



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

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CITY OF PORTSMOUTH  
SCIOTO COUNTY, OHIO

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2021

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OHIO AUDITOR OF STATE  
KEITH FABER



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Columbus, Ohio 43215  
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City 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, 2021 through December 31, 2021. 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 20, 2022**

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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, 2021

| FEDERAL GRANTOR<br><i>Pass Through Grantor</i><br>Program / Cluster Title           | Federal<br>Assistance<br>Listing Number | Pass Through<br>Entity Identifying<br>Number | Passed<br>Through to<br>Subrecipients | Total Federal<br>Expenditures |
|---|---|--|---------------------------------------|-------------------------------|
| <b><u>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>             |   |  |                                       |                               |
| <i>Passed through Ohio Development Services Agency</i>                              |   |  |                                       |                               |
| CDBG-Entitlement Grants Cluster   |   |  |                                       |                               |
| Community Development Block Grant   | 14.218                                  | AF-19  | -                                     | 135,000                       |
| Total CDBG-Entitlement Grants Cluster   |   |  | -                                     | 135,000                       |
| TOTAL UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT                     |   |  | -                                     | 135,000                       |
| <b><u>UNITED STATES DEPARTMENT OF JUSTICE</u></b>                                   |   |  |                                       |                               |
| <i>Passed through Ohio Governor's Office of Criminal Justice Services</i>           |   |  |                                       |                               |
| Coronavirus Emergency Supplemental Funding, FY20                                    | 16.034                                  | 2020-VDBX-1541                               | -                                     | 11,646                        |
| Edward Byrne Memorial Justice Assistance Grant Program                              | 16.738                                  | 2019-JG-A02-6819A                            | -                                     | 16,039                        |
|   | 16.738                                  | 2019-JG-AO2-6819                             | -                                     | 20,000                        |
|   | 16.738                                  | 2020-JG-A01-6027                             | -                                     | 16,000                        |
| Total Edward Byrne Memorial Justice Assistance Grant Program                        |   |  | -                                     | 52,039                        |
| TOTAL UNITED STATES DEPARTMENT OF JUSTICE   |   |  | -                                     | 63,685                        |
| <b><u>UNITED STATES ENVIRONMENTAL PROTECTION AGENCY</u></b>                         |   |  |                                       |                               |
| <i>Passed through Ohio Environmental Protection Agency</i>                          |   |  |                                       |                               |
| Air Pollution Control Program Support   | 66.001                                  | N/A  | -                                     | 144,597                       |
| TOTAL UNITED STATES ENVIRONMENTAL PROTECTION AGENCY                                 |   |  | -                                     | 144,597                       |
| <b><u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>                 |   |  |                                       |                               |
| <i>Passed through the Ohio Department of Health</i>                                 |   |  |                                       |                               |
| Public Health Emergency Preparedness, FY21  | 93.069                                  | 07320012PH1221                               | -                                     | 38,725                        |
| Public Health Emergency Preparedness, FY22  | 93.069                                  | 07320012PH1322                               | -                                     | 44,893                        |
| Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)                  | 93.323                                  | 07320012EO0121                               | 183,274                               | 183,274                       |
| Family Planning Services, FY21  | 93.217                                  | 07320011RH1021                               | -                                     | 10,371                        |
| Family Planning Services, FY22  | 93.217                                  | 07320011RH1122                               | -                                     | 77,415                        |
| Maternal and Child Health Services Block Grant to the States, FY21                  | 93.994                                  | 07320011RH1021                               | -                                     | 1,346                         |
| Maternal and Child Health Services Block Grant to the States, FY22                  | 93.994                                  | 07320011RH1122                               | -                                     | 7,957                         |
| HIV Prevention Activities Health Department Based                                   | 93.940                                  | 07320012HP1421                               | 13,095                                | 13,095                        |
| Sexually Transmitted Diseases (STD) Prevention and Control Grants                   | 93.977                                  | 07320012STT1321                              | -                                     | 58,192                        |
| Preventive Health and Health Services Block Grant, FY21                             | 93.991                                  | 07320014ID0321                               | -                                     | 52,372                        |
| Preventive Health and Health Services Block Grant, FY22                             | 93.991                                  | 07320014ID0422                               | -                                     | 34,967                        |
| <i>Passed through the Substance Abuse and Mental Health Services Administration</i> |   |  |                                       |                               |
| Drug-Free Communities Support Program Grant   | 93.276                                  | 17SP18684A                                   | -                                     | 118,191                       |
| Telehealth Programs   | 93.211                                  | G25RH32465                                   | -                                     | 156,626                       |
| TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES                         |   |  | 196,369                               | 797,424                       |
| <b><u>UNITED STATES DEPARTMENT OF TRANSPORTATION</u></b>                            |   |  |                                       |                               |
| <i>Passed through the Ohio Department of Transportation</i>                         |   |  |                                       |                               |
| Highway Safety Cluster  |   |  |                                       |                               |
| National Priority Safety Programs, FY21   | 20.616                                  | 07320014BB0421                               | -                                     | 24,085                        |
| National Priority Safety Programs, FY22   | 20.616                                  | 07320014BB0522                               | -                                     | 7,194                         |
| TOTAL UNITED STATES DEPARTMENT OF TRANSPORTATION                                    |   |  | -                                     | 31,279                        |
| <b><u>UNITED STATES DEPARTMENT OF TREASURY</u></b>                                  |   |  |                                       |                               |
| <i>Passed through Ohio Department of Budget and Management</i>                      |   |  |                                       |                               |
| Coronavirus Relief Fund   | 21.019                                  | N/A  | -                                     | 46,331                        |
| State and Local Fiscal Recovery Fund  | 21.027                                  | N/A  | -                                     | 203,720                       |
| <i>Passed through Ohio Department of Health</i>                                     |   |  |                                       |                               |
| Coronavirus Relief Fund   | 21.019                                  | 07320012CO0121                               | -                                     | 201,334                       |
| TOTAL UNITED STATES DEPARTMENT OF TREASURY  |   |  | -                                     | 451,385                       |
| <b>TOTAL FEDERAL AWARDS EXPENDITURES</b>  |   |  | \$196,369                             | \$1,623,370                   |

*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, 2021**

**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, 2021. 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.

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - SUBRECIPIENTS**

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

As a 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 E - MATCHING REQUIREMENTS**

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





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

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

To the City Council:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2021, 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 28, 2022, wherein we also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City.

***Report on Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

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

*BHM CPA Group*

BHM CPA Group, Inc.  
Piketon, Ohio  
June 28, 2022



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

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

To the City Council:

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

***Opinion on Each Major Federal Program***

We have audited the City of Portsmouth's (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City of Portsmouth's major federal programs for the year ended December 31, 2021. The City of Portsmouth's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the City of Portsmouth complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

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

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Portsmouth (the City) as of and for the year ended December 31, 2021, 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 28, 2022. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*BHM CPA Group*

BHM CPA Group, Inc.  
Piketon, Ohio  
June 28, 2022

**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2021**

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

|                     |   |  |
|---------------------|---|--|
| <i>(d)(1)(i)</i>    | <b>Type of Financial Statement Opinion</b>  | Unmodified   |
| <i>(d)(1)(ii)</i>   | <b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>      | No   |
| <i>(d)(1)(ii)</i>   | <b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b> | No   |
| <i>(d)(1)(iii)</i>  | <b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>                        | No   |
| <i>(d)(1)(iv)</i>   | <b>Were there any material weaknesses in internal control reported for major federal programs?</b>                    | No   |
| <i>(d)(1)(iv)</i>   | <b>Were there any significant deficiencies in internal control reported for major federal programs?</b>               | No   |
| <i>(d)(1)(v)</i>    | <b>Type of Major Programs' Compliance Opinion</b>   | Unmodified   |
| <i>(d)(1)(vi)</i>   | <b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>  | No   |
| <i>(d)(1)(vii)</i>  | <b>Major Programs (list):</b>   | State and Local Fiscal Recovery Fund<br>ALN 21.027<br><br>Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)<br>ALN 93.323 |
| <i>(d)(1)(viii)</i> | <b>Dollar Threshold: Type A\B Programs</b>  | Type A: > \$ 750,000<br>Type B: all others   |
| <i>(d)(1)(ix)</i>   | <b>Low Risk Auditee under 2 CFR §200.520?</b>   | Yes  |

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

None.

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

None.

**CITY OF PORTSMOUTH  
SCIOTO COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
2 CFR 200.511(b)  
DECEMBER 31, 2021**

| <b>Finding Number</b> | <b>Finding Summary</b>  | <b>Fully Corrected?</b> | <b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</b> |
|-----------------------|---|-------------------------|--|
| 2020-001              | Ohio Rev. Code § 5705.39 – Appropriations exceeded estimated resources. | Yes                     |  |



# **Annual Comprehensive Financial Report**

**City of Portsmouth, Ohio**



**For Year Ended  
December 31, 2021**

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



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

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## ***SCIOTO COUNTY***

### **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2021**

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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CITY OF PORTSMOUTH  
SCIOTO COUNTY, OHIO

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# *INTRODUCTORY SECTION*

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

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



State of Ohio

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

June 28, 2022

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

As City Auditor, it is my pleasure to present the twenty-sixth Annual Comprehensive Financial Report (ACFR) of the City of Portsmouth, Ohio for the year ended December 31, 2021. This report has been prepared in conformity with generally accepted accounting principles (GAAP) and guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

### INTRODUCTION

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

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

This Annual Comprehensive Financial Report was prepared in accordance with generally accepted accounting principles established by statements of the Governmental Accounting Standards Board (GASB) and other authoritative pronouncements. BHM CPA Group has issued an opinion on the City of Portsmouth's financial statements for the year ended December 31, 2021. 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, 2021***

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**The Reporting Entity**

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

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

**Historical Information**

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

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

**Location**

Portsmouth, at an altitude of 533 feet above sea level, is located in southern Ohio approximately 90 miles south of Columbus, the state capital, and 100 miles east of Cincinnati, Ohio. Portsmouth, the county seat of Scioto County, encompasses an area of 12 square miles and serves a residential population of 18,252 (2020 Census). The City, which is bisected by U.S. Routes 23 and 52, is strategically located on the Ohio River providing distribution alternatives which include highways, railways and waterways. The City is also situated in close proximity to an abundance of fossil fuels, namely coal and natural gas from nearby Kentucky and West Virginia. The City is connected to Kentucky by two bridges: the U.S. Grant Bridge in downtown Portsmouth and the Carl Perkins Bridge located approximately two miles west of the City. Portsmouth is served by the CSX Railway System and the Norfolk Southern. The Greater Portsmouth Regional Airport, which is located in Minford, Ohio and owned by Scioto County, has a 5,000 foot paved runway which can accommodate corporate jets the size of a Boeing 727.

***Letter of Transmittal  
For the Year Ended December 31, 2021***

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**Form of Government**

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

**Municipal Services**

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

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

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

**ECONOMIC CONDITION AND OUTLOOK**

**Business and Industry**

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

***Letter of Transmittal  
For the Year Ended December 31, 2021***

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

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

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

**Unemployment Rates**

Data obtained from the State of Ohio Department of Jobs and Family Services indicates that the percentage of unemployment for Portsmouth and Scioto County averaged 6.2% for the 2021 calendar year, slightly above the state average of 5.1% and the national average of 5.3% attributable in large part to the COVID-19 pandemic of 2020-21 although the local rate had dipped to a long time low of 4.8% in December 2020. While the local unemployment number is high in comparison to the state and national average, it has begun to decline, reporting a record low of 4.1% in April 2022 with signs of continued improvement.

**Utilities**

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

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

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

Water is provided by the City of Portsmouth to nearly 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.

***Letter of Transmittal***

***For the Year Ended December 31, 2021***

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Serving nearly 7,600 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.

**Recreation and Cultural Facilities and Events**

Portsmouth boasts seventeen City owned parks and numerous sports facilities, including Spartan Stadium, Branch Rickey Park and several tennis and pickleball 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. The City, in 2021, along with the Ohio Department of Transportation completed a multi-use bike/running path along the entire length of the Murals from Shawnee State University to the most westerly point of Portsmouth at Alexandria Park Point.

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

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

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

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

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### ***Letter of Transmittal For the Year Ended December 31, 2021***

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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 Miss Ohio USA and Miss Ohio Teen USA Pageants returned to the Vern Riffe Center for the Arts at Shawnee State University after a few years away from Portsmouth.

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

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

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

### **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 3,000 students on the 65 acre SSU campus. Immediate plans are to make Shawnee State campus a pedestrian only campus. Second Street and several side streets have been closed and Third Street was closed in furtherance of this plan. On campus housing for the University is offered to its students at twelve apartment style dormitories.



***Letter of Transmittal  
For the Year Ended December 31, 2021***

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**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 \$3,200,000 annually and allows the City to be less reliant on state funding.

**MAJOR INITIATIVES**

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

**Financial**

By the end of 2021 the financial condition continued to improve with the 2016 income tax rate increase producing over \$3.2 million of additional revenue to the General Fund and total revenue of over \$16 million for the first time to the City's General and Capital Improvement Funds in spite of the detrimental effects of the Covid-19 pandemic. The long time deficit balance in the sewer fund has been resolved and has ended with a growing positive balance each month since August 2021. As the only major factor holding the City back from being released from Fiscal Watch by the State Auditor, the City is under review for release from its Fiscal Watch status.

**Administrative**

The Finance Department continued its participation in the State Treasurer's online checkbook initiative to provide for enhanced transparency of the City's finances. As a result, the City's spending information can be viewed online along with the State of Ohio and many other municipalities throughout the State of Ohio. The Finance Department is also in process of implementing online municipal income tax filing to be made available to its taxpayers for their 2022 returns. Several other improvements were also made within the City building in 2021.

***Letter of Transmittal  
For the Year Ended December 31, 2021***

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**Public Service**

The Public Service Department's Streets Division continued to enhance its operations with the purchase of a new end loader and Vactor truck to better maintain streets. Continued improvements in Greenlawn Cemetery saw the addition of new lighting at the Offnere Street entrance.

**Public Safety**

The Police Department promoted its first female Police Chief in 2020 in the history of the City of Portsmouth along with the addition of the new position of Deputy Chief in 2021. The successful conversion of a City owned impound vehicle lot continues to thrive and bring in additional revenue to the City totaling over \$327,000 in 2021. The Fire Department continued its Emergency Medical Services program, adding additional support to the Health Department during the Covid-19 epidemic.

**Flood Defense**

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

The City's flood defense system is continually monitored by FEMA and the Army Corps of Engineers, and the City works to maintain compliance making improvements to the system annually. The Corps of Engineers noted some weaknesses in the flood levy around the east end area of the City and are beginning a \$39 million project in 2022 that will shore up noted weaknesses over the next two to three years.

**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 to 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. Pilot testing has been completed for the new water treatment process called ACTIFLO that will improve the quality of the City's water while reducing the space required for the process. This is the first of this type of system in the state of Ohio for drinking water. Preliminary design plans for the new water treatment plant began in 2020, at an estimated cost of \$60+ million along with a utility rate study to determine rates necessary for the cost of the project. Engineering and design began in 2021 with groundbreaking slated for fall of 2022.

The largest project completed in 2021 was the replacement of a 6" waterline in the Cleveland Avenue and Woodlawn Avenue areas at a cost of \$300,000. Another project completed in 2020 was the replacement of an 8" waterline along 2<sup>nd</sup> Street from Chillicothe Street to the City limits. The completion of this line of nearly 3,000 feet, at cost of over \$300,000 is in anticipation of 2<sup>nd</sup> Street being paved by the Ohio Department of Transportation in 2022.

***Letter of Transmittal  
For the Year Ended December 31, 2021***

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**Wastewater**

The City of Portsmouth entered into an Administrative Order of Consent (AOC) with the Environmental Protection Agency in 2013 and remains in compliance with the AOC agreement in 2019, meeting all deadlines and completed all activities required. A sewer relining project along the north end of Munn's Run was completed in 2020 in preparation for the replacement of the Munn's Run Pump Station and Force Main in New Boston. This line serves the Clay Township, New Boston, and Portsmouth communities and should be completed in 2022 or early 2023.

**Health**

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

In 2021 the public focus continued to be the COVID-19 and its variants. The year began with hope that the virus would be brought under control with the emergence of three FDA approved vaccines. With assistance from Portsmouth Fire Department, the Health Department operated drive-through clinics twice a week, as well as going to individual and group residence to administer vaccines. An estimated 7,750 COVID vaccines were given in 2021. Currently 45.29% of Scioto County residents are fully vaccinated. The Health Department continues to educate the public on the importance of getting vaccinated.

While addressing the pandemic, the Department was also able to make improvements to capacity and service. With some minor renovations, we were able to add two more exam rooms and office space in our primary care clinic. With this, we were able to hire another Nurse Practitioner and Registered Nurse, easily doubling our capacity to see patients. Another increase was made possible by the HEALing Communities grant. Funding from HEALing Communities made it possible to obtain a mobile clinic that will allow us to take services to the community. The PCHD was also able to add a full time Emergency Response Coordinator.

As a PHAB accredited Health Department, the PCHD continues to work with community partners to improve the health of our citizens through assessment, policy development, and quality assurance.

***Letter of Transmittal  
For the Year Ended December 31, 2021***

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**Community Development**

The City received grant funding from the Ohio Development Services Agency and completed the process of removal of underground gasoline tanks and cleanup at multiple locations throughout the City 2021. Planning is underway for improvements to the Offnere Street Landing Boat Ramp to provide greater access for boaters to the Ohio River.

**Recreation**

A large multi-use path for walking, jogging and bicycles along the Floodwall Murals on Front Street with funding from the Ohio Department of Natural Resources, the Ohio Department of Transportation and local private foundations along with matching funds from the City was completed and opened in 2021. Construction was completed in early 2022 on the City's first skate park with grant funding from state and federal agencies along with private grants from local and national foundations, city matching funds and private donations. Plans for 2022 include lighting the City's pickleball courts, upgrades to the riverfront amphitheater seating, and a pavilion on Market Street in the Boneyfiddle District. City Council approved a DORA (Designated Outdoor Refreshment Area) district in the downtown and Boneyfiddle district as several other Ohio cities have approved recently. The DORA is intended to permit businesses to distribute and for citizens to consume alcoholic beverages within it to provide people with a safe way to enjoy our downtown restaurants and businesses.

**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, 2021***

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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-sixth Annual Comprehensive Financial Report, meets the high standards set by the GFOA Certificate of Achievement program, and I am submitting the report to the GFOA for its review and critique.

