000	1,645,000	1,585,000	1,520,000
Less: Applicable Debt Service Fund Amounts	(11,191)	(40,553)	(65,065)	(80,553)
Net Indebtedness Subject to Limitation	<u>2,373,809</u>	<u>1,604,447</u>	<u>1,519,935</u>	<u>1,439,447</u>
Overall Legal Debt Margin	<u>\$20,189,274</u>	<u>\$21,235,723</u>	<u>\$21,320,235</u>	<u>\$21,166,933</u>
Unvoted Debt				
Net Assessed Valuation	\$214,886,500	\$217,525,430	\$217,525,430	\$215,298,860
Legal Debt Limitation (%) (1)	5.50%	5.50%	5.50%	5.50%
Legal Debt Limitation (\$) (1)	11,818,758	11,963,899	11,963,899	11,841,437
City Debt Outstanding (2)	2,385,000	1,645,000	1,585,000	1,520,000
Less: Applicable Debt Service Fund Amounts	(11,191)	(40,553)	(65,065)	(80,553)
Net Indebtedness Subject to Limitation	<u>2,373,809</u>	<u>1,604,447</u>	<u>1,519,935</u>	<u>1,439,447</u>
Overall Legal Debt Margin	<u>\$9,444,949</u>	<u>\$10,359,452</u>	<u>\$10,443,964</u>	<u>\$10,401,990</u>

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

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

Source: City Auditor's Office

City of Portsmouth, Ohio

2013	2014	2015	2016	2017	2018
\$213,252,580	\$216,860,000	\$215,872,520	\$224,323,360	\$233,969,550	\$232,591,780
10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
22,391,521	22,770,300	22,666,615	23,553,953	24,566,803	24,422,137
1,450,000	1,380,000	1,305,000	1,140,000	1,025,000	905,000
(97,815)	(124,831)	(123,719)	(60,382)	(78,413)	(95,381)
1,352,185	1,255,169	1,181,281	1,079,618	946,587	809,619
\$21,039,336	\$21,515,131	\$21,485,334	\$22,474,335	\$23,620,216	\$23,612,518
\$213,252,580	\$216,860,000	\$215,872,520	\$224,323,360	\$233,969,550	\$232,591,780
5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
11,728,892	11,927,300	11,872,989	12,337,785	12,868,325	12,792,548
1,450,000	1,380,000	1,305,000	1,140,000	1,025,000	905,000
(97,815)	(124,831)	(123,719)	(60,382)	(78,413)	(95,381)
1,352,185	1,255,169	1,181,281	1,079,618	946,587	809,619
\$10,376,707	\$10,672,131	\$10,691,708	\$11,258,167	\$11,921,738	\$11,982,929

City of Portsmouth, Ohio

*Pledged Revenue Coverage
Last Ten Years*

	2009	2010	2011	2012
Water Mortgage Bonds (1)	(4)			
Gross Revenues (2)	\$5,497,291	\$6,264,595	\$6,008,911	\$6,332,121
Direct Operating Expenses (3)	4,982,718	5,145,890	4,330,730	4,484,572
Net Revenue Available for Debt Service	514,573	1,118,705	1,678,181	1,847,549
Annual Debt Service Requirement	570,418	569,186	571,155	571,631
Coverage	0.90	1.97	2.94	3.23

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, Ohio

2013	2014	2015	2016	2017	2018
\$6,348,951	\$6,260,916	\$5,693,192	N/A	N/A	N/A
4,361,713	4,509,207	4,276,206	N/A	N/A	N/A
1,987,238	1,751,709	1,416,986	N/A	N/A	N/A
570,921	569,134	566,516	N/A	N/A	N/A
3.48	3.08	2.50	N/A	N/A	N/A

City of Portsmouth, Ohio

Demographic and Economic Statistics Last Ten Years

Calendar Year	2009	2010	2011	2012	2013
Population (1)					
City of Portsmouth	20,909	20,226	20,226	20,226	20,226
Scioto County	79,195	79,499	79,277	78,477	78,153
Income (2) (a)					
Total Personal (in thousands)	570,628	565,377	584,289	615,922	620,756
Per Capita	27,291	27,953	28,888	30,452	30,691
Unemployment Rate (3)					
Federal	9.3%	9.6%	8.3%	8.1%	7.4%
State	10.2%	10.1%	7.6%	7.2%	7.4%
Scioto County	12.3%	12.8%	11.6%	10.7%	11.5%
Civilian Work Force Estimates (3)					
State	5,970,200	5,897,600	5,762,000	5,747,900	5,765,700
Scioto County	33,100	33,000	31,900	31,900	31,200

Sources:

(1) US Bureau of Census of Population

(2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2017.