***Letter of Transmittal  
For the Year Ended December 31, 2021***

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**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**

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**List of Principal Officials  
For the Year Ended December 31, 2021**

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| <u>Position</u>                          | <u>Name</u>               | <u>Term of Office</u> | <u>Years with City</u> |   |
|--|---------------------------|-----------------------|------------------------|---|
| <b><u>Executive</u></b>                  |                           |                       |                        |   |
| City Manager (Appointed)                 | Samuel J. Sutherland      | Indefinite            | 33                     |   |
| City Auditor (Elected)                   | M. Trent Williams         | 01/04/16 - 01/05/20   | 23                     |   |
| City Solicitor (Elected)                 | John R. Haas              | 01/04/16 - 01/05/20   | 13                     |   |
| <b><u>Legislative</u> (Elected)</b>      |                           |                       |                        |   |
|  |                           | <u>Ward</u>           |                        |   |
| Member of Council                        | Sean D. Dunne             | 1st                   | 1/1/2018 - 01/02/22    | 4 |
| Member of Council                        | Charlotte M. Gordon       | 2nd                   | 01/06/20 - 12/31/23    | 2 |
| Member of Council (Mayor)                | Kevin E. Johnson          | 3rd                   | 1/1/2018 - 01/02/22    | 9 |
| Member of Council                        | Lyvette L. Mosley         | 4th                   | 11/09/20 - 12/31/23    | 1 |
| Member of Council                        | Edwin L. Martell          | 5th                   | 1/13/20 - 01/02/22     | 1 |
| Member of Council                        | Dennis W. Packard         | 6th                   | 12/14/20 - 12/31/23    | 1 |
| <b><u>Judicial</u> (Elected)</b>         |                           |                       |                        |   |
| Municipal Court Judge                    | Russell D. Kegley         | 01/01/18 - 12/31/23   | 19                     |   |
| Municipal Court Judge                    | Steven L. Mowery          | 01/01/16 - 12/31/21   | 12                     |   |
| <b><u>Administrative</u> (Appointed)</b> |                           |                       |                        |   |
| Police Chief                             | Debra A. Brewer           | Indefinite            | 29                     |   |
| Fire Chief                               | William V. Raison         | Indefinite            | 31                     |   |
| Public Service Director                  | Sherman A. "Jack" Tackett | Indefinite            | 35                     |   |
| Director of Water                        | Samuel J. Sutherland      | Indefinite            | 33                     |   |
| Director of Waste Water                  | Randall A. Nickles        | Indefinite            | 31                     |   |
| Director of Utility Account Services     | Crystal Weghorst          | Indefinite            | 16                     |   |
| Community Development Director           | Tracy A. Shearer          | Indefinite            | 11                     |   |
| City Clerk                               | Diana L. Ratliff          | Indefinite            | 9                      |   |
| Municipal Court Clerk                    | Kasey S. Boone            | Indefinite            | 7                      |   |
| Health Commissioner                      | Christopher S. Smith      | Indefinite            | 26                     |   |
| Income Tax Commissioner                  | Vicki L. Musser           | Indefinite            | 13                     |   |
| Civil Service Secretary                  | Kathy Hodkinson           | Indefinite            | 24                     |   |

**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

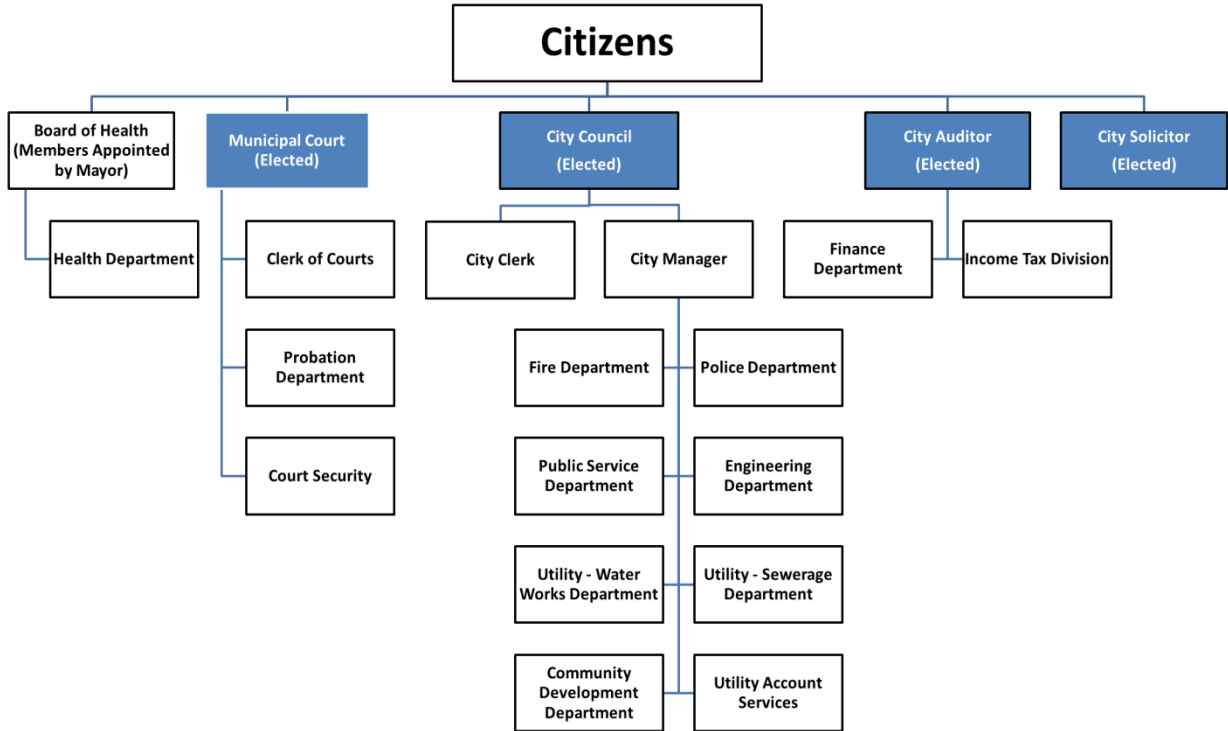
**M. Trent Williams, Auditor**  
City of Portsmouth  
728 Second Street, Room 3  
Portsmouth, Ohio 45662  
Ph: 740-354-7751 Fax: 740-353-458  
Email: twilliams@portsmouthoh.org

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



**City Organizational Chart**  
**For the Year Ended December 31, 2021**

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

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Portsmouth  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO

# *FINANCIAL SECTION*

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**INDEPENDENT AUDITOR'S REPORT**

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

To the City Council:

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, Scioto County, Ohio (City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portsmouth, Scioto County, Ohio as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Health Department Funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Emphasis of Matter***

As discussed in Note 20 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding this matter.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

**Required Supplementary Information**

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

**Supplementary information**

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

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

**Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

BHM CPA Group, Inc.  
Piketon, Ohio  
June 28, 2022



***Management's Discussion and Analysis  
For the Year Ended December 31, 2021***

***Unaudited***

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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, 2021. 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 2021 are as follows:

- ❑ In total, net position increased \$8,315,405. Net position of governmental activities increased \$5,407,078 which represents a 37.6 % increase from 2020. Net position of business-type activities increased \$2,908,327, or 17.1% from 2020.
- ❑ General revenues accounted for \$20,144,661 in revenue or 49.0% 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 \$20,998,638 or 51.0% of total revenues of \$41,143,299.
- ❑ The City had \$21,334,699 in expenses related to governmental activities; only \$6,597,116 of these expenses were offset by program specific charges for services and sales, grants or contributions.
- ❑ Among major funds, the General Fund had \$19,243,227 in revenues and other financing sources and \$17,479,026 in expenditures and other financing uses. The General Fund's fund balance increased from \$11,889,484 to \$13,653,685.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

These statements are as follows:

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

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

**Government-wide Statements**

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

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

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

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

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

**Fund Financial Statements**

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

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

**CITY OF PORTSMOUTH, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2021**

**Unaudited**

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

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

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

The following table provides a summary of the City's net position for 2021 compared to 2020:

|                                   | Governmental<br>Activities |              | Business-type<br>Activities |              | Total        |              |
|-----------------------------------|----------------------------|--------------|-----------------------------|--------------|--------------|--------------|
|                                   | 2021                       | 2020         | 2021                        | 2020         | 2021         | 2020         |
| Current and other assets          | \$27,742,600               | \$24,630,883 | \$9,923,888                 | \$8,778,451  | \$37,666,488 | \$33,409,334 |
| Net OPEB Asset                    | 559,619                    | 0            | 356,024                     | 0            | 915,643      | 0            |
| Capital assets, Net               | 20,489,692                 | 20,527,073   | 28,250,239                  | 28,804,965   | 48,739,931   | 49,332,038   |
| Total assets                      | 48,791,911                 | 45,157,956   | 38,530,151                  | 37,583,416   | 87,322,062   | 82,741,372   |
| Deferred outflows of resources    | 7,146,588                  | 7,581,065    | 704,364                     | 1,219,684    | 7,850,952    | 8,800,749    |
| Long-term liabilities outstanding | 2,295,931                  | 2,213,377    | 12,660,923                  | 12,434,041   | 14,956,854   | 14,647,418   |
| Net Pension Liability             | 19,902,666                 | 20,194,403   | 3,109,469                   | 4,273,343    | 23,012,135   | 24,467,746   |
| Net OPEB Liability                | 2,333,644                  | 6,370,263    | 0                           | 2,837,614    | 2,333,644    | 9,207,877    |
| Other liabilities                 | 1,380,436                  | 492,898      | 873,380                     | 817,303      | 2,253,816    | 1,310,201    |
| Total liabilities                 | 25,912,677                 | 29,270,941   | 16,643,772                  | 20,362,301   | 42,556,449   | 49,633,242   |
| Deferred inflows of resources     | 10,249,986                 | 9,099,322    | 2,691,100                   | 1,449,483    | 12,941,086   | 10,548,805   |
| Net position:                     |                            |              |                             |              |              |              |
| Net investment in capital assets  | 20,361,528                 | 20,275,746   | 15,883,356                  | 16,614,216   | 36,244,884   | 36,889,962   |
| Restricted                        | 5,510,254                  | 6,404,322    | 0                           | 0            | 5,510,254    | 6,404,322    |
| Unrestricted                      | (6,095,946)                | (12,311,310) | 4,016,287                   | 377,100      | (2,079,659)  | (11,934,210) |
| Total net position                | \$19,775,836               | \$14,368,758 | \$19,899,643                | \$16,991,316 | \$39,675,479 | \$31,360,074 |

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

***Management's Discussion and Analysis  
For the Year Ended December 31, 2021***

***Unaudited***

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

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

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

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

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

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

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

**CITY OF PORTSMOUTH, OHIO**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2021**

**Unaudited**

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

Changes in Net Position – The following table shows the changes in net position for 2021 compared to 2020:

|   | Governmental<br>Activities |              | Business-type<br>Activities |              | Total        |              |
|---|----------------------------|--------------|-----------------------------|--------------|--------------|--------------|
|   | 2021                       | 2020         | 2021                        | 2020         | 2021         | 2020         |
| Revenues                                |                            |              |                             |              |              |              |
| Program Revenues:                       |                            |              |                             |              |              |              |
| Charges for Services and Sales          | \$3,469,867                | \$3,252,660  | \$14,197,802                | \$13,987,351 | \$17,667,669 | \$17,240,011 |
| Operating Grants and Contributions      | 3,127,249                  | 6,907,230    | 0                           | 225,000      | 3,127,249    | 7,132,230    |
| Capital Grants and Contributions        | 0                          | 0            | 203,720                     | 0            | 203,720      | 0            |
| Total Program Revenues                  | 6,597,116                  | 10,159,890   | 14,401,522                  | 14,212,351   | 20,998,638   | 24,372,241   |
| General revenues:                       |                            |              |                             |              |              |              |
| Property Taxes                          | 2,173,865                  | 2,176,920    | 0                           | 0            | 2,173,865    | 2,176,920    |
| Income Taxes                            | 16,118,525                 | 15,050,130   | 0                           | 0            | 16,118,525   | 15,050,130   |
| Other Local Taxes                       | 343,704                    | 319,955      | 0                           | 0            | 343,704      | 319,955      |
| Intergovernmental Revenue, Unrestricted | 1,242,995                  | 1,031,751    | 0                           | 0            | 1,242,995    | 1,031,751    |
| Investment Earnings                     | 1,742                      | 2,808        | 0                           | 0            | 1,742        | 2,808        |
| Miscellaneous                           | 263,830                    | 1,433,763    | 0                           | 0            | 263,830      | 1,433,763    |
| Total General Revenues                  | 20,144,661                 | 20,015,327   | 0                           | 0            | 20,144,661   | 20,015,327   |
| Total Revenues                          | 26,741,777                 | 30,175,217   | 14,401,522                  | 14,212,351   | 41,143,299   | 44,387,568   |
| Program Expenses                        |                            |              |                             |              |              |              |
| Security of Persons and Property        | 11,990,922                 | 13,563,806   | 0                           | 0            | 11,990,922   | 13,563,806   |
| Public Health and Welfare Services      | 2,765,917                  | 3,999,162    | 0                           | 0            | 2,765,917    | 3,999,162    |
| Leisure Time Activities                 | 49,139                     | 61,331       | 0                           | 0            | 49,139       | 61,331       |
| Community Environment                   | 516,196                    | 833,460      | 0                           | 0            | 516,196      | 833,460      |
| Transportation                          | 2,303,955                  | 2,744,888    | 0                           | 0            | 2,303,955    | 2,744,888    |
| General Government                      | 3,677,060                  | 6,604,638    | 0                           | 0            | 3,677,060    | 6,604,638    |
| Interest and Fiscal Charges             | 31,510                     | 47,806       | 0                           | 0            | 31,510       | 47,806       |
| Water                                   | 0                          | 0            | 5,501,582                   | 6,736,112    | 5,501,582    | 6,736,112    |
| Sewer                                   | 0                          | 0            | 4,204,937                   | 4,994,544    | 4,204,937    | 4,994,544    |
| Sanitation                              | 0                          | 0            | 1,786,676                   | 1,988,648    | 1,786,676    | 1,988,648    |
| Total Expenses                          | 21,334,699                 | 27,855,091   | 11,493,195                  | 13,719,304   | 32,827,894   | 41,574,395   |
| Total Change in Net Position            | 5,407,078                  | 2,320,126    | 2,908,327                   | 493,047      | 8,315,405    | 2,813,173    |
| Beginning Net Position                  | 14,368,758                 | 12,048,632   | 16,991,316                  | 16,498,269   | 31,360,074   | 28,546,901   |
| Ending Net Position                     | \$19,775,836               | \$14,368,758 | \$19,899,643                | \$16,991,316 | \$39,675,479 | \$31,360,074 |

**CITY OF PORTSMOUTH, OHIO**

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***Management's Discussion and Analysis  
For the Year Ended December 31, 2021***

***Unaudited***

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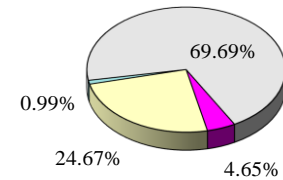
***Governmental Activities***

Net position of the City's governmental activities increased by \$5,407,078. Approximately \$3 million of this increase was due to a plan design change with the OPERS OPEB plan. OPERS no longer offers a self-insured OPEB plan to its retirees. Instead, retirees receive a monthly fixed stipend based on their eligibility. As a result, the OPERS OPEB 2020 net liability converted to a net asset in 2021 with the offset recognized as a reduction in OPEB expense.

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

Income taxes and property taxes made up 60.3% and 8.1% respectively of revenues for governmental activities for the City in 2021. The City's reliance upon tax revenues is demonstrated by the following graph indicating 69.69% of total revenues from general tax revenues:

| <u>Revenue Sources</u>                  | <u>2021</u>         | <u>Percent<br/>of Total</u> |
|---|---------------------|-----------------------------|
| General Tax Revenues                    | \$18,636,094        | 69.69%                      |
| Intergovernmental Revenue, Unrestricted | 1,242,995           | 4.65%                       |
| Program Revenues                        | 6,597,116           | 24.67%                      |
| General Other                           | 265,572             | 0.99%                       |
| Total Revenue                           | <u>\$26,741,777</u> | <u>100.00%</u>              |



***Business-Type Activities***

The net position of the business-type activities increased by \$2,908,327. Approximately \$2 million of this increase was due to the above mentioned plan design change with the OPERS OPEB plan.

**CITY OF PORTSMOUTH, OHIO**

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***Management's Discussion and Analysis  
For the Year Ended December 31, 2021***

***Unaudited***

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

The City's governmental funds reported a combined fund balance of \$18,622,983, which is an increase from last year's balance of \$17,736,487. The schedule below indicates the fund balance and the total change in fund balance by fund type as of December 31, 2021 and 2020:

|                                    | Fund Balance<br>December 31, 2021 | Fund Balance<br>December 31, 2020 | Increase<br>(Decrease) |
|------------------------------------|-----------------------------------|-----------------------------------|------------------------|
| General                            | \$13,653,685                      | \$11,889,484                      | \$1,764,201            |
| Health Department                  | 733,236                           | 1,264,993                         | (531,757)              |
| General Obligation Bond Retirement | 175,549                           | 148,415                           | 27,134                 |
| Capital Improvement                | 1,545,006                         | 1,694,383                         | (149,377)              |
| Other Governmental                 | 2,515,507                         | 2,739,212                         | (223,705)              |
| Total                              | <u>\$18,622,983</u>               | <u>\$17,736,487</u>               | <u>\$886,496</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:

|                           | 2021<br>Revenues    | 2020<br>Revenues    | Increase<br>(Decrease) |
|---------------------------|---------------------|---------------------|------------------------|
| Property and Other Taxes  | \$16,176,417        | \$15,050,493        | \$1,125,924            |
| Intergovernmental Revenue | 1,151,670           | 1,022,823           | 128,847                |
| Charges for Services      | 989,905             | 722,831             | 267,074                |
| Licenses and Permits      | 206,329             | 283,014             | (76,685)               |
| Investment Earnings       | 1,739               | 2,803               | (1,064)                |
| Fines and Forfeitures     | 505,957             | 443,984             | 61,973                 |
| All Other Revenue         | 211,210             | 1,309,166           | (1,097,956)            |
| Total                     | <u>\$19,243,227</u> | <u>\$18,835,114</u> | <u>\$408,113</u>       |

General Fund revenues in 2021 increased approximately 2.2% compared to revenues in 2020. The increase in Property and Other Taxes is primarily due to an increase of over \$1,150,000 in the City's income tax collections rebounding from the prior year pandemic activity. The decrease in All Other Revenue was from a large refund in 2020 of previous years' premiums from the Ohio Bureau of Worker's Compensation.

**CITY OF PORTSMOUTH, OHIO**

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***Management's Discussion and Analysis  
For the Year Ended December 31, 2021***

***Unaudited***

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|                                  | 2021                | 2020                | Increase           |
|----------------------------------|---------------------|---------------------|--------------------|
|                                  | Expenditures        | Expenditures        | (Decrease)         |
| Security of Persons and Property | \$11,208,710        | \$9,783,994         | \$1,424,716        |
| Community Environment            | 374,887             | 289,448             | 85,439             |
| Transportation                   | 800,089             | 706,021             | 94,068             |
| General Government               | 4,204,642           | 3,869,079           | 335,563            |
| Total                            | <u>\$16,588,328</u> | <u>\$14,648,542</u> | <u>\$1,939,786</u> |

General Fund expenditures increased by \$1,939,786 or 13.2% compared to the prior year. Security of persons and property increased because in 2020 personal services costs were being expensed in the Coronavirus Relief fund, which is a special revenue fund. The remaining increase is due to three percent salary increases for most employees.

*Health Department Fund* – The Health Department Fund balance decreased from \$1,264,993 to \$733,236 as a result of a reduction in grant revenue within the Drug Fee Communities, Public Health Emergency Preparation, and Rural Health and Communities Opioid Response Program grants.

*General Obligation Bond Retirement Fund* – The General Obligation Bond Retirement Fund balance increased from \$148,415 to \$175,549. The fund remained stable compared to 2020.

*Capital Improvement Fund* - The Capital Improvement Fund balance decreased from \$1,694,383 to \$1,545,006, as a result of additional capital purchases made for unexpected projects throughout the year above the original capital budget.

**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 2021 the City amended its General Fund budget several times. Final budgeted expenditures of \$18 million did not significantly change from original budget estimates.

For the General Fund, final budget basis revenue of \$19,636,719 increased from original budget estimates of \$17,435,183 as a result of greater than anticipated income tax revenue, and a large refund of previous years' Workers' Compensation premiums. The actual revenues of \$19,107,167 were not significantly different than the final budget basis revenue.



**CITY OF PORTSMOUTH, OHIO**

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***Management's Discussion and Analysis  
For the Year Ended December 31, 2021***

***Unaudited***

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of 2021 the City had \$48,739,931 net of accumulated depreciation invested in buildings, improvements, machinery and equipment, and infrastructure. Of this total, \$20,489,692 related to governmental activities and \$28,250,239 to the business-type activities. The following table shows 2021 and 2020 balances:

|                                | Governmental<br>Activities |                     | Increase<br>(Decrease) |
|--------------------------------|----------------------------|---------------------|------------------------|
|                                | 2021                       | 2020                |                        |
| Land                           | \$2,156,209                | \$2,037,027         | \$119,182              |
| Construction In Progress       | 453,016                    | 188,604             | 264,412                |
| Buildings                      | 6,814,591                  | 6,719,148           | 95,443                 |
| Improvements                   | 3,671,146                  | 3,241,348           | 429,798                |
| Machinery and Equipment        | 13,553,459                 | 13,088,941          | 464,518                |
| Infrastructure                 | 33,531,592                 | 33,168,573          | 363,019                |
| Less: Accumulated Depreciation | <u>(39,690,321)</u>        | <u>(37,916,568)</u> | <u>(1,773,753)</u>     |
| Totals                         | <u>\$20,489,692</u>        | <u>\$20,527,073</u> | <u>(\$37,381)</u>      |

The increases in infrastructure were for street projects. Machinery and Equipment increased due to the purchase of City vehicles including five police vehicles and several trucks. Improvements increased due to the completion of a multi-use path and a skate park. These increases were offset by depreciation expense.

|                                   | Business-Type<br>Activities |                     | Increase<br>(Decrease) |
|-----------------------------------|-----------------------------|---------------------|------------------------|
|                                   | 2021                        | 2020                |                        |
| Land                              | \$63,504                    | \$63,504            | \$0                    |
| Construction in Progress          | 1,150,264                   | 0                   | 1,150,264              |
| Buildings                         | 6,940,721                   | 6,888,544           | 52,177                 |
| Improvements other than Buildings | 41,308,519                  | 41,228,721          | 79,798                 |
| Machinery and Equipment           | 17,146,757                  | 16,978,785          | 167,972                |
| Less: Accumulated Depreciation    | <u>(38,359,526)</u>         | <u>(36,354,589)</u> | <u>(2,004,937)</u>     |
| Totals                            | <u>\$28,250,239</u>         | <u>\$28,804,965</u> | <u>(\$554,726)</u>     |

Business type capital assets decreased by \$554,726. Construction in Progress increased due to the start of Water and Sewer projects including a new water treatment plant and a booster station at Munn's Run. Depreciation expense partially offset the additional acquisitions. Additional information on the City's capital assets can be found in Note 9.

**CITY OF PORTSMOUTH, OHIO**

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***Management's Discussion and Analysis  
For the Year Ended December 31, 2021***

***Unaudited***

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***Debt***

At December 31, 2021, the City had \$540,000 in General Obligation Bonds outstanding, \$130,000 due within one year. The following table summarizes the City's debt outstanding as of December 31, 2021 and 2020:

|                                       | <u>2021</u>         | <u>2020</u>         |
|---------------------------------------|---------------------|---------------------|
| Governmental Activities:              |                     |                     |
| General Obligation Bond               | \$540,000           | \$665,000           |
| Compensated Absences                  | 1,627,767           | 1,297,050           |
| Capital Leases                        | 128,164             | 251,327             |
| Total Governmental Activities         | <u>\$2,295,931</u>  | <u>\$2,213,377</u>  |
| Business-Type Activities:             |                     |                     |
| Ohio Public Works Commission Loan     | \$2,561,847         | \$2,724,421         |
| Ohio Water Development Authority Loan | 9,627,865           | 9,225,620           |
| Compensated Absences                  | 279,040             | 198,292             |
| Capital Leases                        | 192,171             | 285,708             |
| Total Business-Type Activities        | <u>12,660,923</u>   | <u>12,434,041</u>   |
| Totals                                | <u>\$14,956,854</u> | <u>\$14,647,418</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, 2021, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 12.

**ECONOMIC FACTORS**

The local economy continues to 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. The City continues working closely with the Auditor of State's office through its five-year recovery plan. With the elimination of the Sewer fund deficit in 2020, the City is edging closer to the removal from its Fiscal Watch status.

**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, 2021**

|   | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>      |
|---|------------------------------------|-------------------------------------|-------------------|
| <b>Assets:</b>  |                                    |                                     |                   |
| Cash and Cash Equivalents   | \$ 22,513,345                      | \$ 4,443,701                        | \$ 26,957,046     |
| Receivables:  |                                    |                                     |                   |
| Taxes   | 4,531,742                          | 0                                   | 4,531,742         |
| Accounts  | 538,389                            | 3,273,006                           | 3,811,395         |
| Intergovernmental   | 1,441,953                          | 0                                   | 1,441,953         |
| Internal Balances   | (1,716,186)                        | 1,716,186                           | 0                 |
| Inventory of Supplies at Cost                                     | 53,137                             | 30,342                              | 83,479            |
| Prepaid Items   | 172,180                            | 54,165                              | 226,345           |
| Restricted Assets:  |                                    |                                     |                   |
| Cash and Cash Equivalents   | 208,040                            | 406,488                             | 614,528           |
| Net OPEB Asset  | 559,619                            | 356,024                             | 915,643           |
| Capital Assets:   |                                    |                                     |                   |
| Capital Assets Not Being Depreciated                              | 2,609,225                          | 1,213,768                           | 3,822,993         |
| Capital Assets Being Depreciated, Net of Accumulated Depreciation | 17,880,467                         | 27,036,471                          | 44,916,938        |
| <b>Total Assets</b>   | <b>48,791,911</b>                  | <b>38,530,151</b>                   | <b>87,322,062</b> |
| <b>Deferred Outflows of Resources:</b>                            |                                    |                                     |                   |
| Pension   | 4,736,551                          | 497,978                             | 5,234,529         |
| OPEB  | 2,410,037                          | 206,386                             | 2,616,423         |
| <b>Total Deferred Outflows of Resources</b>                       | <b>7,146,588</b>                   | <b>704,364</b>                      | <b>7,850,952</b>  |
| <b>Liabilities:</b>   |                                    |                                     |                   |
| Accounts Payable  | 115,926                            | 262,661                             | 378,587           |
| Accrued Wages and Benefits  | 14,640                             | 3,283                               | 17,923            |
| Intergovernmental Payable   | 208,643                            | 68,748                              | 277,391           |
| Claims Payable  | 127,656                            | 0                                   | 127,656           |
| Due to Others   | 56,957                             | 0                                   | 56,957            |
| Unearned Revenue  | 852,066                            | 0                                   | 852,066           |
| Refundable Deposits   | 0                                  | 406,488                             | 406,488           |
| Accrued Interest Payable  | 4,548                              | 132,200                             | 136,748           |
| Long-term Liabilities:  |                                    |                                     |                   |
| Due Within One Year   | 1,147,629                          | 1,061,054                           | 2,208,683         |
| Due in More Than One Year:  |                                    |                                     |                   |
| Net Pension Liability   | 19,902,666                         | 3,109,469                           | 23,012,135        |
| Net OPEB Liability  | 2,333,644                          | 0                                   | 2,333,644         |
| Other Amounts Due in More Than One Year                           | 1,148,302                          | 11,599,869                          | 12,748,171        |
| <b>Total Liabilities</b>  | <b>25,912,677</b>                  | <b>16,643,772</b>                   | <b>42,556,449</b> |

**CITY OF PORTSMOUTH, OHIO**

|  | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>         |
|--|------------------------------------|-------------------------------------|----------------------|
| <b>Deferred Inflows of Resources:</b>      |                                    |                                     |                      |
| Property Tax                               | 2,023,000                          | 0                                   | 2,023,000            |
| Pension                                    | 4,787,618                          | 1,513,851                           | 6,301,469            |
| OPEB                                       | 3,439,368                          | 1,177,249                           | 4,616,617            |
| <b>Total Deferred Inflows of Resources</b> | <b>10,249,986</b>                  | <b>2,691,100</b>                    | <b>12,941,086</b>    |
| <b>Net Position:</b>                       |                                    |                                     |                      |
| Net Investment in Capital Assets           | 20,361,528                         | 15,883,356                          | 36,244,884           |
| Restricted For:                            |                                    |                                     |                      |
| Streets and Highways                       | 1,200,289                          | 0                                   | 1,200,289            |
| Community Development                      | 172,322                            | 0                                   | 172,322              |
| Security of Persons and Property           | 1,450,369                          | 0                                   | 1,450,369            |
| Public Health and Welfare                  | 677,001                            | 0                                   | 677,001              |
| Capital Projects                           | 1,585,754                          | 0                                   | 1,585,754            |
| Debt Service                               | 216,479                            | 0                                   | 216,479              |
| Perpetual Care:                            |                                    |                                     |                      |
| Expendable                                 | 181,197                            | 0                                   | 181,197              |
| Nonexpendable                              | 26,843                             | 0                                   | 26,843               |
| Unrestricted (Deficit)                     | (6,095,946)                        | 4,016,287                           | (2,079,659)          |
| <b>Total Net Position</b>                  | <b>\$ 19,775,836</b>               | <b>\$ 19,899,643</b>                | <b>\$ 39,675,479</b> |

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

**Statement of Activities  
For the Year Ended December 31, 2021**

|                                       | Expenses             | Program Revenues               |                                    |                                  |
|---------------------------------------|----------------------|--------------------------------|------------------------------------|----------------------------------|
|                                       |                      | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Governmental Activities:</b>       |                      |                                |                                    |                                  |
| Security of Persons and Property      | \$ 11,990,922        | \$ 1,335,233                   | \$ 141,619                         | \$ 0                             |
| Public Health and Welfare Services    | 2,765,917            | 1,460,410                      | 1,286,461                          | 0                                |
| Leisure Time Activities               | 49,139               | 94,790                         | 0                                  | 0                                |
| Community Environment                 | 516,196              | 93,111                         | 191,340                            | 0                                |
| Transportation                        | 2,303,955            | 43,430                         | 1,318,565                          | 0                                |
| General Government                    | 3,677,060            | 442,893                        | 189,264                            | 0                                |
| Interest and Fiscal Charges           | 31,510               | 0                              | 0                                  | 0                                |
| <b>Total Governmental Activities</b>  | <b>21,334,699</b>    | <b>3,469,867</b>               | <b>3,127,249</b>                   | <b>0</b>                         |
| <b>Business-Type Activities:</b>      |                      |                                |                                    |                                  |
| Water                                 | 5,501,582            | 7,042,946                      | 0                                  | 0                                |
| Sewer                                 | 4,204,937            | 5,142,103                      | 0                                  | 203,720                          |
| Sanitation                            | 1,786,676            | 2,012,753                      | 0                                  | 0                                |
| <b>Total Business-Type Activities</b> | <b>11,493,195</b>    | <b>14,197,802</b>              | <b>0</b>                           | <b>203,720</b>                   |
| <b>Totals</b>                         | <b>\$ 32,827,894</b> | <b>\$ 17,667,669</b>           | <b>\$ 3,127,249</b>                | <b>\$ 203,720</b>                |

**General Revenues**

Property Taxes Levied for:

General Purposes

Special Purpose

Debt Service

Income Taxes

Other Local Taxes

Intergovernmental Revenue, Unrestricted

Investment Earnings

Miscellaneous

**Total General Revenues**

Change in Net Position

Net Position Beginning of Year

**Net Position End of Year**

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

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Net (Expense) Revenue  
and Changes in Net Position

| Governmental<br>Activities | Business-Type<br>Activities | Total                |
|----------------------------|-----------------------------|----------------------|
| \$ (10,514,070)            | \$ 0                        | \$ (10,514,070)      |
| (19,046)                   | 0                           | (19,046)             |
| 45,651                     | 0                           | 45,651               |
| (231,745)                  | 0                           | (231,745)            |
| (941,960)                  | 0                           | (941,960)            |
| (3,044,903)                | 0                           | (3,044,903)          |
| (31,510)                   | 0                           | (31,510)             |
| <u>(14,737,583)</u>        | <u>0</u>                    | <u>(14,737,583)</u>  |
| 0                          | 1,541,364                   | 1,541,364            |
| 0                          | 1,140,886                   | 1,140,886            |
| 0                          | 226,077                     | 226,077              |
| <u>0</u>                   | <u>2,908,327</u>            | <u>2,908,327</u>     |
| <u>(14,737,583)</u>        | <u>2,908,327</u>            | <u>(11,829,256)</u>  |
| 1,697,434                  | 0                           | 1,697,434            |
| 319,298                    | 0                           | 319,298              |
| 157,133                    | 0                           | 157,133              |
| 16,118,525                 | 0                           | 16,118,525           |
| 343,704                    | 0                           | 343,704              |
| 1,242,995                  | 0                           | 1,242,995            |
| 1,742                      | 0                           | 1,742                |
| 263,830                    | 0                           | 263,830              |
| <u>20,144,661</u>          | <u>0</u>                    | <u>20,144,661</u>    |
| 5,407,078                  | 2,908,327                   | 8,315,405            |
| <u>14,368,758</u>          | <u>16,991,316</u>           | <u>31,360,074</u>    |
| <u>\$ 19,775,836</u>       | <u>\$ 19,899,643</u>        | <u>\$ 39,675,479</u> |

**CITY OF PORTSMOUTH, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2021**

|  | General              | Health<br>Department | General<br>Obligation<br>Bond<br>Retirement | Capital<br>Improvement |
|--|----------------------|----------------------|---|------------------------|
| <b>Assets:</b>   |                      |                      |   |                        |
| Cash and Cash Equivalents  | \$ 11,722,037        | \$ 1,021,238         | \$ 175,549                                  | \$ 1,346,985           |
| Receivables:   |                      |                      |   |                        |
| Taxes  | 3,710,776            | 0                    | 182,930                                     | 239,801                |
| Accounts   | 308,624              | 344                  | 0   | 0                      |
| Intergovernmental  | 549,123              | 127,340              | 8,870                                       | 0                      |
| Due from Other Funds   | 0                    | 0                    | 0   | 0                      |
| Interfund Loans Receivables  | 400,000              | 0                    | 0   | 0                      |
| Inventory of Supplies, at Cost   | 51,975               | 949                  | 0   | 0                      |
| Prepaid Items  | 139,648              | 20,185               | 0   | 0                      |
| Restricted Assets:   |                      |                      |   |                        |
| Cash and Cash Equivalents  | 0                    | 0                    | 0   | 0                      |
| <b>Total Assets</b>  | <b>\$ 16,882,183</b> | <b>\$ 1,170,056</b>  | <b>\$ 367,349</b>                           | <b>\$ 1,586,786</b>    |
| <b>Liabilities:</b>  |                      |                      |   |                        |
| Accounts Payable   | \$ 103,130           | \$ 3,496             | \$ 0  | \$ 1,032               |
| Accrued Wages and Benefits Payable   | 14,640               | 0                    | 0   | 0                      |
| Intergovernmental Payable  | 163,279              | 30,647               | 0   | 0                      |
| Claims Payable   | 83,972               | 0                    | 0   | 0                      |
| Due to Others  | 0                    | 0                    | 0   | 0                      |
| Unearned Revenue   | 0                    | 0                    | 0   | 0                      |
| Due to Other Funds   | 24,453               | 0                    | 0   | 0                      |
| Interfund Loans Payable  | 0                    | 400,000              | 0   | 0                      |
| <b>Total Liabilities</b>   | <b>389,474</b>       | <b>434,143</b>       | <b>0</b>                                    | <b>1,032</b>           |
| <b>Deferred Inflows of Resources:</b>                                      |                      |                      |   |                        |
| Property Tax   | 1,578,000            | 0                    | 142,000                                     | 0                      |
| Unavailable Revenue  | 1,261,024            | 2,677                | 49,800                                      | 40,748                 |
| <b>Total Deferred Inflows of Resources</b>                                 | <b>2,839,024</b>     | <b>2,677</b>         | <b>191,800</b>                              | <b>40,748</b>          |
| <b>Fund Balances:</b>  |                      |                      |   |                        |
| Nonspendable   | 191,623              | 21,134               | 0   | 0                      |
| Restricted   | 0                    | 712,102              | 175,549                                     | 1,545,006              |
| Committed  | 172,561              | 0                    | 0   | 0                      |
| Assigned   | 1,518,814            | 0                    | 0   | 0                      |
| Unassigned   | 11,770,687           | 0                    | 0   | 0                      |
| <b>Total Fund Balances</b>   | <b>13,653,685</b>    | <b>733,236</b>       | <b>175,549</b>                              | <b>1,545,006</b>       |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <b>\$ 16,882,183</b> | <b>\$ 1,170,056</b>  | <b>\$ 367,349</b>                           | <b>\$ 1,586,786</b>    |

See accompanying notes to the basic financial statements



**CITY OF PORTSMOUTH, OHIO**

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| Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------|--------------------------------|
| \$ 2,852,115                   | \$ 17,117,924                  |
| 398,235                        | 4,531,742                      |
| 229,421                        | 538,389                        |
| 756,620                        | 1,441,953                      |
| 24,453                         | 24,453                         |
| 0                              | 400,000                        |
| 213                            | 53,137                         |
| 12,347                         | 172,180                        |
| 208,040                        | 208,040                        |
| <u>\$ 4,481,444</u>            | <u>\$ 24,487,818</u>           |
| <br>                           |                                |
| \$ 8,268                       | \$ 115,926                     |
| 0                              | 14,640                         |
| 14,717                         | 208,643                        |
| 0                              | 83,972                         |
| 56,957                         | 56,957                         |
| 852,066                        | 852,066                        |
| 0                              | 24,453                         |
| 0                              | 400,000                        |
| <u>932,008</u>                 | <u>1,756,657</u>               |
| <br>                           |                                |
| 303,000                        | 2,023,000                      |
| 730,929                        | 2,085,178                      |
| <u>1,033,929</u>               | <u>4,108,178</u>               |
| <br>                           |                                |
| 39,403                         | 252,160                        |
| 2,432,886                      | 4,865,543                      |
| 44,439                         | 217,000                        |
| 0                              | 1,518,814                      |
| (1,221)                        | 11,769,466                     |
| <u>2,515,507</u>               | <u>18,622,983</u>              |
| <br>                           |                                |
| <u>\$ 4,481,444</u>            | <u>\$ 24,487,818</u>           |

**CITY OF PORTSMOUTH, OHIO**

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***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2021***

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|  |                     |                             |
|--|---------------------|-----------------------------|
| <b>Total Governmental Fund Balances</b>  |                     | \$ 18,622,983               |
| <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.  |                     | 20,489,692                  |
| Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds.  |                     | 2,085,178                   |
| 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. |                     | 3,635,551                   |
| 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  | 4,736,551           |                             |
| Deferred Inflows - Pension   | (4,787,618)         |                             |
| Net Pension Liability  | <u>(19,902,666)</u> | (19,953,733)                |
| The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:  |                     |                             |
| Deferred Outflows - OPEB   | 2,410,037           |                             |
| Deferred Inflows - OPEB  | (3,439,368)         |                             |
| Net OPEB Asset   | 559,619             |                             |
| Net OPEB Liability   | <u>(2,333,644)</u>  | (2,803,356)                 |
| 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   | (540,000)           |                             |
| Capital Leases Payable   | (128,164)           |                             |
| Compensated Absences Payable   | (1,627,767)         |                             |
| Accrued Interest Payable   | <u>(4,548)</u>      | (2,300,479)                 |
| <b><i>Net Position of Governmental Activities</i></b>  |                     | <b><u>\$ 19,775,836</u></b> |

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, 2021**

|  | General              | Health<br>Department | General<br>Obligation Bond<br>Retirement | Capital<br>Improvement |
|--|----------------------|----------------------|--|------------------------|
| <b>Revenues:</b>                                     |                      |                      |  |                        |
| Taxes  | \$ 16,176,417        | \$ 0                 | \$ 150,869                               | \$ 1,940,145           |
| Intergovernmental Revenues                           | 1,151,670            | 1,179,416            | 18,023                                   | 148,340                |
| Charges for Services                                 | 989,905              | 1,243,239            | 0  | 0                      |
| Licenses and Permits                                 | 206,329              | 0                    | 0  | 0                      |
| Investment Earnings                                  | 1,739                | 0                    | 0  | 0                      |
| Fines and Forfeitures                                | 505,957              | 0                    | 0  | 0                      |
| All Other Revenue                                    | 211,210              | 124,908              | 0  | 1,090                  |
| <b>Total Revenue</b>                                 | <b>19,243,227</b>    | <b>2,547,563</b>     | <b>168,892</b>                           | <b>2,089,575</b>       |
| <b>Expenditures:</b>                                 |                      |                      |  |                        |
| Current:   |                      |                      |  |                        |
| Security of Persons and Property                     | 11,208,710           | 0                    | 0  | 0                      |
| Public Health and Welfare Services                   | 0                    | 3,866,018            | 0  | 0                      |
| Leisure Time Activities                              | 0                    | 0                    | 0  | 0                      |
| Community Environment                                | 374,887              | 0                    | 0  | 0                      |
| Transportation                                       | 800,089              | 0                    | 0  | 0                      |
| General Government                                   | 4,204,642            | 0                    | 0  | 0                      |
| Capital Outlay                                       | 0                    | 0                    | 0  | 2,105,585              |
| Debt Service:  |                      |                      |  |                        |
| Principal Retirement                                 | 0                    | 0                    | 125,000                                  | 123,163                |
| Interest and Fiscal Charges                          | 0                    | 0                    | 16,758                                   | 10,204                 |
| <b>Total Expenditures</b>                            | <b>16,588,328</b>    | <b>3,866,018</b>     | <b>141,758</b>                           | <b>2,238,952</b>       |
| Excess (Deficiency) of Revenues<br>Over Expenditures | 2,654,899            | (1,318,455)          | 27,134                                   | (149,377)              |
| <b>Other Financing Sources (Uses):</b>               |                      |                      |  |                        |
| Transfers In   | 0                    | 786,698              | 0  | 0                      |
| Transfers Out  | (890,698)            | 0                    | 0  | 0                      |
| <b>Total Other Financing Sources (Uses)</b>          | <b>(890,698)</b>     | <b>786,698</b>       | <b>0</b>                                 | <b>0</b>               |
| Net Change in Fund Balances                          | 1,764,201            | (531,757)            | 27,134                                   | (149,377)              |
| <b>Fund Balances at Beginning of Year</b>            | <b>11,889,484</b>    | <b>1,264,993</b>     | <b>148,415</b>                           | <b>1,694,383</b>       |
| <b>Fund Balances End of Year</b>                     | <b>\$ 13,653,685</b> | <b>\$ 733,236</b>    | <b>\$ 175,549</b>                        | <b>\$ 1,545,006</b>    |

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

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| Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------|--------------------------------|
| \$ 427,861                     | \$ 18,695,292                  |
| 1,599,662                      | 4,097,111                      |
| 59,890                         | 2,293,034                      |
| 0                              | 206,329                        |
| 3                              | 1,742                          |
| 491,728                        | 997,685                        |
| 20,945                         | 358,153                        |
| <u>2,600,089</u>               | <u>26,649,346</u>              |
| 514,434                        | 11,723,144                     |
| 6,000                          | 3,872,018                      |
| 44,011                         | 44,011                         |
| 141,745                        | 516,632                        |
| 1,286,956                      | 2,087,045                      |
| 934,648                        | 5,139,290                      |
| 0                              | 2,105,585                      |
| 0                              | 248,163                        |
| 0                              | 26,962                         |
| <u>2,927,794</u>               | <u>25,762,850</u>              |
| (327,705)                      | 886,496                        |
| 104,000                        | 890,698                        |
| 0                              | (890,698)                      |
| <u>104,000</u>                 | <u>0</u>                       |
| (223,705)                      | 886,496                        |
| <u>2,739,212</u>               | <u>17,736,487</u>              |
| <u>\$ 2,515,507</u>            | <u>\$ 18,622,983</u>           |

**CITY OF PORTSMOUTH, OHIO**

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***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, 2021***

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**Net Change in Fund Balances - Total Governmental Funds** \$ 886,496

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

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

|                      |                    |          |
|----------------------|--------------------|----------|
| Capital Outlay       | 1,844,468          |          |
| Depreciation Expense | <u>(1,872,024)</u> | (27,556) |

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. (9,825)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 92,431

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 1,919,602

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (1,739,701)

Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability/asset are reported as OPEB expense in the statement of activities. 3,125,933

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 | 125,000        |         |
| Capital Leases Payable           | <u>123,163</u> | 248,163 |

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (4,548)

(Continued)

**CITY OF PORTSMOUTH, OHIO**

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

Compensated Absences (330,717)

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.