For the presentation of 2018 statistics, the City is using the latest information available.

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

(3) State Department of Labor Statistics

City of Portsmouth, Ohio

2014	2015	2016	2017	2018
20,226	20,226	20,226	20,226	20,226
77,258	76,825	76,088	75,929	75,929
639,688	663,939	674,315	737,561	737,561
31,627	32,826	33,339	36,466	36,466
6.2%	5.3%	4.9%	4.4%	3.9%
5.7%	4.9%	4.9%	5.0%	4.6%
8.7%	7.7%	7.6%	7.1%	6.8%
5,719,500	5,700,300	5,713,100	5,780,000	5,754,900
29,900	29,600	29,900	29,700	29,000



City of Portsmouth, Ohio

Principal Employers Current Year and Nine Years Ago

Employer	Nature of Business	2018	
		Number of Employees	Rank
Southern Ohio Medical Center	Health Care Services	3,030	1
Shawnee State University	Education	1,337	2
Scioto County Offices	Government	780	3
Portsmouth Emergency	Health Care Services	424	4
Portsmouth City Schools	Education	406	5
City of Portsmouth	Government	285	6
OSCO Industries	Manufacturing	262	7
State of Ohio	Government	190	8
Norfolk & Southern Railroad	Industrial	165	9
SOMC Medical Care Foundation	Medical	148	10
Total		<u>7,027</u>	

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

Sources: City Auditor's Office

Total employment within the City is not available.

City of Portsmouth, Ohio

*Full Time Equivalent Employees by Function
Last Ten Years*

	2009	2010	2011	2012
Governmental Activities				
Security of Persons and Property				
Police	52.0	52.0	50.0	44.0
Fire	36.0	39.0	36.0	37.0
Public Health and Welfare Services				
Health	33.0	30.0	25.5	28.0
General Government				
Legislative	7.0	6.0	7.0	7.0
Mayor	3.0	2.5	3.0	3.0
Finance	5.0	4.0	5.0	5.0
Legal	5.0	5.0	5.0	5.0
Court	24.0	24.5	24.5	25.0
Income Tax	3.0	3.0	2.0	2.0
Engineering	4.0	3.0	3.0	2.0
Administration	7.0	5.5	3.0	3.0
Garage	5.0	6.0	3.0	3.0
Transportation				
Streets	14.0	15.0	12.0	14.0
Cemetery Grounds	3.0	3.0	3.0	3.0
Recreational Grounds	2.0	2.0	2.0	2.0
Community Environment				
Building Inspection	3.0	2.0	1.0	1.0
Community Development	2.0	1.0	1.0	1.0
Business-Type Activities				
Utilities				
Water	38.0	36.0	38.0	38.0
Sewer	23.0	22.0	24.0	24.0
Sanitation	13.0	10.5	12.0	13.0
<i>Total Employees</i>	<u>282.0</u>	<u>272.0</u>	<u>260.0</u>	<u>260.0</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, Ohio

2013	2014	2015	2016	2017	2018
47.0	47.0	50.0	51.0	52.0	53.0
36.0	38.0	39.0	39.0	39.0	39.0
28.5	25.5	26.0	27.0	27.0	29.5
7.0	7.0	7.0	7.0	7.0	7.0
2.0	2.0	2.0	2.0	3.0	1.5
5.0	5.0	5.0	5.0	5.0	5.0
5.0	5.0	5.0	5.0	5.0	5.0
25.0	26.0	26.5	24.5	27.5	27.0
2.0	2.0	2.0	2.0	2.0	2.0
4.0	3.0	1.0	2.0	1.0	1.0
3.0	3.0	3.0	3.0	2.0	2.0
3.0	3.0	3.0	3.0	2.0	2.0
13.0	11.0	9.0	9.0	9.0	9.0
2.0	2.0	2.0	2.0	2.0	2.0
0.0	0.0	0.0	0.0	0.0	0.0
1.0	1.0	1.0	1.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0	1.0
38.0	38.0	35.0	29.0	32.0	32.5
22.0	24.0	24.0	24.0	23.0	24.0
15.0	12.0	13.0	13.0	13.0	14.0
<u>259.5</u>	<u>255.5</u>	<u>254.5</u>	<u>249.5</u>	<u>254.5</u>	<u>258.5</u>