1,246,800

***Change in Net Position of Governmental Activities***

\$ 5,407,078

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, 2021**

|  | Original<br>Budget  | Final Budget         | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|----------------------|----------------------|---|
| <b>Revenues:</b>   |                     |                      |                      |   |
| Taxes  | \$ 14,665,000       | \$ 16,101,540        | \$ 16,111,644        | \$ 10,104   |
| Intergovernmental Revenue                                    | 876,183             | 1,136,121            | 1,136,121            | 0   |
| Charges for Services   | 743,000             | 975,759              | 986,103              | 10,344  |
| Licenses and Permits   | 170,000             | 206,329              | 206,329              | 0   |
| Investment Earnings  | 0                   | 1,739                | 1,739                | 0   |
| Fines and Forfeitures  | 520,000             | 496,507              | 496,507              | 0   |
| All Other Revenues   | 61,000              | 168,724              | 168,724              | 0   |
| Total Revenues   | <u>17,035,183</u>   | <u>19,086,719</u>    | <u>19,107,167</u>    | <u>20,448</u>   |
| <b>Expenditures:</b>   |                     |                      |                      |   |
| Current:   |                     |                      |                      |   |
| Security of Persons and Property                             | 10,994,737          | 11,190,276           | 11,190,276           | 0   |
| Community Environment  | 315,062             | 392,973              | 392,973              | 0   |
| Transportation   | 656,882             | 800,847              | 800,847              | 0   |
| General Government   | 3,194,405           | 3,060,758            | 3,060,758            | 0   |
| Total Expenditures   | <u>15,161,086</u>   | <u>15,444,854</u>    | <u>15,444,854</u>    | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 1,874,097           | 3,641,865            | 3,662,313            | 20,448  |
| <b>Other Financing Sources (Uses):</b>                       |                     |                      |                      |   |
| Transfers Out  | (2,440,698)         | (2,141,198)          | (2,141,198)          | 0   |
| Advances In  | 400,000             | 550,000              | 550,000              | 0   |
| Advances Out   | (400,000)           | (400,000)            | (400,000)            | 0   |
| Total Other Financing Sources (Uses):                        | <u>(2,440,698)</u>  | <u>(1,991,198)</u>   | <u>(1,991,198)</u>   | <u>0</u>  |
| Net Change in Fund Balance                                   | (566,601)           | 1,650,667            | 1,671,115            | 20,448  |
| Fund Balance at Beginning of Year                            | 9,714,733           | 9,714,733            | 9,714,733            | 0   |
| Prior Year Encumbrances                                      | 26,000              | 26,000               | 26,000               | 0   |
| Fund Balance at End of Year                                  | <u>\$ 9,174,132</u> | <u>\$ 11,391,400</u> | <u>\$ 11,411,848</u> | <u>\$ 20,448</u>  |

See accompanying notes to the basic financial statements



**CITY OF PORTSMOUTH, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Health Department Fund  
For the Year Ended December 31, 2021**

|  | Original<br>Budget | Final Budget | Actual       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|--------------|--------------|---|
| <b>Revenues:</b>   |                    |              |              |   |
| Intergovernmental Revenues                                   | \$ 1,526,000       | \$ 1,305,000 | \$ 1,323,602 | \$ 18,602   |
| Charges for Services   | 723,000            | 1,333,000    | 1,243,239    | (89,761)  |
| All Other Revenues   | 10,000             | 100,000      | 124,987      | 24,987  |
| Total Revenues   | 2,259,000          | 2,738,000    | 2,691,828    | (46,172)  |
| <b>Expenditures:</b>   |                    |              |              |   |
| Public Health and Welfare Services                           | 3,178,141          | 3,844,756    | 3,844,756    | 0   |
| Total Expenditures   | 3,178,141          | 3,844,756    | 3,844,756    | 0   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (919,141)          | (1,106,756)  | (1,152,928)  | (46,172)  |
| <b>Other Financing Sources (Uses):</b>                       |                    |              |              |   |
| Transfers In   | 748,000            | 788,000      | 786,698      | (1,302)   |
| Advances In  | 0                  | 395,000      | 400,000      | 5,000   |
| Advances Out   | 0                  | (550,000)    | (550,000)    | 0   |
| Total Other Financing Sources (Uses)                         | 748,000            | 633,000      | 636,698      | 3,698   |
| Net Change in Fund Balance                                   | (171,141)          | (473,756)    | (516,230)    | (42,474)  |
| Fund Balance at Beginning of Year                            | 1,537,468          | 1,537,468    | 1,537,468    | 0   |
| Fund Balance at End of Year                                  | \$ 1,366,327       | \$ 1,063,712 | \$ 1,021,238 | \$ (42,474)   |

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2021**

|  | Business-Type Activities |              |            |
|--|--------------------------|--------------|------------|
|  | Enterprise Funds         |              |            |
|  | Water                    | Sewer        | Sanitation |
| <b>Assets:</b>   |                          |              |            |
| Current assets:  |                          |              |            |
| Cash and Cash Equivalents  | \$ 3,295,335             | \$ 1,085,940 | \$ 62,426  |
| Accounts receivable (net of allowance for uncollectibles)            | 1,640,222                | 1,215,800    | 416,984    |
| Inventory of Supplies at Cost  | 0                        | 0            | 30,342     |
| Prepaid Items  | 24,129                   | 20,176       | 9,860      |
| Total current assets   | 4,959,686                | 2,321,916    | 519,612    |
| Noncurrent assets:   |                          |              |            |
| Restricted Assets:   |                          |              |            |
| Cash and Cash Equivalents  | 406,488                  | 0            | 0          |
| Net OPEB Asset   | 166,072                  | 119,833      | 70,119     |
| Capital assets:  |                          |              |            |
| Capital Assets Not Being Depreciated                                 | 997,197                  | 216,571      | 0          |
| Capital Assets Being Depreciated,<br>net of accumulated depreciation | 14,421,215               | 11,803,812   | 811,444    |
| Total capital assets   | 15,418,412               | 12,020,383   | 811,444    |
| Total noncurrent assets  | 15,990,972               | 12,140,216   | 881,563    |
| Total Assets   | 20,950,658               | 14,462,132   | 1,401,175  |
| <b>Deferred Outflows of Resources:</b>                               |                          |              |            |
| Pension  | 208,705                  | 150,596      | 138,677    |
| OPEB   | 81,643                   | 59,862       | 64,881     |
| <b>Total Deferred Outflows of Resources</b>                          | 290,348                  | 210,458      | 203,558    |
| <b>Liabilities:</b>  |                          |              |            |
| Current liabilities:   |                          |              |            |
| Accounts Payable   | 109,699                  | 115,703      | 37,259     |
| Accrued Wages and Benefits   | 2,296                    | 987          | 0          |
| Intergovernmental Payable  | 32,447                   | 22,616       | 13,685     |
| Claims Payable   | 0                        | 0            | 0          |
| Refundable Deposits  | 406,488                  | 0            | 0          |
| Accrued Interest Payable   | 47,719                   | 84,481       | 0          |
| Capital Leases Payable - Current                                     | 0                        | 95,016       | 0          |
| OWDA Loans Payable - Current   | 375,829                  | 210,440      | 0          |
| OPWC Loans Payable - Current   | 46,510                   | 101,062      | 0          |
| Compensated Absences Payable - Current                               | 126,083                  | 106,114      | 0          |
| Total Current Liabilities  | 1,147,071                | 736,419      | 50,944     |

**CITY OF PORTSMOUTH, OHIO**

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| Total             | Governmental<br>Activities -<br>Internal Service<br>Funds |
|-------------------|---|
| \$ 4,443,701      | \$ 5,395,421  |
| 3,273,006         | 0   |
| 30,342            | 0   |
| 54,165            | 0   |
| <u>7,801,214</u>  | <u>5,395,421</u>  |
| 406,488           | 0   |
| 356,024           | 0   |
| 1,213,768         | 0   |
| 27,036,471        | 0   |
| <u>28,250,239</u> | <u>0</u>  |
| 29,012,751        | 0   |
| <u>36,813,965</u> | <u>5,395,421</u>  |
| 497,978           | 0   |
| 206,386           | 0   |
| <u>704,364</u>    | <u>0</u>  |
| 262,661           | 0   |
| 3,283             | 0   |
| 68,748            | 0   |
| 0                 | 43,684  |
| 406,488           | 0   |
| 132,200           | 0   |
| 95,016            | 0   |
| 586,269           | 0   |
| 147,572           | 0   |
| 232,197           | 0   |
| <u>1,934,434</u>  | <u>43,684</u>   |

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Statement of Net Position  
Proprietary Funds  
December 31, 2021**

|  | Business-Type Activities |                     |                   |
|--|--------------------------|---------------------|-------------------|
|  | Enterprise Funds         |                     |                   |
|  | Water                    | Sewer               | Sanitation        |
| <b>Noncurrent Liabilities:</b>             |                          |                     |                   |
| Capital Leases Payable                     | 0                        | 97,155              | 0                 |
| OWDA Loans Payable                         | 4,131,434                | 4,910,162           | 0                 |
| OPWC Loans Payable                         | 1,302,281                | 1,111,994           | 0                 |
| Compensated Absences Payable               | 28,954                   | 17,889              | 0                 |
| Net Pension Liability                      | 1,450,452                | 1,046,606           | 612,411           |
| <b>Total Noncurrent Liabilities</b>        | <b>6,913,121</b>         | <b>7,183,806</b>    | <b>612,411</b>    |
| <b>Total Liabilities</b>                   | <b>8,060,192</b>         | <b>7,920,225</b>    | <b>663,355</b>    |
| <b>Deferred Inflows of Resources:</b>      |                          |                     |                   |
| Pension                                    | 705,384                  | 524,072             | 284,395           |
| OPEB                                       | 544,195                  | 406,515             | 226,539           |
| <b>Total Deferred Inflows of Resources</b> | <b>1,249,579</b>         | <b>930,587</b>      | <b>510,934</b>    |
| <b>Net Position:</b>                       |                          |                     |                   |
| Net Investment in Capital Assets           | 9,562,358                | 5,509,554           | 811,444           |
| Unrestricted                               | 2,368,877                | 312,224             | (381,000)         |
| <b>Total Net Position</b>                  | <b>\$ 11,931,235</b>     | <b>\$ 5,821,778</b> | <b>\$ 430,444</b> |

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

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

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

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| <u>Total</u>         | <u>Governmental<br/>Activities -<br/>Internal Service<br/>Funds</u> |
|----------------------|---|
| 97,155               | 0   |
| 9,041,596            | 0   |
| 2,414,275            | 0   |
| 46,843               | 0   |
| 3,109,469            | 0   |
| <u>14,709,338</u>    | <u>0</u>  |
| <u>16,643,772</u>    | <u>43,684</u>   |
|                      |   |
| 1,513,851            | 0   |
| 1,177,249            | 0   |
| <u>2,691,100</u>     | <u>0</u>  |
|                      |   |
| 15,883,356           | 0   |
| 2,300,101            | 5,351,737   |
| <u>\$ 18,183,457</u> | <u>\$ 5,351,737</u>   |
|                      |   |
| <u>1,716,186</u>     |   |
| <u>\$ 19,899,643</u> |   |

**CITY OF PORTSMOUTH, OHIO**

**Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended December 31, 2021**

|  | Business-Type Activities |                     |                   |
|--|--------------------------|---------------------|-------------------|
|  | Enterprise Funds         |                     |                   |
|  | Water                    | Sewer               | Sanitation        |
| <b>Operating Revenues:</b>                     |                          |                     |                   |
| Charges for Services                           | \$ 7,042,396             | \$ 5,141,814        | \$ 2,012,441      |
| Other Operating Revenues                       | 550                      | 289                 | 312               |
| <b>Total Operating Revenues</b>                | <b>7,042,946</b>         | <b>5,142,103</b>    | <b>2,012,753</b>  |
| <b>Operating Expenses:</b>                     |                          |                     |                   |
| Personal Services                              | 1,627,906                | 1,770,834           | 1,023,914         |
| Contractual Services                           | 1,741,854                | 1,381,227           | 148,745           |
| Materials and Supplies                         | 989,501                  | 457,200             | 611,384           |
| Depreciation                                   | 1,286,245                | 635,060             | 87,465            |
| <b>Total Operating Expenses</b>                | <b>5,645,506</b>         | <b>4,244,321</b>    | <b>1,871,508</b>  |
| <b>Operating Income</b>                        | <b>1,397,440</b>         | <b>897,782</b>      | <b>141,245</b>    |
| <b>Non-Operating Revenue (Expenses):</b>       |                          |                     |                   |
| Interest and Fiscal Charges                    | (97,717)                 | (172,064)           | 0                 |
| Loss on Disposal of Capital Assets             | 0                        | 0                   | (7,667)           |
| <b>Total Non-Operating Revenues (Expenses)</b> | <b>(97,717)</b>          | <b>(172,064)</b>    | <b>(7,667)</b>    |
| <b>Income Before Contributions</b>             | <b>1,299,723</b>         | <b>725,718</b>      | <b>133,578</b>    |
| Capital Contributions                          | 0                        | 203,720             | 0                 |
| <b>Change in Net Position</b>                  | <b>1,299,723</b>         | <b>929,438</b>      | <b>133,578</b>    |
| Net Position Beginning of Year                 | 10,631,512               | 4,892,340           | 296,866           |
| <b>Net Position End of Year</b>                | <b>\$ 11,931,235</b>     | <b>\$ 5,821,778</b> | <b>\$ 430,444</b> |

Change in Net Position - Total Enterprise Funds

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

Change in Net Position - Total Business-Type Activities

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

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| <u>Total</u>  | <u>Governmental<br/>Activities -<br/>Internal Service<br/>Funds</u> |
|---------------|---|
| \$ 14,196,651 | \$ 2,053,265  |
| 1,151         | 0   |
| 14,197,802    | 2,053,265   |
| 4,422,654     | 260,877   |
| 3,271,826     | 0   |
| 2,058,085     | 0   |
| 2,008,770     | 0   |
| 11,761,335    | 260,877   |
| 2,436,467     | 1,792,388   |
| (269,781)     | 0   |
| (7,667)       | 0   |
| (277,448)     | 0   |
| 2,159,019     | 1,792,388   |
| 203,720       | 0   |
| 2,362,739     | 1,792,388   |
| 15,820,718    | 3,559,349   |
| \$ 18,183,457 | \$ 5,351,737  |
| 2,362,739     |   |
| 545,588       |   |
| \$ 2,908,327  |   |

**CITY OF PORTSMOUTH, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2021**

|  | Business-Type Activities |             |             |
|--|--------------------------|-------------|-------------|
|  | Enterprise Funds         |             |             |
|  | Water                    | Sewer       | Sanitation  |
| <u>Cash Flows from Operating Activities:</u>   |                          |             |             |
| Cash Received from Customers   | \$6,975,754              | \$5,196,507 | \$2,029,726 |
| Cash Received from Interfund Services  | 0                        | 0           | 0           |
| Cash Payments for Goods and Services   | (2,667,770)              | (1,799,538) | (745,747)   |
| Cash Payments to Employees   | (2,860,887)              | (2,575,996) | (1,493,093) |
| Customer Deposits Received   | 106,839                  | 0           | 0           |
| Customer Deposits Refunded   | (80,384)                 | 0           | 0           |
| Net Cash Provided (Used) by Operating Activities                                     | 1,473,552                | 820,973     | (209,114)   |
| <u>Cash Flows from Noncapital Financing Activities:</u>                              |                          |             |             |
| Principal Paid on Ohio Public Works Commission Loan                                  | 0                        | (30,000)    | 0           |
| Net Cash Provided by Noncapital Financing Activities                                 | 0                        | (30,000)    | 0           |
| <u>Cash Flows from Capital and Related Financing Activities:</u>                     |                          |             |             |
| Proceeds from Ohio Water Development Authority Loan                                  | 939,449                  | 0           | 0           |
| Proceeds from Intergovernmental Grants   | 0                        | 203,720     | 0           |
| Acquisition and Construction of Assets   | (1,034,711)              | (373,468)   | (53,367)    |
| Principal Paid on Ohio Public Works Commission Loan                                  | (46,510)                 | (86,064)    | 0           |
| Principal Paid on Ohio Water Development Authority Loan                              | (333,663)                | (203,541)   | 0           |
| Capital Lease Payment  | 0                        | (99,340)    | 0           |
| Interest Paid on All Debt  | (102,243)                | (170,342)   | 0           |
| Net Cash Used<br>by Capital and Related Financing Activities                         | (577,678)                | (729,035)   | (53,367)    |
| Net Increase (Decrease) in Cash and Cash Equivalents                                 | 895,874                  | 61,938      | (262,481)   |
| Cash and Cash Equivalents at Beginning of Year                                       | 2,805,949                | 1,024,002   | 324,907     |
| Cash and Cash Equivalents at End of Year   | \$3,701,823              | \$1,085,940 | \$62,426    |
| <u>Reconciliation of Cash and Cash Equivalent per the Statement of Net Position:</u> |                          |             |             |
| Cash and Cash Equivalents  | \$3,295,335              | \$1,085,940 | \$62,426    |
| Restricted Cash and Cash Equivalents   | 406,488                  | 0           | 0           |
| Cash and Cash Equivalents at End of Year   | \$3,701,823              | \$1,085,940 | \$62,426    |



**CITY OF PORTSMOUTH, OHIO**

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| Total              | Governmental<br>Activities<br>Internal Service<br>Fund |
|--------------------|--|
| \$14,201,987       | \$0  |
| 0                  | 2,053,265  |
| (5,213,055)        | (286,911)  |
| (6,929,976)        | 0  |
| 106,839            | 0  |
| (80,384)           | 0  |
| <u>2,085,411</u>   | <u>1,766,354</u>                                       |
| <u>(30,000)</u>    | <u>0</u>   |
| <u>(30,000)</u>    | <u>0</u>   |
| 939,449            | 0  |
| 203,720            | 0  |
| (1,461,546)        | 0  |
| (132,574)          | 0  |
| (537,204)          | 0  |
| (99,340)           | 0  |
| <u>(272,585)</u>   | <u>0</u>   |
| <u>(1,360,080)</u> | <u>0</u>   |
| 695,331            | 1,766,354  |
| <u>4,154,858</u>   | <u>3,629,067</u>                                       |
| <u>\$4,850,189</u> | <u>\$5,395,421</u>                                     |
| \$4,443,701        | \$5,395,421  |
| <u>406,488</u>     | <u>0</u>   |
| <u>\$4,850,189</u> | <u>\$5,395,421</u>                                     |

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2021**

|  | Business-Type Activities |                  |                    |
|--|--------------------------|------------------|--------------------|
|  | Enterprise Funds         |                  |                    |
|  | Water                    | Sewer            | Sanitation         |
| <u>Reconciliation of Operating Income to Net Cash</u>  |                          |                  |                    |
| <u>Provided (Used) by Operating Activities:</u>  |                          |                  |                    |
| Operating Income   | \$1,397,440              | \$897,782        | \$141,245          |
| Adjustments to Reconcile Operating Income (Loss) to<br>Net Cash Provided by Operating Activities:    |                          |                  |                    |
| Depreciation Expense   | 1,286,245                | 635,060          | 87,465             |
| Changes in Assets, Deferred Outflows of Resources,<br>Liabilities and Deferred Inflows of Resources: |                          |                  |                    |
| (Increase) Decrease in Accounts Receivable   | (67,192)                 | 54,404           | 16,973             |
| (Increase) Decrease in Inventory   | 42,468                   | 57,189           | (18,780)           |
| Decrease in Prepaid Items  | 6,198                    | 3,770            | 452                |
| Increase in Net OPEB Asset   | (166,072)                | (119,833)        | (70,119)           |
| (Increase) Decrease in Deferred Outflows-Pension   | 98,304                   | 126,054          | (462)              |
| Decrease in Deferred Outflows-OPEB   | 131,735                  | 129,838          | 29,851             |
| Increase (Decrease) in Accounts Payable  | 19,617                   | (18,301)         | 33,162             |
| Increase in Intergovernmental Payable  | 4,620                    | 749              | 2,583              |
| Decrease in Accrued Wages and Benefits   | (713)                    | (3,130)          | (523)              |
| Decrease in Claims Payable   | 0                        | 0                | 0                  |
| Increase in Customer Deposits  | 26,455                   | 0                | 0                  |
| Increase in Compensated Absences   | 42,811                   | 37,937           | 0                  |
| Decrease in Net Pension Liability  | (579,279)                | (452,126)        | (132,469)          |
| Decrease in Net OPEB Liability   | (1,347,795)              | (995,198)        | (494,621)          |
| Increase in Deferred Inflows-Pension   | 226,406                  | 201,954          | 70,172             |
| Increase in Deferred Inflows-OPEB  | 352,304                  | 264,824          | 125,957            |
| Total Adjustments  | 76,112                   | (76,809)         | (350,359)          |
| Net Cash Provide (Used) by Operating Activities  | <u>\$1,473,552</u>       | <u>\$820,973</u> | <u>(\$209,114)</u> |

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2021 the Water Fund had outstanding liabilities of \$4,907 for certain capital assets.

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

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| <u>Total</u>       | <u>Governmental<br/>Activities<br/>Internal Service<br/>Fund</u> |
|--------------------|--|
| \$2,436,467        | \$1,792,388  |
| 2,008,770          | 0  |
| 4,185              | 0  |
| 80,877             | 0  |
| 10,420             | 0  |
| (356,024)          | 0  |
| 223,896            | 0  |
| 291,424            | 0  |
| 34,478             | 0  |
| 7,952              | 0  |
| (4,366)            | 0  |
| 0                  | (26,034)   |
| 26,455             | 0  |
| 80,748             | 0  |
| (1,163,874)        | 0  |
| (2,837,614)        | 0  |
| 498,532            | 0  |
| 743,085            | 0  |
| <u>(351,056)</u>   | <u>(26,034)</u>  |
| <u>\$2,085,411</u> | <u>\$1,766,354</u>   |

**CITY OF PORTSMOUTH, OHIO**

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***Statement of Net Position  
Fiduciary Funds  
December 31, 2021***

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|                           | <u>Custodial</u> |
|---------------------------|------------------|
| <b>Assets:</b>            |                  |
| Receivables:              |                  |
| Accounts                  | \$ 635,544       |
| Restricted Assets:        |                  |
| Cash and Cash Equivalents | 71,867           |
| <b>Total Assets</b>       | <u>707,411</u>   |
| <b>Liabilities:</b>       |                  |
| Intergovernmental Payable | 24,759           |
| Due to Others             | 682,652          |
| <b>Total Liabilities</b>  | <u>707,411</u>   |
| Unrestricted              | 0                |
| <b>Total Net Position</b> | <u>\$ 0</u>      |

See accompanying notes to the basic financial statements

**CITY OF PORTSMOUTH, OHIO**

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**Statement of Changes in Net Position  
Fiduciary Funds  
For the Year Ended December 31, 2021**

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|   | <u>Custodial</u> |
|---|------------------|
| <b>Additions:</b>                               |                  |
| Fines and Forfeitures Collections for Others    | \$ 901,920       |
| Charges Collected for Others                    | 2,132            |
| Miscellaneous                                   | 24,587           |
| Total Additions                                 | <u>928,639</u>   |
| <b>Deductions:</b>                              |                  |
| Distribution of Fines and Forfeitures to Others | 901,920          |
| Distribution of Charges Collected for Others    | 2,132            |
| Distributions to Others                         | 24,587           |
| Total Deductions                                | <u>928,639</u>   |
| Change in Net Position                          | 0                |
| Net Position at Beginning of Year               | <u>0</u>         |
| Net Position End of Year                        | <u>\$ 0</u>      |

See accompanying notes to the basic financial statements

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

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

The financial statements are presented as of December 31, 2021 and for the year then ended and have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The Governmental Accounting Standards Board (the "GASB") is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

**A. Reporting Entity**

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

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

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

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

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

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

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

***Proprietary Funds***

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

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

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

***Governmental Funds***

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

***Fiduciary Funds***

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

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

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

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

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



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

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

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

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

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

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

Fiduciary funds are reported using the economic resources measurement focus.

**D. Basis of Accounting**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

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

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

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

**E. Budgetary Process**

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

**E. Budgetary Process (Continued)**

2. Estimated Resources

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

On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement as final budget reflect the amounts in the final amended official certificate of estimated resources issued during 2021.

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 2021. 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, 2021***

**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 and major special revenue fund:

|  | Net Change in Fund Balance |                           |
|--|----------------------------|---------------------------|
|  | General<br>Fund            | Health Department<br>Fund |
| GAAP Basis (as reported)   | \$1,764,201                | (\$531,757)               |
| Increase (Decrease):   |                            |                           |
| Accrued Revenues at<br>December 31, 2021<br>received during 2022 | (2,160,716)                | (125,007)                 |
| Accrued Revenues at<br>December 31, 2020<br>received during 2021 | 2,209,656                  | 269,272                   |
| Accrued Expenditures at<br>December 31, 2021<br>paid during 2022 | 255,234                    | 433,194                   |
| Accrued Expenditures at<br>December 31, 2020<br>paid during 2021 | (267,483)                  | (575,166)                 |
| 2020 Prepays for 2021  | 155,868                    | 33,419                    |
| 2021 Prepays for 2022  | (131,143)                  | (20,185)                  |
| Perspective Difference-  |                            |                           |
| Budgeted Special Revenue Funds<br>reclassified as General Fund   | 40,498                     | 0                         |
| Outstanding Encumbrances   | (195,000)                  | 0                         |
| Budget Basis   | <u>\$1,671,115</u>         | <u>(\$516,230)</u>        |

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

**F. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits and investments with original maturity dates of three months or less. The City pools its cash, except for cash and investments in certain fiduciary funds and monies held for construction in enterprise funds, for maximum investing efficiency. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. For purposes of the statement of cash flows, the share of equity in the pooled cash and investments of the proprietary funds is considered to be cash equivalents. See Note 4, "Cash, Cash Equivalents and Investments."

**G. Inventory**

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The consumption method is used to account for inventories. As such, inventories are recognized as expenditures when goods are used. Reported inventories in governmental funds are offset by a nonspendable fund balance.

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2021, 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, 2021***

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

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

2. Property, Plant and Equipment – Business Type Activities

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

3. Depreciation

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

| Description                                  | Governmental and<br>Business-Type Activities<br>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,<br>Sewer Fund, Sanitation Fund |
| Capital Leases Payable                     | Capital Improvement Fund,<br>Sewer                       |

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

**K. Compensated Absences**

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

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

**L. Net Position**

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

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

**M. Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability/asset, 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, 2021***

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

**N. Interfund Activity**

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

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

**O. Fund Balances**

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

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

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

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

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



***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

**O. Fund Balances** (Continued)

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

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

**P. Operating Revenues and Expenses**

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

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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 10 and 11.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

**R. Restricted Assets**

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

**S. Fair 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 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period.”

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. The implementation of this statement had no effect on beginning of year net position/fund balance.

**CITY OF PORTSMOUTH, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

**NOTE 3 – FUND BALANCE CLASSIFICATION**

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

| Fund Balances               | General Fund | Health Department Fund | General Obligation Bond Retirement Fund | Capital Improvement Fund | Other Governmental Funds | Total Governmental Funds |
|-----------------------------|--------------|------------------------|---|--------------------------|--------------------------|--------------------------|
| Nonspendable:               |              |                        |   |                          |                          |                          |
| Prepaid Items               | \$139,648    | \$20,185               | \$0                                     | \$0                      | \$12,347                 | \$172,180                |
| Supplies Inventory          | 51,975       | 949                    | 0                                       | 0                        | 213                      | 53,137                   |
| Endowment                   | 0            | 0                      | 0                                       | 0                        | 26,843                   | 26,843                   |
| Total Nonspendable          | 191,623      | 21,134                 | 0                                       | 0                        | 39,403                   | 252,160                  |
| Restricted:                 |              |                        |   |                          |                          |                          |
| Transportation Projects     | 0            | 0                      | 0                                       | 0                        | 944,132                  | 944,132                  |
| Court Projects              | 0            | 0                      | 0                                       | 0                        | 475,562                  | 475,562                  |
| Public Safety               | 0            | 0                      | 0                                       | 0                        | 652,543                  | 652,543                  |
| Health                      | 0            | 712,102                | 0                                       | 0                        | 0                        | 712,102                  |
| Cemetery                    | 0            | 0                      | 0                                       | 0                        | 181,197                  | 181,197                  |
| Community Development       | 0            | 0                      | 0                                       | 0                        | 146,392                  | 146,392                  |
| Debt Retirement             | 0            | 0                      | 175,549                                 | 0                        | 0                        | 175,549                  |
| Capital Improvements        | 0            | 0                      | 0                                       | 1,545,006                | 0                        | 1,545,006                |
| Parks and Recreation        | 0            | 0                      | 0                                       | 0                        | 33,060                   | 33,060                   |
| Total Restricted            | 0            | 712,102                | 175,549                                 | 1,545,006                | 2,432,886                | 4,865,543                |
| Committed:                  |              |                        |   |                          |                          |                          |
| Parks and Recreation        | 0            | 0                      | 0                                       | 0                        | 44,439                   | 44,439                   |
| Compensated Absences        | 172,561      | 0                      | 0                                       | 0                        | 0                        | 172,561                  |
| Total Committed             | 172,561      | 0                      | 0                                       | 0                        | 44,439                   | 217,000                  |
| Assigned:                   |              |                        |   |                          |                          |                          |
| Projected Budgetary Deficit | 1,331,382    | 0                      | 0                                       | 0                        | 0                        | 1,331,382                |
| Services and Supplies       | 187,432      | 0                      | 0                                       | 0                        | 0                        | 187,432                  |
| Total Assigned              | 1,518,814    | 0                      | 0                                       | 0                        | 0                        | 1,518,814                |
| Unassigned:                 |              |                        |   |                          |                          |                          |
|                             | 11,770,687   | 0                      | 0                                       | 0                        | (1,221)                  | 11,769,466               |
| Total Fund Balances         | \$13,653,685 | \$733,236              | \$175,549                               | \$1,545,006              | \$2,515,507              | \$18,622,983             |

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS**

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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

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

**Deposits**

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

At year end the carrying amount of the City’s deposits was \$27,643,441 and the bank balance was \$28,468,663. Federal depository insurance covered \$404,766 of the bank balance and \$28,063,897 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<br>the Ohio Pooled Collateral System | <u>\$28,063,897</u>        |
| Total Balance   | <u><u>\$28,063,897</u></u> |

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 5 - TAXES**

**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the City. Real property taxes collected during 2021 were levied after October 1, 2020 on assessed values as of January 1, 2020, 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 2020. 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, 2021 was \$10.25 per \$1,000 of assessed value. The assessed value upon which the 2021 tax collections were based was \$236,499,440. This amount constituted \$210,953,490 in real property assessed value and \$25,545,950 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 6 - RECEIVABLES**

Receivables at December 31, 2021 consisted of taxes, intergovernmental, and accounts receivable. All receivables are expected to be collected with the next year.

**CITY OF PORTSMOUTH, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

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**NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES**

Individual interfund receivables and payables balances at December 31, 2021 are as follows:

|                          | <u>Due From<br/>Other Funds</u> | <u>Due To<br/>Other Funds</u> |
|--------------------------|---------------------------------|-------------------------------|
| General Fund             | \$0                             | \$24,453                      |
| Other Governmental Funds | 24,453                          | 0                             |
| Total Governmental Funds | <u>\$24,453</u>                 | <u>\$24,453</u>               |

|                          | <u>Interfund Loan<br/>Receivable</u> | <u>Interfund Loan<br/>Payable</u> |
|--------------------------|--------------------------------------|-----------------------------------|
| General Fund             | \$400,000                            | \$0                               |
| Health Department Fund   | 0                                    | 400,000                           |
| Total Governmental Funds | <u>\$400,000</u>                     | <u>\$400,000</u>                  |

On the Statement of Net Position, the Business-Type Activities reported an internal balance at December 31, 2021 of \$1,716,186, which was offset in the Governmental Activities by the same amount. The Due from Other Funds in the Other Governmental Funds is for reimbursement of expenditures made by the Community Development Fund for the General Fund. The Interfund Loan is a short-term loan which will be paid back within the year. The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by December 31, 2021. All interfund receivables are expected to be collected within the next year.

**NOTE 8 - TRANSFERS**

Following is a summary of Transfers in and out for all funds for 2021:

| <u>Fund</u>              | <u>Transfer In</u> | <u>Transfer Out</u> |
|--------------------------|--------------------|---------------------|
| Governmental Funds:      |                    |                     |
| General Fund             | \$0                | \$890,698           |
| Health Department Fund   | 786,698            | 0                   |
| Other Governmental Funds | <u>104,000</u>     | <u>0</u>            |
| Totals                   | <u>\$890,698</u>   | <u>\$890,698</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; and to provide additional resources for current operations or debt service.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

**NOTE 9 - CAPITAL ASSETS**

**A. Governmental Capital Assets**

Summary by category of changes in Governmental Capital Assets:

**Historical Cost:**

| Class  | December 31,<br>2020 | Additions   | Deletions   | December 31,<br>2021 |
|--|----------------------|-------------|-------------|----------------------|
| <b>Capital assets not being depreciated:</b> |                      |             |             |                      |
| Land   | \$2,037,027          | \$119,182   | \$0         | \$2,156,209          |
| Construction in Progress                     | 188,604              | 453,016     | (188,604)   | 453,016              |
| Subtotal                                     | 2,225,631            | 572,198     | (188,604)   | 2,609,225            |
| <b>Capital assets being depreciated:</b>     |                      |             |             |                      |
| Buildings                                    | 6,719,148            | 95,443      | 0           | 6,814,591            |
| Improvements                                 | 3,241,348            | 429,798     | 0           | 3,671,146            |
| Machinery and Equipment                      | 13,088,941           | 464,518     | 0           | 13,553,459           |
| Infrastructure                               | 33,168,573           | 471,115     | (108,096)   | 33,531,592           |
| Subtotal                                     | 56,218,010           | 1,460,874   | (108,096)   | 57,570,788           |
| Total Cost                                   | \$58,443,641         | \$2,033,072 | (\$296,700) | \$60,180,013         |

**Accumulated Depreciation:**

| Class                   | December 31,<br>2020 | Additions       | Deletions | December 31,<br>2021 |
|-------------------------|----------------------|-----------------|-----------|----------------------|
| Buildings               | (\$3,299,147)        | (\$142,129)     | \$0       | (\$3,441,276)        |
| Improvements            | (1,882,406)          | (119,005)       | 0         | (2,001,411)          |
| Machinery and Equipment | (9,303,803)          | (843,702)       | 0         | (10,147,505)         |
| Infrastructure          | (23,431,212)         | (767,188)       | 98,271    | (24,100,129)         |
| Total Depreciation      | (\$37,916,568)       | (\$1,872,024) * | \$98,271  | (\$39,690,321)       |
| <b>Net Value:</b>       | \$20,527,073         |                 |           | \$20,489,692         |

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

|                                  |             |
|----------------------------------|-------------|
| Security of Persons and Property | \$659,518   |
| Public Health & Welfare Services | 45,589      |
| Leisure Time Activities          | 8,210       |
| Community Environment            | 117,458     |
| Transportation                   | 810,306     |
| General Government               | 230,943     |
| Total Depreciation Expense       | \$1,872,024 |



**CITY OF PORTSMOUTH, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

**NOTE 9 - CAPITAL ASSETS (Continued)**

**B. Business Type Capital Assets**

Summary by Category at December 31, 2021:

***Historical Cost:***

| Class   | December 31,<br>2020 | Additions   | Deletions  | December 31,<br>2021 |
|---|----------------------|-------------|------------|----------------------|
| <b><i>Capital assets not being depreciated:</i></b> |                      |             |            |                      |
| Land  | \$63,504             | \$0         | \$0        | \$63,504             |
| Construction in Progress                            | 0                    | 1,150,264   | 0          | 1,150,264            |
| Subtotal  | 63,504               | 1,150,264   | 0          | 1,213,768            |
| <b><i>Capital assets being depreciated:</i></b>     |                      |             |            |                      |
| Buildings   | 6,888,544            | 52,177      | 0          | 6,940,721            |
| Improvements other than Buildings                   | 41,228,721           | 79,798      | 0          | 41,308,519           |
| Machinery and Equipment                             | 16,978,785           | 179,472     | (11,500)   | 17,146,757           |
| Subtotal  | 65,096,050           | 311,447     | (11,500)   | 65,395,997           |
| Total Cost  | \$65,159,554         | \$1,461,711 | (\$11,500) | \$66,609,765         |

***Accumulated Depreciation:***

| Class                             | December 31,<br>2020 | Additions     | Deletions | December 31,<br>2021 |
|-----------------------------------|----------------------|---------------|-----------|----------------------|
| Buildings                         | (\$1,854,718)        | (\$157,580)   | \$0       | (\$2,012,298)        |
| Improvements other than Buildings | (22,193,547)         | (851,400)     | 0         | (23,044,947)         |
| Machinery and Equipment           | (12,306,324)         | (999,790)     | 3,833     | (13,302,281)         |
| Total Depreciation                | (\$36,354,589)       | (\$2,008,770) | \$3,833   | (\$38,359,526)       |

***Net Value:***

|              |              |
|--------------|--------------|
| \$28,804,965 | \$28,250,239 |
|--------------|--------------|

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

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

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

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

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

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

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

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. 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, 2021**

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. For additional information, see the Plan Statement in the OPERS Annual Comprehensive Financial Report.

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

|  | <u>State<br/>and Local</u> |
|--|----------------------------|
| <b>2021 Statutory Maximum Contribution Rates</b> |                            |
| Employer   | 14.0 %                     |
| Employee   | 10.0 %                     |
| <b>2021 Actual Contribution Rates</b>            |                            |
| 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 \$1,150,702 for 2021. Of this amount, \$101,600 is reported as an intergovernmental payable.