City of Portsmouth, Ohio

Operating Indicators by Function Last Ten Years

	2009	2010	2011	2012
Governmental Activities				
General Government				
Licenses and Permits				
Number of Building Permits	612	508	325	352
Security of Persons and Property				
Police				
Number of Patrol Units	27	27	27	27
Criminal/Juvenile Citations and Charges	1,327	1,991	1,686	1,332
Traffice Citations Issued	1,267	1,966	1,604	738
Parking Tickets Written	487	347	549	495
Fire				
Number of Calls Answered	785	810	789	861
Number of Fire Inpections	99	115	79	79
Number of Investigations	32	21	46	83
Number of EMS Transports	0	0	0	0
Business-Type Activities				
Water				
Number of Service Connections	13,900	13,900	13,600	13,600
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	8,360	8,360	8,200	8,200
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	7,600	7,600	7,600	7,600

Source: City Auditor's Office

City of Portsmouth, Ohio

2013	2014	2015	2016	2017	2018
516	463	404	377	458	352
29	29	29	29	34	33
1,482	1,795	2,024	1,647	1,809	1,620
3,537	619	637	640	561	960
233	325	410	416	308	223
792	962	1,235	2,230	2,851	3,579
84	99	98	128	77	72
86	61	104	5	10	32
0	0	0	0	152	1,594
13,493	13,398	13,400	13,400	13,288	13,236
6M	6M	6M	6M	6M	6M
12M	12M	12M	12M	12M	12M
8,119	7,843	7,850	7,850	7,695	7,664
5	5	5	5	5	5
10	10	10	10	10	10
7,440	6,371	6,375	6,375	6,179	6,148

City of Portsmouth, Ohio

Capital Asset Statistics by Function Last Ten Years

	2009	2010	2011	2012
Governmental Activities				
General Government				
Public Land and Buildings				
Land (acres)	7,680	7,680	7,680	7,680
Security of Persons and Property				
Police				
Stations	1	1	1	1
Vehicles	27	27	27	27
Fire				
Stations	3	3	3	3
Vehicles	17	17	17	17
Transportation				
Street				
Streets (lane miles)	220	220	220	220
Street Lights	1,476	1,476	1,476	1,476
Leisure Time Activities				
Recreation/Seniors				
Land (acres)	223	223	223	223
Parks	17	17	17	17
Number of Ball Fields (Lighted)	7	7	7	7
Number of Ball Fields (Unlighted)	4	4	4	4
Number of Tennis Courts (Lighted)	0	0	0	0
Number of Tennis Courts (Unlighted)	11	11	11	11
Public Health and Welfare				
Cemeteries				
Cemeteries	1	1	1	1
Land (acres)	40	40	40	40
Business-Type Activities				
Utilities				
Water				
Number of Filtration/Purification Plants	1	1	1	1
Waterlines (Miles)	400	400	400	400
Number of Hydrants	865	865	865	865
Sewer				
Number of Sewage Treatment Plants	2	2	2	2
Sewerlines (Miles)	30	30	30	30
Storm Water Drainage				
Storm Drains (Miles)	30	30	30	30

Source: City Auditor's Office

City of Portsmouth, Ohio

2013	2014	2015	2016	2017	2018
7,680	7,680	7,680	7,680	7,680	7,680
1	1	1	1	1	1
29	29	29	29	34	33
3	3	3	3	3	3
17	17	17	17	19	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	7	7
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



OHIO AUDITOR OF STATE
KEITH FABER



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
JULY 30, 2019**