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

|  | <u>Police</u>  | <u>Firefighters</u> |
|--|----------------|---------------------|
| <b>2021 Statutory Maximum Contribution Rates</b> |                |                     |
| Employer   | 19.50 %        | 24.00 %             |
| Employee   | 12.25 %        | 12.25               |
| <b>2021 Actual Contribution Rates</b>            |                |                     |
| Employer:  |                |                     |
| Pension  | 19.00 %        | 23.50 %             |
| Post-employment Health Care Benefits             | 0.50           | 0.50                |
| Total Employer                                   | <u>19.50 %</u> | <u>24.00 %</u>      |
| Employee   | 12.25 %        | 12.25 %             |

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OPF was \$1,188,553 for 2021. Of this amount, \$105,802 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, 2020, 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, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

|  | <u>OPERS</u>       | <u>OP&amp;F</u>   | <u>Total</u> |
|--|--------------------|-------------------|--------------|
| Proportionate Share of the Net Pension Liability | \$7,997,113        | \$15,015,022      | \$23,012,135 |
| Proportion of the Net Pension Liability-2021     | 0.054006%          | 0.2202556%        |              |
| Proportion of the Net Pension Liability-2020     | 0.054956%          | 0.2019630%        |              |
| Percentage Change                                | <u>(0.000950%)</u> | <u>0.0182926%</u> |              |
| Pension Expense                                  | \$243,707          | \$1,501,969       | \$1,745,676  |

**CITY OF PORTSMOUTH, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <u>OPERS</u>       | <u>OP&amp;F</u>    | <u>Total</u>       |
|--|--------------------|--------------------|--------------------|
| <b>Deferred Outflows of Resources</b>  |                    |                    |                    |
| Changes in assumptions   | \$0                | \$251,810          | \$251,810          |
| Differences between expected and actual experience                               | 0                  | 627,678            | 627,678            |
| Change in proportionate share  | 50,557             | 1,965,229          | 2,015,786          |
| City contributions subsequent to the measurement date                            | <u>1,150,702</u>   | <u>1,188,553</u>   | <u>2,339,255</u>   |
| Total Deferred Outflows of Resources   | <u>\$1,201,259</u> | <u>\$4,033,270</u> | <u>\$5,234,529</u> |
| <b>Deferred Inflows of Resources</b>   |                    |                    |                    |
| Net difference between projected and actual earnings on pension plan investments | \$3,117,040        | \$728,329          | \$3,845,369        |
| Differences between expected and actual experience                               | 334,527            | 584,939            | 919,466            |
| Change in proportionate share  | <u>232,890</u>     | <u>1,303,744</u>   | <u>1,536,634</u>   |
| Total Deferred Inflows of Resources  | <u>\$3,684,457</u> | <u>\$2,617,012</u> | <u>\$6,301,469</u> |

\$2,339,255 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

|                          | <u>OPERS</u>         | <u>OP&amp;F</u>  | <u>Total</u>         |
|--------------------------|----------------------|------------------|----------------------|
| Year Ending December 31: |                      |                  |                      |
| 2022                     | (\$1,454,129)        | \$272,785        | (\$1,181,344)        |
| 2023                     | (484,038)            | 323,992          | (160,046)            |
| 2024                     | (1,270,614)          | (617,303)        | (1,887,917)          |
| 2025                     | (425,119)            | 102,412          | (322,707)            |
| 2026                     | 0                    | 145,819          | 145,819              |
| Total                    | <u>(\$3,633,900)</u> | <u>\$227,705</u> | <u>(\$3,406,195)</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, 2021***

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**NOTE 10 – 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, 2020 and December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|  | <u>December 31, 2020</u>   |
|--|--|
| 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)   | 0.5 percent simple through 2021. 2.15 percent simple, thereafter |
| Investment Rate of Return                    | 7.2 percent  |
| Actuarial Cost Method                        | Individual Entry Age   |
|  | <u>December 31, 2019</u>   |
| 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)   | 1.4 percent simple through 2020. 2.15 percent simple, thereafter |
| Investment Rate of Return                    | 7.2 percent  |
| 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 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.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

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**NOTE 10 – 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 2020 and the long-term expected real rates of return:

| Asset Class            | Target<br>Allocation | Weighted Average<br>Long-Term Expected<br>Real Rate of Return<br>(Arithmetic) |
|------------------------|----------------------|---|
| Fixed Income           | 25.00 %              | 1.32 %  |
| Domestic Equities      | 21.00                | 5.64  |
| Real Estate            | 10.00                | 5.39  |
| Private Equity         | 12.00                | 10.42   |
| International Equities | 23.00                | 7.36  |
| Other investments      | 9.00                 | 4.75  |
| Total                  | 100.00 %             | 5.43 %  |

**Discount Rate** The discount rate used to measure the total pension liability was 7.2 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 7.2 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 (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

|  | 1% Decrease<br>(6.20%) | Current<br>Discount Rate<br>(7.20%) | 1% Increase<br>(8.20%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share<br>of the net pension liability | \$15,254,535           | \$7,997,113                         | \$1,962,578            |

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

**Actuarial Assumptions – OPF**

OPF’s total pension liability as of December 31, 2020 is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2020, compared with January 1, 2019, are presented below.

|                            | January 1, 2020   | January 1, 2019  |
|----------------------------|---|--|
| Valuation Date             | January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020 | January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019                                |
| Actuarial Cost Method      | Entry Age Normal  | Entry Age Normal   |
| Investment Rate of Return  | 8.0 percent   | 8.0 percent  |
| Projected Salary Increases | 3.75 percent to 10.5 percent  | 3.75 percent to 10.5 percent   |
| Payroll Growth             | Inflation rate of 2.75 percent plus productivity increase rate of 0.5           | Inflation rate of 2.75 percent plus productivity increase rate of 0.5  |
| Cost of Living Adjustments | 2.2 percent simple  | 3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent |

For the January 1, 2020 valuation, 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 Buck 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  |

For the January 1, 2020 valuation, 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 Buck Modified 2016 Improvement Scale.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

| 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 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, 2020 are summarized below:

| Asset Class                     | Target Allocation | Long Term Expected Real Rate of Return |
|---------------------------------|-------------------|--|
| Cash and Cash Equivalents       | 0.00 %            | 0.00 %                                 |
| Domestic Equity                 | 21.00             | 4.10                                   |
| Non-US Equity                   | 14.00             | 4.80                                   |
| Private Markets                 | 8.00              | 6.40                                   |
| Core Fixed Income *             | 23.00             | 0.90                                   |
| High Yield Fixed Income         | 7.00              | 3.00                                   |
| Private Credit                  | 5.00              | 4.50                                   |
| U.S. Inflation Linked Bonds*    | 17.00             | 0.70                                   |
| Midstream Energy Infrastructure | 5.00              | 5.60                                   |
| Real Assets                     | 8.00              | 5.80                                   |
| Gold                            | 5.00              | 1.90                                   |
| Private Real Estate             | 12.00             | 5.30                                   |
| <b>Total</b>                    | <b>125.00 %</b>   |  |

\* levered 2x

Note: Assumptions are geometric

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

**Discount Rate** For 2020, the total pension liability was calculated using the discount rate of 8.00 percent. The discount rate used for 2019 was 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.

**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<br>(7.00%) | Current<br>Discount Rate<br>(8.00%) | 1% Increase<br>(9.00%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share<br>of the net pension liability | \$20,902,834           | \$15,015,022                        | \$10,087,518           |

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability (Asset)***

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

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

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

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

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 11 - 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 20 or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, 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, 2021***

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**NOTE 11 - 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 0 percent during calendar year 2021. 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 2021 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 2021.

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

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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](http://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, 2021***

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2021, 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 \$27,768 for 2021. Of this amount, \$2,478 is reported as an intergovernmental payable.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, 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, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

|   | <u>OPERS</u>       | <u>OP&amp;F</u>   | <u>Total</u>  |
|---|--------------------|-------------------|---------------|
| Proportionate Share of the Net OPEB Liability (Asset) | (\$915,643)        | \$2,333,644       | \$1,418,001   |
| Proportion of the Net OPEB Liability (Asset) -2021    | 0.051395%          | 0.2202556%        |               |
| Proportion of the Net OPEB Liability-2020             | <u>0.052220%</u>   | <u>0.2019630%</u> |               |
| Percentage Change                                     | <u>(0.000825%)</u> | <u>0.0182926%</u> |               |
| OPEB Expense  | (\$5,462,550)      | \$170,998         | (\$5,291,552) |

**CITY OF PORTSMOUTH, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <u>OPERS</u>       | <u>OP&amp;F</u>    | <u>Total</u>       |
|---|--------------------|--------------------|--------------------|
| <b>Deferred Outflows of Resources</b>   |                    |                    |                    |
| Changes in assumptions  | \$450,141          | \$1,289,211        | \$1,739,352        |
| Change in proportionate share   | 35,431             | 813,872            | 849,303            |
| City contributions subsequent to the measurement date                         | 0                  | 27,768             | 27,768             |
| Total Deferred Outflows of Resources  | <u>\$485,572</u>   | <u>\$2,130,851</u> | <u>\$2,616,423</u> |
| <b>Deferred Inflows of Resources</b>  |                    |                    |                    |
| Net difference between projected and actual earnings on OPEB plan investments | \$487,682          | \$86,723           | \$574,405          |
| Changes in assumptions  | 1,483,618          | 372,027            | 1,855,645          |
| Differences between expected and actual experience                            | 826,363            | 384,925            | 1,211,288          |
| Change in proportionate share   | 89,450             | 885,829            | 975,279            |
| Total Deferred Inflows of Resources   | <u>\$2,887,113</u> | <u>\$1,729,504</u> | <u>\$4,616,617</u> |

\$27,768 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 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending December 31: | <u>OPERS</u>         | <u>OP&amp;F</u>  | <u>Total</u>         |
|--------------------------|----------------------|------------------|----------------------|
| 2022                     | (\$1,261,324)        | \$47,863         | (\$1,213,461)        |
| 2023                     | (870,825)            | 68,397           | (802,428)            |
| 2024                     | (211,930)            | 36,024           | (175,906)            |
| 2025                     | (57,462)             | 84,970           | 27,508               |
| 2026                     | 0                    | 66,613           | 66,613               |
| 2027                     | 0                    | 46,370           | 46,370               |
| 2028                     | 0                    | 23,342           | 23,342               |
| Total                    | <u>(\$2,401,541)</u> | <u>\$373,579</u> | <u>(\$2,027,962)</u> |

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

***Actuarial Assumptions - OPERS***

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. 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,<br>including inflation | 3.25 to 10.75 percent<br>including wage inflation     |
| Single Discount Rate:                              |   |
| Current measurement date                           | 6.00 percent  |
| Prior Measurement date                             | 3.16 percent  |
| Investment Rate of Return:                         |   |
| Current measurement date                           | 6.00 percent  |
| Prior Measurement date                             | 6.00 percent  |
| Municipal Bond Rate:                               |   |
| Current measurement date                           | 2.00 percent  |
| Prior Measurement date                             | 2.75 percent  |
| Health Care Cost Trend Rate:                       |   |
| Current measurement date                           | 8.5 percent initial,<br>3.5 percent ultimate in 2035  |
| Prior Measurement date                             | 10.5 percent initial,<br>3.5 percent ultimate in 2030 |
| Actuarial Cost Method                              | Individual Entry Age Normal                           |

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.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

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.

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 2020 and the long-term expected real rates of return:

| Asset Class                  | Target<br>Allocation | Weighted Average<br>Long-Term Expected<br>Real Rate of Return<br>(Arithmetic) |
|------------------------------|----------------------|---|
| Fixed Income                 | 34.00 %              | 1.07 %  |
| Domestic Equities            | 25.00                | 5.64  |
| Real Estate Investment Trust | 7.00                 | 6.48  |
| International Equities       | 25.00                | 7.36  |
| Other investments            | 9.00                 | 4.02  |
| Total                        | 100.00 %             | 4.43 %  |

**Discount Rate** A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent.

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, 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 (Asset) to Changes in the Discount Rate*** The following table presents the City's proportionate share of the net OPEB liability (asset) calculated using the single discount rate of 6.00 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

|   | 1% Decrease<br>(5.00%) | Current<br>Discount Rate<br>(6.00%) | 1% Increase<br>(7.00%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share<br>of the net OPEB liability (asset) | (\$227,680)            | (\$915,643)                         | (\$1,481,204)          |

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

|   | 1% Decrease | Current Health Care<br>Cost Trend Rate<br>Assumption | 1% Increase |
|---|-------------|--|-------------|
| City's proportionate share<br>of the net OPEB liability (asset) | (\$937,959) | (\$915,643)  | (\$890,675) |

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

***Changes between Measurement Date and Reporting Date***

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees.

***Actuarial Assumptions – OP&F***

OP&F’s total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

| Valuation Date             | January 1, 2020, with actuarial liabilities<br>rolled forward to December 31, 2020 | January 1, 2019, with actuarial liabilities<br>rolled forward to December 31, 2019                                   |
|----------------------------|--|--|
| Actuarial Cost Method      | Entry Age Normal   | Entry Age Normal   |
| Investment Rate of Return  | 8.0 percent  | 8.0 percent  |
| Projected Salary Increases | 3.75 percent to 10.5 percent   | 3.75 percent to 10.5 percent   |
| Payroll Growth             | Inflation rate of 2.75 percent plus<br>productivity increase rate of 0.5           | Inflation rate of 2.75 percent plus<br>productivity increase rate of 0.5   |
| Single discount rate       | 2.96 percent   | 3.56 percent   |
| Cost of Living Adjustments | 2.2 percent simple   | 3.00 percent simple; 2.2 percent simple<br>for increases based on the lesser of the<br>increase in CPI and 3 percent |

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

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 Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

| <u>Age</u> | <u>Police</u> | <u>Fire</u> |
|------------|---------------|-------------|
| 67 or less | 77 %          | 68 %        |
| 68-77      | 105           | 87          |
| 78 and up  | 115           | 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 Buck Modified 2016 Improvement Scale.

| <u>Age</u> | <u>Police</u> | <u>Fire</u> |
|------------|---------------|-------------|
| 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, 2020, are summarized below:

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

| <u>Asset Class</u>              | <u>Target<br/>Allocation</u> | <u>Long Term Expected<br/>Real Rate of Return</u> |
|---------------------------------|------------------------------|---|
| Cash and Cash Equivalents       | 0.00 %                       | 0.00 %  |
| Domestic Equity                 | 21.00                        | 4.10  |
| Non-US Equity                   | 14.00                        | 4.80  |
| Private Markets                 | 8.00                         | 6.40  |
| Core Fixed Income *             | 23.00                        | 0.90  |
| High Yield Fixed Income         | 7.00                         | 3.00  |
| Private Credit                  | 5.00                         | 4.50  |
| U.S. Inflation Linked Bonds*    | 17.00                        | 0.70  |
| Midstream Energy Infrastructure | 5.00                         | 5.60  |
| Real Assets                     | 8.00                         | 5.80  |
| Gold                            | 5.00                         | 1.90  |
| Private Real Estate             | 12.00                        | 5.30  |
| Total                           | <u>125.00 %</u>              |   |

\* levered 2x

Note: Assumptions are geometric

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

**Discount Rate** For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 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 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, 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, 2021***

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**NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)**

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*** The net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.96 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 (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

|   | 1% Decrease<br>(1.96%) | Current<br>Discount Rate<br>(2.96%) | 1% Increase<br>(3.96%) |
|---|------------------------|-------------------------------------|------------------------|
| City's proportionate share<br>of the net OPEB liability | \$2,909,921            | \$2,333,644                         | \$1,858,283            |

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

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**CITY OF PORTSMOUTH, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

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

Long-term debt and other long-term obligations of the City at December 31, 2021 were as follows:

|  |            |  |      | Balance      |             |             | Balance      | Amount due  |
|--|------------|--|------|--------------|-------------|-------------|--------------|-------------|
|  |            |  |      | December 31, | Additions   | (Deletions) | December 31, | Within      |
|  |            |  |      | 2020         |             |             | 2021         | One Year    |
| <b>Business-Type Activities:</b>             |            |  |      |              |             |             |              |             |
| Ohio Public Works Commission Loans:*         |            |  |      |              |             |             |              |             |
| 2000   | 0.0%       | Wastewater Improvement   | 2021 | \$45,000     | \$0         | (\$30,000)  | \$15,000     | \$15,000    |
| 2008   | 0.0%       | Wastewater-Sludge Digester   | 2029 | 332,500      | 0           | (35,000)    | 297,500      | 35,000      |
| 2011   | 0.0%       | Wastewater-Primary Clarifier   | 2028 | 385,918      | 0           | (22,053)    | 363,865      | 22,052      |
| 2014   | 0.0%       | Wastewater-Grandview Avenue  | 2035 | 565,702      | 0           | (29,011)    | 536,691      | 29,010      |
| 2018   | 0.0%       | Water - Sunrise Reservoir Water Main   | 2050 | 1,395,301    | 0           | (46,510)    | 1,348,791    | 46,510      |
| Total Ohio Public Works Commission Loans     |            |  |      | 2,724,421    | 0           | (162,574)   | 2,561,847    | 147,572     |
| Ohio Water Development Authority Loans:*     |            |  |      |              |             |             |              |             |
| 2007   | 3.25%      | Water MIEX Installation  | 2028 | 1,688,027    | 0           | (202,198)   | 1,485,829    | 208,822     |
| 2008   | 4.11%      | Wastewater-Sludge Digester   | 2038 | 369,063      | 0           | (14,191)    | 354,872      | 14,780      |
| 2009   | 3.43%      | Wastewater-Lawson Run  | 2031 | 1,041,338    | 0           | (83,939)    | 957,399      | 86,842      |
| 2010   | 0.00%      | Water-High Service Pumps   | 2029 | 20,265       | 0           | (2,251)     | 18,014       | 2,252       |
| 2010   | 4.39%      | Wastewater-Collection System   | 2016 | 573,209      | 0           | (17,657)    | 555,552      | 18,144      |
| 2012   | 2.00%      | Water-Filtration Filter Rebuild  | 2032 | 1,083,765    | 0           | (84,708)    | 999,057      | 86,410      |
| 2014   | 3.30%      | Wastewater-Sewer Improvements  | 2044 | 3,340,533    | 0           | (87,754)    | 3,252,779    | 90,674      |
| 2016   | 2.90%      | Water-Sunrise Reservoir  | 2039 | 1,109,420    | 0           | (44,506)    | 1,064,914    | 45,806      |
| 2021   | 1.67-1.92% | Water-Water Treatment Plant Plan   | 2026 | 0            | 939,449     | 0           | 939,449      | 32,539      |
| Total Ohio Water Development Authority Loans |            |  |      | 9,225,620    | 939,449     | (537,204)   | 9,627,865    | 586,269     |
| Compensated Absences                         |            |  |      | 198,292      | 208,426     | (127,678)   | 279,040      | 232,197     |
| Capital Lease - Enterprise Funds             |            |  |      | 285,708      | 0           | (93,537)    | 192,171      | 95,016      |
| Total Business-Type Long-Term Debt           |            |  |      | \$12,434,041 | \$1,147,875 | (\$920,993) | \$12,660,923 | \$1,061,054 |
| <b>Governmental Activities:</b>              |            |  |      |              |             |             |              |             |
| General Obligation Bond                      |            |  |      |              |             |             |              |             |
| 2016   | 2.52%      | Refunding General Obligation Bond-Police<br>and Fireman's Disability/Pension | 2025 | \$665,000    | \$0         | (\$125,000) | \$540,000    | \$130,000   |
| Compensated Absences                         |            |  |      | 1,297,050    | 879,845     | (549,128)   | 1,627,767    | 889,465     |
| Capital Lease Payable                        |            |  |      | 251,327      | 0           | (123,163)   | 128,164      | 128,164     |
| Total Governmental Activities                |            |  |      | \$2,213,377  | \$879,845   | (\$797,291) | \$2,295,931  | \$1,147,629 |

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

**CITY OF PORTSMOUTH, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

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

|  |   |           |  | Original<br>Issue   |
|--|---|-----------|--|---------------------|
| <b>Business-Type Activities</b>                |   |           |  |                     |
| Ohio Public Works Commission Loans (OPWC):     |   |           |  |                     |
| 0.00%  | Wastewater Improvement                      | 2001-2021 |  | \$600,000           |
| 0.00%  | Wastewater-Sludge Digester                  | 2008-2029 |  | 700,000             |
| 0.00%  | Wastewater-Primary Clarifier                | 2011-2028 |  | 441,049             |
| 0.00%  | Wastewater-Grandview Avenue                 | 2014-2035 |  | 580,207             |
| 0.00%  | Water - Sunrise Reservoir Water Main        | 2018-2050 |  | 1,395,301           |
|  | Total OPWC Loans                            |           |  | <u>\$3,716,557</u>  |
| Ohio Water Development Authority Loans (OWDA): |   |           |  |                     |
| 3.25%  | Water MIEX Installation                     | 2007-2028 |  | \$3,734,915         |
| 4.11%  | Wastewater-Sludge Digester                  | 2008-2038 |  | 501,078             |
| 3.43%  | Wastewater-Lawson Run                       | 2009-2031 |  | 1,711,234           |
| 0.00%  | Water-High Service Pumps                    | 2010-2029 |  | 45,034              |
| 4.39%  | 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 |  | 1,152,663           |
| 1.67-1.92%                                     | Water-Swater Treatment Plant Plan           | 2021-2026 |  | 939,449             |
|  | Total OWDA Loans                            |           |  | <u>\$14,239,651</u> |
| <b>Governmental Activities Long-Term Debt</b>  |   |           |  |                     |
| 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>  |

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

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

**A. Principal and Interest Requirements**

A summary of the City's future long-term debt funding requirements including principal and interest payments as of December 31, 2021 follows:

| <b>Business-Type Activities:</b> |                    |                 |                    |                    |
|----------------------------------|--------------------|-----------------|--------------------|--------------------|
| <u>Years</u>                     | <u>OPWC Loans</u>  |                 | <u>OWDA Loan</u>   |                    |
|                                  | <u>Principal</u>   | <u>Interest</u> | <u>Principal</u>   | <u>Interest</u>    |
| 2022                             | \$147,572          | \$0             | \$586,269          | \$265,346          |
| 2023                             | 132,573            | 0               | 606,995            | 257,126            |
| 2024                             | 132,573            | 0               | 625,245            | 239,827            |
| 2025                             | 132,573            | 0               | 644,066            | 221,988            |
| 2026                             | 132,573            | 0               | 663,476            | 203,593            |
| 2027-2031                        | 610,362            | 0               | 2,656,260          | 761,404            |
| 2032-2036                        | 487,863            | 0               | 1,546,937          | 575,697            |
| 2037-2041                        | 367,168            | 0               | 1,485,232          | 244,662            |
| 2042-2046                        | 232,550            | 0               | 813,385            | 58,818             |
| 2047-2050                        | 186,040            | 0               | 0                  | 0                  |
| Totals                           | <u>\$2,561,847</u> | <u>\$0</u>      | <u>\$9,627,865</u> | <u>\$2,828,461</u> |

| <b>Governmental Activities:</b> |                                 |                 |
|---------------------------------|---------------------------------|-----------------|
| <u>Years</u>                    | <u>General Obligation Bonds</u> |                 |
|                                 | <u>Principal</u>                | <u>Interest</u> |
| 2022                            | \$130,000                       | \$13,608        |
| 2023                            | 135,000                         | 10,332          |
| 2024                            | 135,000                         | 6,930           |
| 2025                            | 140,000                         | 3,528           |
| Totals                          | <u>\$540,000</u>                | <u>\$34,398</u> |

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 13 - CAPITALIZED LEASES**

The City leases a fire pumper truck under a capital lease. The cost of the vehicle obtained under the capital leases is \$594,698. The original cost of the vehicle and the related liability are reported on the Government – wide Statement of Net Position. The City also leases a vactor truck under a capital lease. The cost of the truck obtained under the lease is \$385,048. The cost and related liability are reported in the Sewer Fund.

The following is a schedule of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 2021.

| <u>Year Ending December 31,</u>   | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> |
|---|------------------------------------|-------------------------------------|
| 2022  | \$133,367                          | \$99,340                            |
| 2023  | 0                                  | 99,340                              |
| Minimum Lease Payments  | 133,367                            | 198,680                             |
| Less amount representing interest at the<br>City's incremental borrowing rate of interest | <u>(5,203)</u>                     | <u>(6,509)</u>                      |
| Present value of minimum lease payments   | <u>\$128,164</u>                   | <u>\$192,171</u>                    |

**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.

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

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**NOTE 14 - INSURANCE AND RISK MANAGEMENT (Continued)**

The liability for unpaid claims costs of \$43,684 reported in the fund at December 31, 2021 is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability is based on an estimate provided by the third party administrator.

| Fiscal Year | Beginning of<br>Year<br>Liability | Current Year<br>Claims and<br>Changes in<br>Estimates | Claims<br>Payments | End of Year<br>Liability |
|-------------|-----------------------------------|---|--------------------|--------------------------|
| 2020        | \$68,972                          | \$321,736   | (\$320,990)        | \$69,718                 |
| 2021        | \$69,718                          | \$260,877   | (\$286,911)        | \$43,684                 |

**NOTE 15 - CONTINGENCIES**

**A. Litigation**

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

**B. Federal and State Grants**

For the period January 1, 2021 to December 31, 2021, the City received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. However, amounts are undeterminable at this time.

**C. Asset Retirement Obligations**

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

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

**CITY OF PORTSMOUTH, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021**

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**NOTE 16 – SIGNIFICANT COMMITMENTS**

As of December 31, 2021, the City had the following commitments with respect to capital projects:

| <u>Contractual Commitments</u>                 | <u>Remaining Construction<br/>Commitment</u> | <u>Expected Date of<br/>Completion</u> |
|--|--|--|
| New Water Filtration Treatment<br>Plant Design | \$3,347,832                                  | 2023                                   |

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             | \$195,000                 |
| Capital Improvement Fund | 795,000                   |
| Other Governmental Funds | <u>162,300</u>            |
| Total Governmental Funds | 1,152,300                 |
| Enterprise Funds:        |                           |
| Water Fund               | 111,144                   |
| Sewer Fund               | 188,000                   |
| Sanitation Fund          | <u>0</u>                  |
| Total Enterprise Funds   | <u>299,144</u>            |
| Total                    | <u><u>\$1,451,444</u></u> |

**NOTE 17- SUBSEQUENT EVENTS**

In May, 2022, the City entered into a financing lease agreement to purchase an ambulance for \$200,129.

**NOTE 18 – FINANCIAL CONDITION**

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

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2021***

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**NOTE 19 - COMPLIANCE AND ACCOUNTABILITY**

***Fund Deficit*** - The fund deficit of \$276 in the Municipal Court Security Fund (special revenue fund) arose from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. A deficit does not exist under the cash basis of accounting. Transfers are provided when cash is required, not when accruals occur.

**NOTE 20 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. In addition, the impact of the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.



*REQUIRED SUPPLEMENTARY INFORMATION*

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**CITY OF PORTSMOUTH, OHIO**

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

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**Ohio Public Employees Retirement System**

| Year   | 2014        | 2015        | 2016        |
|--|-------------|-------------|-------------|
| 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   | 2014        | 2015         | 2016         |
|--|-------------|--------------|--------------|
| 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**

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| <u>2017</u>  | <u>2018</u>  | <u>2019</u>  | <u>2020</u>  | <u>2021</u>  |
|--------------|--------------|--------------|--------------|--------------|
| 0.051062%    | 0.050855%    | 0.056051%    | 0.054956%    | 0.054006%    |
| \$11,595,312 | \$7,978,164  | \$15,351,233 | \$10,862,426 | \$7,997,113  |
| \$6,627,308  | \$6,586,669  | \$7,593,536  | \$7,743,143  | \$7,591,629  |
| 174.96%      | 121.13%      | 202.16%      | 140.28%      | 105.34%      |
| 77.25%       | 84.66%       | 74.70%       | 82.17%       | 86.88%       |
| <u>2017</u>  | <u>2018</u>  | <u>2019</u>  | <u>2020</u>  | <u>2021</u>  |
| 0.229788%    | 0.191289%    | 0.214478%    | 0.201963%    | 0.2202556%   |
| \$14,554,541 | \$11,740,270 | \$17,507,072 | \$13,605,320 | \$15,015,022 |
| \$4,729,486  | \$4,158,486  | \$4,802,572  | \$4,753,888  | \$5,367,099  |
| 307.74%      | 282.32%      | 364.54%      | 286.19%      | 279.76%      |
| 68.36%       | 70.91%       | 63.07%       | 69.89%       | 70.65%       |

**CITY OF PORTSMOUTH, OHIO**

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

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**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**

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| <u>2016</u>    | <u>2017</u>    | <u>2018</u>      | <u>2019</u>      | <u>2020</u>      | <u>2021</u>      |
|----------------|----------------|------------------|------------------|------------------|------------------|
| \$795,277      | \$856,267      | \$1,063,095      | \$1,084,040      | \$1,062,828      | \$1,150,702      |
| <u>795,277</u> | <u>856,267</u> | <u>1,063,095</u> | <u>1,084,040</u> | <u>1,062,828</u> | <u>1,150,702</u> |
| <u>\$0</u>     | <u>\$0</u>     | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| \$6,627,308    | \$6,586,669    | \$7,593,536      | \$7,743,143      | \$7,591,629      | \$8,219,300      |
| 12.00%         | 13.00%         | 14.00%           | 14.00%           | 14.00%           | 14.00%           |

| <u>2016</u>      | <u>2017</u>    | <u>2018</u>      | <u>2019</u>      | <u>2020</u>      | <u>2021</u>      |
|------------------|----------------|------------------|------------------|------------------|------------------|
| \$1,031,501      | \$884,510      | \$1,026,790      | \$1,013,529      | \$1,143,192      | \$1,188,553      |
| <u>1,031,501</u> | <u>884,510</u> | <u>1,026,790</u> | <u>1,013,529</u> | <u>1,143,192</u> | <u>1,188,553</u> |
| <u>\$0</u>       | <u>\$0</u>     | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| \$4,729,486      | \$4,158,486    | \$4,802,572      | \$4,753,888      | \$5,367,099      | \$5,553,986      |
| 21.81%           | 21.27%         | 21.38%           | 21.32%           | 21.30%           | 21.40%           |

**CITY OF PORTSMOUTH, OHIO**

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

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**Ohio Public Employees Retirement System**

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

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

**Ohio Police and Fire Pension Fund**

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

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

Notes: The City implemented GASB Statement 75 in 2018.

Information prior to 2017 is not available.

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

**CITY OF PORTSMOUTH, OHIO**

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| <u>2020</u> | <u>2021</u> |
|-------------|-------------|
| 0.052220%   | 0.051395%   |
| \$7,212,939 | (\$915,643) |
| \$7,743,143 | \$7,591,629 |
| 93.15%      | (12.06%)    |
| 47.80%      | 115.57%     |

| <u>2020</u> | <u>2021</u> |
|-------------|-------------|
| 0.201963%   | 0.2202556%  |
| \$1,994,938 | \$2,333,644 |
| \$4,753,888 | \$5,367,099 |
| 41.96%      | 43.48%      |
| 47.08%      | 45.42%      |

**CITY OF PORTSMOUTH, OHIO**

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

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**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**

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| <u>2016</u>    | <u>2017</u>   | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|----------------|---------------|-------------|-------------|-------------|-------------|
| \$132,546      | \$65,866      | \$0         | \$0         | \$0         | \$0         |
| <u>132,546</u> | <u>65,866</u> | <u>0</u>    | <u>0</u>    | <u>0</u>    | <u>0</u>    |
| <u>\$0</u>     | <u>\$0</u>    | <u>\$0</u>  | <u>\$0</u>  | <u>\$0</u>  | <u>\$0</u>  |
| \$6,627,308    | \$6,586,669   | \$7,593,536 | \$7,743,143 | \$7,591,629 | \$8,219,300 |
| 2.00%          | 1.00%         | 0.00%       | 0.00%       | 0.00%       | 0.00%       |

| <u>2016</u>   | <u>2017</u>   | <u>2018</u>   | <u>2019</u>   | <u>2020</u>   | <u>2021</u>   |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$23,645      | \$20,796      | \$24,011      | \$23,769      | \$26,835      | \$27,768      |
| <u>23,645</u> | <u>20,796</u> | <u>24,011</u> | <u>23,769</u> | <u>26,835</u> | <u>27,768</u> |
| <u>\$0</u>    | <u>\$0</u>    | <u>\$0</u>    | <u>\$0</u>    | <u>\$0</u>    | <u>\$0</u>    |
| \$4,729,486   | \$4,158,486   | \$4,802,572   | \$4,753,888   | \$5,367,099   | \$5,553,986   |
| 0.50%         | 0.50%         | 0.50%         | 0.50%         | 0.50%         | 0.50%         |

***Notes to the Required Supplementary Information  
For the Year Ended December 31, 2021***

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**NET PENSION LIABILITY**

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

*Changes in benefit terms:* There were no changes in benefit terms for the period 2014-2021.

*Changes in assumptions:*

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

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

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

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

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

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

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

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

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

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

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

*Changes in benefit terms:* There were no changes in benefit terms for the period 2014-2021.

*Changes in assumptions:*

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

***Notes to the Required Supplementary Information  
For the Year Ended December 31, 2021***

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**NET PENSION LIABILITY** (Continued)

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

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%
- For the January 1, 2017, valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006
- For the January 1, 2017, valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006

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

**NET OPEB LIABILITY (ASSET)**

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

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

*Changes in assumptions:*

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

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

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

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

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

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

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

***Notes to the Required Supplementary Information  
For the Year Ended December 31, 2021***

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

*Changes in benefit terms:*

2018: There were no changes in benefit terms.

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

2020 - 2021: There were no changes in benefit terms.

*Changes in assumptions:*

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

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

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

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

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

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

- The single discount rate changed from 3.56% to 2.96%.

*COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES*

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

***Nonmajor Governmental Funds***

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***Special Revenue Funds***

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

**Municipal Court Grants Fund**

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

**Municipal Court Subsidy Fund**

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

**Municipal Court Special Projects Fund**

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

**Municipal Court Probation Services Fund**

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

**Municipal Court Programs Fund**

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

**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.

(Continued)

***Special Revenue Funds (continued)***

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**Fire Pension Fund**

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

**Police Pension Fund**

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

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

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

**Police Donation Fund**

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

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

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

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

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

**Indigent Drivers Alcohol Treatment Fund**

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

**Indigent Drivers Alcohol Monitoring Fund**

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

**Enforcement and Education Fund**

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

**Mandatory Fines Fund**

To account for mandatory fines for drug offenses.

**Law Enforcement Fund**

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

**Federal Forfeitures Fund**

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

(Continued)

***Special Revenue Funds (continued)***

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

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

**Community Oriented Policing Services (COPS)**

**Hiring Recovery Program Grant Fund**

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

**Rural Law Enforcement Assistance Grant Fund**

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

**Street Construction, Maintenance and Repair Fund**

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

**State Highway Improvement Fund**

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

**Community Development Fund**

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

**Tourism and Cultural Development Fund**

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

**Flood Defense Fund**

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

**Coronavirus Relief Fund**

This fund is used to account for Coronavirus Relief funds received through passage of the CARES Act. These funds can be used for necessary expenditures incurred due to the Covid-19 public health emergency. (The Balance Sheet is not presented because there are no assets or liabilities at year end.).

(Continued)



***Special Revenue Funds (continued)***

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**American Rescue Plan Act Fund**

This fund is used to account for Coronavirus State and Local Fiscal Recovery funds received as part of the American Rescue Plan Act. The funds are to be used to support the response and recovery from the COVID-19 public health emergency. (The Statement of Revenues, Expenditures and Changes in Fund Balances is not presented because there are no revenues or expenditures on a GAAP basis.)

**Council Trust for Recreation Fund**

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

**Playground Trust Fund**

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

**Performance Bond Fund**

To account for funds placed in escrow for various construction projects. (This fund is not part of the City's appropriated budget; therefore no budgetary schedule is presented.)

***Permanent Funds***

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

**Cemetery Trust Fund**

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

**Mausoleum Trust Fund**

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

**CITY OF PORTSMOUTH, OHIO**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2021**

|   | Nonmajor<br>Special<br>Revenue Funds | Nonmajor<br>Permanent Fund | Total Nonmajor<br>Governmental<br>Funds |
|---|--------------------------------------|----------------------------|---|
| <b>Assets:</b>  |                                      |                            |   |
| Cash and Cash Equivalents   | \$ 2,852,115                         | \$ 0                       | \$ 2,852,115                            |
| Receivables (net of allowance<br>for doubtful accounts):                        |                                      |                            |   |
| Taxes   | 398,235                              | 0                          | 398,235                                 |
| Accounts  | 229,421                              | 0                          | 229,421                                 |
| Intergovernmental   | 756,620                              | 0                          | 756,620                                 |
| Due from Other Funds  | 24,453                               | 0                          | 24,453                                  |
| Inventory of Supplies, at Cost  | 213                                  | 0                          | 213                                     |
| Prepaid Items   | 12,347                               | 0                          | 12,347                                  |
| Restricted Assets:  |                                      |                            |   |
| Cash and Cash Equivalents   | 0                                    | 208,040                    | 208,040                                 |
| <b>Total Assets</b>   | <b>\$ 4,273,404</b>                  | <b>\$ 208,040</b>          | <b>\$ 4,481,444</b>                     |
| <b>Liabilities:</b>   |                                      |                            |   |
| Accounts Payable  | \$ 8,268                             | \$ 0                       | \$ 8,268                                |
| Intergovernmental Payable   | 14,717                               | 0                          | 14,717                                  |
| Due to Others   | 56,957                               | 0                          | 56,957                                  |
| Unearned Revenue  | 852,066                              | 0                          | 852,066                                 |
| <b>Total Liabilities</b>  | <b>932,008</b>                       | <b>0</b>                   | <b>932,008</b>                          |
| <b>Deferred Inflows of Resources</b>  |                                      |                            |   |
| Property Tax  | 303,000                              | 0                          | 303,000                                 |
| Unavailable Revenue   | 730,929                              | 0                          | 730,929                                 |
| <b>Total Deferred Inflows of Resources</b>                                      | <b>1,033,929</b>                     | <b>0</b>                   | <b>1,033,929</b>                        |
| <b>Fund Balances:</b>   |                                      |                            |   |
| Nonspendable  | 12,560                               | 26,843                     | 39,403                                  |
| Restricted  | 2,251,689                            | 181,197                    | 2,432,886                               |
| Committed   | 44,439                               | 0                          | 44,439                                  |
| Unassigned  | (1,221)                              | 0                          | (1,221)                                 |
| <b>Total Fund Balances</b>  | <b>2,307,467</b>                     | <b>208,040</b>             | <b>2,515,507</b>                        |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Funds Balances</b> | <b>\$ 4,273,404</b>                  | <b>\$ 208,040</b>          | <b>\$ 4,481,444</b>                     |

**CITY OF PORTSMOUTH, OHIO**

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2021**

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|  | Nonmajor<br>Special Revenue<br>Funds | Nonmajor<br>Permanent<br>Funds | Total Nonmajor<br>Governmental<br>Funds |
|--|--------------------------------------|--------------------------------|---|
| <b>Revenues:</b>                                     |                                      |                                |   |
| Taxes  | \$ 427,861                           | \$ 0                           | \$ 427,861                              |
| Intergovernmental Revenues                           | 1,599,662                            | 0                              | 1,599,662                               |
| Charges for Services                                 | 57,590                               | 2,300                          | 59,890                                  |
| Investment Earnings                                  | 3                                    | 0                              | 3                                       |
| Fines and Forfeitures                                | 491,728                              | 0                              | 491,728                                 |
| All Other Revenue                                    | 20,945                               | 0                              | 20,945                                  |
| <b>Total Revenue</b>                                 | <u>2,597,789</u>                     | <u>2,300</u>                   | <u>2,600,089</u>                        |
| <b>Expenditures:</b>                                 |                                      |                                |   |
| Current:   |                                      |                                |   |
| Security of Persons and Property                     | 514,434                              | 0                              | 514,434                                 |
| Public Health and Welfare Services                   | 0                                    | 6,000                          | 6,000                                   |
| Leisure Time Activities                              | 44,011                               | 0                              | 44,011                                  |
| Community Environment                                | 141,745                              | 0                              | 141,745                                 |
| Transportation                                       | 1,286,956                            | 0                              | 1,286,956                               |
| General Government                                   | 934,648                              | 0                              | 934,648                                 |
| <b>Total Expenditures</b>                            | <u>2,921,794</u>                     | <u>6,000</u>                   | <u>2,927,794</u>                        |
| Excess (Deficiency) of Revenues<br>Over Expenditures | (324,005)                            | (3,700)                        | (327,705)                               |
| <b>Other Financing Sources (Uses):</b>               |                                      |                                |   |
| Transfers In   | 104,000                              | 0                              | 104,000                                 |
| <b>Total Other Financing Sources (Uses)</b>          | <u>104,000</u>                       | <u>0</u>                       | <u>104,000</u>                          |
| Net Change in Fund Balances                          | (220,005)                            | (3,700)                        | (223,705)                               |
| <b>Fund Balances at Beginning of Year</b>            | <u>2,527,472</u>                     | <u>211,740</u>                 | <u>2,739,212</u>                        |
| <b>Fund Balances End of Year</b>                     | <u>\$ 2,307,467</u>                  | <u>\$ 208,040</u>              | <u>\$ 2,515,507</u>                     |

**CITY OF PORTSMOUTH, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2021**

|  | Municipal<br>Court Grants | Municipal<br>Court Special<br>Project | Municipal<br>Court<br>Probation<br>Services | Municipal<br>Court Programs |
|--|---------------------------|---------------------------------------|---|-----------------------------|
| <b>Assets:</b>   |                           |                                       |   |                             |
| Cash and Cash Equivalents  | \$ 44,637                 | \$ 96,401                             | \$ 19,545                                   | \$ 46,677                   |
| Receivables (net of allowance<br>for doubtful accounts):                       |                           |                                       |   |                             |
| Taxes  | 0                         | 0                                     | 0   | 0                           |
| Accounts   | 0                         | 70,144                                | 137,588                                     | 0                           |
| Intergovernmental  | 75,552                    | 0                                     | 0   | 10,339                      |
| Due from Other Funds   | 0                         | 0                                     | 0   | 0                           |
| Inventory of Supplies, at Cost   | 0                         | 0                                     | 0   | 0                           |
| Prepaid Items  | 1,101                     | 543                                   | 1,610                                       | 696                         |
| <b>Total Assets</b>  | <b>\$ 121,290</b>         | <b>\$ 167,088</b>                     | <b>\$ 158,743</b>                           | <b>\$ 57,712</b>            |
| <b>Liabilities:</b>  |                           |                                       |   |                             |
| Accounts Payable   | \$ 0                      | \$ 0                                  | \$ 0  | \$ 6,095                    |
| Intergovernmental Payable  | 1,778                     | 894                                   | 1,642                                       | 2,328                       |
| Due to Others  | 0                         | 0                                     | 0   | 0                           |
| Unearned Revenue   | 0                         | 0                                     | 0   | 0                           |
| <b>Total Liabilities</b>   | <b>1,778</b>              | <b>894</b>                            | <b>1,642</b>                                | <b>8,423</b>                |
| <b>Deferred Inflows of Resources:</b>  |                           |                                       |   |                             |
| Property Tax   | 0                         | 0                                     | 0   | 0                           |
| Unavailable Revenue  | 37,776                    | 48,533                                | 95,197                                      | 0                           |
| <b>Total Deferred Inflows of Resources</b>                                     | <b>37,776</b>             | <b>48,533</b>                         | <b>95,197</b>                               | <b>0</b>                    |
| <b>Fund Balances:</b>  |                           |                                       |   |                             |
| Nonspendable   | 1,101                     | 543                                   | 1,610                                       | 696                         |
| Restricted   | 80,635                    | 117,118                               | 60,294                                      | 48,593                      |
| Committed  | 0                         | 0                                     | 0   | 0                           |
| Unassigned   | 0                         | 0                                     | 0   | 0                           |
| <b>Total Fund Balances</b>   | <b>81,736</b>             | <b>117,661</b>                        | <b>61,904</b>                               | <b>49,289</b>               |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</b> | <b>\$ 121,290</b>         | <b>\$ 167,088</b>                     | <b>\$ 158,743</b>                           | <b>\$ 57,712</b>            |

**CITY OF PORTSMOUTH, OHIO**

| Justice<br>Reinvestment<br>and Incentive<br>Grant | Municipal<br>Court<br>Computer | Municipal<br>Court Security | Fire Donation | Fire Pension     | Police Pension   |
|---|--------------------------------|-----------------------------|---------------|------------------|------------------|
| \$ 0  | \$ 27,512                      | \$ 0                        | \$ 503        | \$ 0             | \$ 0             |
| 0   | 0                              | 0                           | 0             | 76,122           | 76,122           |
| 0   | 13,856                         | 0                           | 0             | 0                | 0                |
| 17,698  | 0                              | 0                           | 0             | 3,802            | 3,802            |
| 0   | 0                              | 0                           | 0             | 0                | 0                |
| 0   | 0                              | 0                           | 0             | 0                | 0                |
| 440   | 0                              | 945                         | 0             | 0                | 0                |
| <u>\$ 18,138</u>                                  | <u>\$ 41,368</u>               | <u>\$ 945</u>               | <u>\$ 503</u> | <u>\$ 79,924</u> | <u>\$ 79,924</u> |
| \$ 0  | \$ 818                         | \$ 0                        | \$ 0          | \$ 0             | \$ 0             |
| 820   | 0                              | 1,221                       | 0             | 0                | 0                |
| 0   | 0                              | 0                           | 0             | 0                | 0                |
| 0   | 0                              | 0                           | 0             | 0                | 0                |
| <u>820</u>  | <u>818</u>                     | <u>1,221</u>                | <u>0</u>      | <u>0</u>         | <u>0</u>         |
| 0   | 0                              | 0                           | 0             | 62,000           | 62,000           |
| 8,849   | 9,587                          | 0                           | 0             | 17,924           | 17,924           |
| <u>8,849</u>                                      | <u>9,587</u>                   | <u>0</u>                    | <u>0</u>      | <u>79,924</u>    | <u>79,924</u>    |
| 440   | 0                              | 945                         | 0             | 0                | 0                |
| 8,029   | 30,963                         | 0                           | 503           | 0                | 0                |
| 0   | 0                              | 0                           | 0             | 0                | 0                |
| 0   | 0                              | (1,221)                     | 0             | 0                | 0                |
| <u>8,469</u>                                      | <u>30,963</u>                  | <u>(276)</u>                | <u>503</u>    | <u>0</u>         | <u>0</u>         |
| <u>\$ 18,138</u>                                  | <u>\$ 41,368</u>               | <u>\$ 945</u>               | <u>\$ 503</u> | <u>\$ 79,924</u> | <u>\$ 79,924</u> |

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2021**

|  | D.A.R.E. State<br>Grant | Police Donation | JAG Grants       | COPS Fast<br>Grant |
|--|-------------------------|-----------------|------------------|--------------------|
| <b>Assets:</b>   |                         |                 |                  |                    |
| Cash and Cash Equivalents  | \$ 52,533               | \$ 2,970        | \$ 22,468        | \$ 309,597         |
| Receivables (net of allowance<br>for doubtful accounts):                       |                         |                 |                  |                    |
| Taxes  | 0                       | 0               | 0                | 0                  |
| Accounts   | 0                       | 0               | 0                | 0                  |
| Intergovernmental  | 0                       | 0               | 0                | 24,039             |
| Due from Other Funds   | 0                       | 0               | 0                | 0                  |
| Inventory of Supplies, at Cost   | 0                       | 0               | 0                | 0                  |
| Prepaid Items  | 0                       | 0               | 0                | 0                  |
| <b>Total Assets</b>  | <b>\$ 52,533</b>        | <b>\$ 2,970</b> | <b>\$ 22,468</b> | <b>\$ 333,636</b>  |
| <b>Liabilities:</b>  |                         |                 |                  |                    |
| Accounts Payable   | \$ 0                    | \$ 0            | \$ 0             | \$ 0               |
| Intergovernmental Payable  | 0                       | 0               | 0                | 0                  |
| Due to Others  | 0                       | 0               | 0                | 0                  |
| Unearned Revenue   | 0                       | 0               | 0                | 0                  |
| <b>Total Liabilities</b>   | <b>0</b>                | <b>0</b>        | <b>0</b>         | <b>0</b>           |
| <b>Deferred Inflows of Resources:</b>  |                         |                 |                  |                    |
| Property Tax   | 0                       | 0               | 0                | 0                  |
| Unavailable Revenue  | 0                       | 0               | 0                | 24,039             |
| <b>Total Deferred Inflows of Resources</b>                                     | <b>0</b>                | <b>0</b>        | <b>0</b>         | <b>24,039</b>      |
| <b>Fund Balances:</b>  |                         |                 |                  |                    |
| Nonspendable   | 0                       | 0               | 0                | 0                  |
| Restricted   | 52,533                  | 2,970           | 22,468           | 309,597            |
| Committed  | 0                       | 0               | 0                | 0                  |
| Unassigned   | 0                       | 0               | 0                | 0                  |
| <b>Total Fund Balances</b>   | <b>52,533</b>           | <b>2,970</b>    | <b>22,468</b>    | <b>309,597</b>     |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</b> | <b>\$ 52,533</b>        | <b>\$ 2,970</b> | <b>\$ 22,468</b> | <b>\$ 333,636</b>  |

**CITY OF PORTSMOUTH, OHIO**

| Indigent<br>Drivers Alcohol<br>Treatment | Indigent<br>Drivers Alcohol<br>Monitoring | Enforcement<br>and Education | Mandatory<br>Fines | Law<br>Enforcement | Federal<br>Forfeitures |
|--|---|------------------------------|--------------------|--------------------|------------------------|
| \$ 52,541                                | \$ 59,079                                 | \$ 1,344                     | \$ 14,327          | \$ 100,874         | \$ 80,712              |
| 0  | 0   | 0                            | 0                  | 0                  | 0                      |
| 5,527                                    | 2,014                                     | 292                          | 0                  | 0                  | 0                      |
| 0  | 0   | 0                            | 0                  | 0                  | 0                      |
| 0  | 0   | 0                            | 0                  | 0                  | 0                      |
| 0  | 0   | 0                            | 0                  | 0                  | 0                      |
| 0  | 0   | 0                            | 0                  | 0                  | 0                      |
| <u>\$ 58,068</u>                         | <u>\$ 61,093</u>                          | <u>\$ 1,636</u>              | <u>\$ 14,327</u>   | <u>\$ 100,874</u>  | <u>\$ 80,712</u>       |
| \$ 0                                     | \$ 0                                      | \$ 0                         | \$ 0               | \$ 0               | \$ 0                   |
| 0  | 0   | 0                            | 0                  | 0                  | 0                      |
| 0  | 0   | 0                            | 0                  | 0                  | 0                      |
| 0  | 0   | 0                            | 0                  | 0                  | 0                      |
| <u>0</u>                                 | <u>0</u>                                  | <u>0</u>                     | <u>0</u>           | <u>0</u>           | <u>0</u>               |
| 0  | 0   | 0                            | 0                  | 0                  | 0                      |
| 3,819                                    | 1,173                                     | 202                          | 0                  | 0                  | 0                      |
| <u>3,819</u>                             | <u>1,173</u>                              | <u>202</u>                   | <u>0</u>           | <u>0</u>           | <u>0</u>               |
| 0  | 0   | 0                            | 0                  | 0                  | 0                      |
| 54,249                                   | 59,920                                    | 1,434                        | 14,327             | 100,874            | 80,712                 |
| 0  | 0   | 0                            | 0                  | 0                  | 0                      |
| 0  | 0   | 0                            | 0                  | 0                  | 0                      |
| <u>54,249</u>                            | <u>59,920</u>                             | <u>1,434</u>                 | <u>14,327</u>      | <u>100,874</u>     | <u>80,712</u>          |
| <u>\$ 58,068</u>                         | <u>\$ 61,093</u>                          | <u>\$ 1,636</u>              | <u>\$ 14,327</u>   | <u>\$ 100,874</u>  | <u>\$ 80,712</u>       |

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2021**

|  | OPOTA Fund       | COPS - Hiring<br>Recovery<br>Program Grant | Rural Law<br>Enforcement<br>Assistance<br>Grant | Street<br>Construction,<br>Maintenance<br>and Repair |
|--|------------------|--|---|--|
| <b>Assets:</b>   |                  |  |   |  |
| Cash and Cash Equivalents  | \$ 28,480        | \$ 14,805                                  | \$ 13,342                                       | \$ 408,034   |
| Receivables (net of allowance<br>for doubtful accounts):                       |                  |  |   |  |
| Taxes  | 0                | 0  | 0   | 0  |
| Accounts   | 0                | 0  | 0   | 0  |
| Intergovernmental  | 0                | 0  | 0   | 573,485  |
| Due from Other Funds   | 0                | 0  | 0   | 0  |
| Inventory of Supplies, at Cost   | 0                | 0  | 0   | 213  |
| Prepaid Items  | 0                | 0  | 0   | 6,446  |
| <b>Total Assets</b>  | <b>\$ 28,480</b> | <b>\$ 14,805</b>                           | <b>\$ 13,342</b>                                | <b>\$ 988,178</b>                                    |
| <b>Liabilities:</b>  |                  |  |   |  |
| Accounts Payable   | \$ 0             | \$ 0                                       | \$ 0  | \$ 737   |
| Intergovernmental Payable  | 0                | 0  | 0   | 6,034  |
| Due to Others  | 0                | 0  | 0   | 0  |
| Unearned Revenue   | 0                | 0  | 0   | 0  |
| <b>Total Liabilities</b>   | <b>0</b>         | <b>0</b>                                   | <b>0</b>  | <b>6,771</b>   |
| <b>Deferred Inflows of Resources:</b>  |                  |  |   |  |
| Property Tax   | 0                | 0  | 0   | 0  |
| Unavailable Revenue  | 0                | 0  | 0   | 389,000  |
| <b>Total Deferred Inflows of Resources</b>                                     | <b>0</b>         | <b>0</b>                                   | <b>0</b>  | <b>389,000</b>                                       |
| <b>Fund Balances:</b>  |                  |  |   |  |
| Nonspendable   | 0                | 0  | 0   | 6,659  |
| Restricted   | 28,480           | 14,805                                     | 13,342  | 585,748  |
| Committed  | 0                | 0  | 0   | 0  |
| Unassigned   | 0                | 0  | 0   | 0  |
| <b>Total Fund Balances</b>   | <b>28,480</b>    | <b>14,805</b>                              | <b>13,342</b>                                   | <b>592,407</b>                                       |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</b> | <b>\$ 28,480</b> | <b>\$ 14,805</b>                           | <b>\$ 13,342</b>                                | <b>\$ 988,178</b>                                    |



**CITY OF PORTSMOUTH, OHIO**

| State Highway Improvement | Community Development | Tourism and Cultural Development | Flood Defense     | American Rescue Plan Act | Council Trust for Recreation |
|---------------------------|-----------------------|----------------------------------|-------------------|--------------------------|------------------------------|
| \$ 346,350                | \$ 76,210             | \$ 19,775                        | \$ 26,765         | \$ 852,066               | \$ 44,551                    |
| 0                         | 0                     | 25,954                           | 220,037           | 0                        | 0                            |
| 0                         | 0                     | 0                                | 0                 | 0                        | 0                            |
| 37,034                    | 0                     | 0                                | 10,869            | 0                        | 0                            |
| 0                         | 24,453                | 0                                | 0                 | 0                        | 0                            |
| 0                         | 0                     | 0                                | 0                 | 0                        | 0                            |
| 0                         | 0                     | 0                                | 0                 | 0                        | 566                          |
| <u>\$ 383,384</u>         | <u>\$ 100,663</u>     | <u>\$ 45,729</u>                 | <u>\$ 257,671</u> | <u>\$ 852,066</u>        | <u>\$ 45,117</u>             |
| \$ 0                      | \$ 0                  | \$ 0                             | \$ 506            | \$ 0                     | \$ 112                       |
| 0                         | 0                     | 0                                | 0                 | 0                        | 0                            |
| 0                         | 0                     | 0                                | 0                 | 0                        | 0                            |
| 0                         | 0                     | 0                                | 0                 | 852,066                  | 0                            |
| <u>0</u>                  | <u>0</u>              | <u>0</u>                         | <u>506</u>        | <u>852,066</u>           | <u>112</u>                   |
| 0                         | 0                     | 0                                | 179,000           | 0                        | 0                            |
| 25,000                    | 0                     | 0                                | 51,906            | 0                        | 0                            |
| <u>25,000</u>             | <u>0</u>              | <u>0</u>                         | <u>230,906</u>    | <u>0</u>                 | <u>0</u>                     |
| 0                         | 0                     | 0                                | 0                 | 0                        | 566                          |
| 358,384                   | 100,663               | 45,729                           | 26,259            | 0                        | 0                            |
| 0                         | 0                     | 0                                | 0                 | 0                        | 44,439                       |
| 0                         | 0                     | 0                                | 0                 | 0                        | 0                            |
| <u>358,384</u>            | <u>100,663</u>        | <u>45,729</u>                    | <u>26,259</u>     | <u>0</u>                 | <u>45,005</u>                |
| <u>\$ 383,384</u>         | <u>\$ 100,663</u>     | <u>\$ 45,729</u>                 | <u>\$ 257,671</u> | <u>\$ 852,066</u>        | <u>\$ 45,117</u>             |

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2021**

|  | Playground<br>Trust | Performance<br>Bonds | Total Nonmajor<br>Special<br>Revenue Funds |
|--|---------------------|----------------------|--|
| <b>Assets:</b>   |                     |                      |  |
| Cash and Cash Equivalents  | \$ 33,060           | \$ 56,957            | \$ 2,852,115                               |
| Receivables (net of allowance<br>for doubtful accounts):                       |                     |                      |  |
| Taxes  | 0                   | 0                    | 398,235                                    |
| Accounts   | 0                   | 0                    | 229,421                                    |
| Intergovernmental  | 0                   | 0                    | 756,620                                    |
| Due from Other Funds   | 0                   | 0                    | 24,453                                     |
| Inventory of Supplies, at Cost   | 0                   | 0                    | 213  |
| Prepaid Items  | 0                   | 0                    | 12,347                                     |
| <b>Total Assets</b>  | <b>\$ 33,060</b>    | <b>\$ 56,957</b>     | <b>\$ 4,273,404</b>                        |
| <b>Liabilities:</b>  |                     |                      |  |
| Accounts Payable   | \$ 0                | \$ 0                 | \$ 8,268                                   |
| Intergovernmental Payable  | 0                   | 0                    | 14,717                                     |
| Due to Others  | 0                   | 56,957               | 56,957                                     |
| Unearned Revenue   | 0                   | 0                    | 852,066                                    |
| <b>Total Liabilities</b>   | <b>0</b>            | <b>56,957</b>        | <b>932,008</b>                             |
| <b>Deferred Inflows of Resources:</b>  |                     |                      |  |
| Property Tax   | 0                   | 0                    | 303,000                                    |
| Unavailable Revenue  | 0                   | 0                    | 730,929                                    |
| <b>Total Deferred Inflows of Resources</b>                                     | <b>0</b>            | <b>0</b>             | <b>1,033,929</b>                           |
| <b>Fund Balances:</b>  |                     |                      |  |
| Nonspendable   | 0                   | 0                    | 12,560                                     |
| Restricted   | 33,060              | 0                    | 2,251,689                                  |
| Committed  | 0                   | 0                    | 44,439                                     |
| Unassigned   | 0                   | 0                    | (1,221)                                    |
| <b>Total Fund Balances</b>   | <b>33,060</b>       | <b>0</b>             | <b>2,307,467</b>                           |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</b> | <b>\$ 33,060</b>    | <b>\$ 56,957</b>     | <b>\$ 4,273,404</b>                        |

**CITY OF PORTSMOUTH, OHIO**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021**

|  | Municipal Court<br>Grants | Municipal Court<br>Special Project | Municipal Court<br>Probation<br>Services | Municipal Court<br>Programs |
|--|---------------------------|------------------------------------|--|-----------------------------|
| <b>Revenues:</b>                                     |                           |                                    |  |                             |
| Taxes  | \$ 0                      | \$ 0                               | \$ 0                                     | \$ 0                        |
| Intergovernmental Revenues                           | 159,953                   | 2,499                              | 0  | 0                           |
| Charges for Services                                 | 0                         | 0                                  | 0  | 0                           |
| Investment Earnings                                  | 0                         | 0                                  | 0  | 0                           |
| Fines and Forfeitures                                | 0                         | 92,775                             | 171,762                                  | 85,768                      |
| All Other Revenue                                    | 0                         | 0                                  | 0  | 0                           |
| <b>Total Revenue</b>                                 | <b>159,953</b>            | <b>95,274</b>                      | <b>171,762</b>                           | <b>85,768</b>               |
| <b>Expenditures:</b>                                 |                           |                                    |  |                             |
| Current:   |                           |                                    |  |                             |
| Security of Persons and Property                     | 0                         | 0                                  | 0  | 0                           |
| Leisure Time Activities                              | 0                         | 0                                  | 0  | 0                           |
| Community Environment                                | 0                         | 0                                  | 0  | 0                           |
| Transportation                                       | 0                         | 0                                  | 0  | 0                           |
| General Government                                   | 165,713                   | 132,097                            | 243,134                                  | 109,340                     |
| <b>Total Expenditures</b>                            | <b>165,713</b>            | <b>132,097</b>                     | <b>243,134</b>                           | <b>109,340</b>              |
| Excess (Deficiency) of Revenues<br>Over Expenditures | (5,760)                   | (36,823)                           | (71,372)                                 | (23,572)                    |
| <b>Other Financing Sources (Uses):</b>               |                           |                                    |  |                             |
| Transfers In   | 0                         | 0                                  | 0  | 0                           |
| <b>Total Other Financing Sources (Uses)</b>          | <b>0</b>                  | <b>0</b>                           | <b>0</b>                                 | <b>0</b>                    |
| Net Change in Fund Balances                          | (5,760)                   | (36,823)                           | (71,372)                                 | (23,572)                    |
| <b>Fund Balances at Beginning of Year</b>            | <b>87,496</b>             | <b>154,484</b>                     | <b>133,276</b>                           | <b>72,861</b>               |
| <b>Fund Balances End of Year</b>                     | <b>\$ 81,736</b>          | <b>\$ 117,661</b>                  | <b>\$ 61,904</b>                         | <b>\$ 49,289</b>            |

(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, 2021**

|  | Justice<br>Reinvestment<br>and Incentive<br>Grant | Municipal Court<br>Computer | Municipal Court<br>Security | Fire Donation |
|--|---|-----------------------------|-----------------------------|---------------|
| <b>Revenues:</b>                                     |   |                             |                             |               |
| Taxes  | \$ 0  | \$ 0                        | \$ 0                        | \$ 0          |
| Intergovernmental Revenues                           | 26,547  | 0                           | 0                           | 0             |
| Charges for Services                                 | 0   | 0                           | 0                           | 0             |
| Investment Earnings                                  | 0   | 0                           | 0                           | 0             |
| Fines and Forfeitures                                | 0   | 24,857                      | 52,235                      | 0             |
| All Other Revenue                                    | 0   | 0                           | 0                           | 0             |
| <b>Total Revenue</b>                                 | <u>26,547</u>                                     | <u>24,857</u>               | <u>52,235</u>               | <u>0</u>      |
| <b>Expenditures:</b>                                 |   |                             |                             |               |
| Current:   |   |                             |                             |               |
| Security of Persons and Property                     | 0   | 0                           | 0                           | 1,410         |
| Leisure Time Activities                              | 0   | 0                           | 0                           | 0             |
| Community Environment                                | 0   | 0                           | 0                           | 0             |
| Transportation                                       | 0   | 0                           | 0                           | 0             |
| General Government                                   | 42,060  | 30,834                      | 158,598                     | 0             |
| <b>Total Expenditures</b>                            | <u>42,060</u>                                     | <u>30,834</u>               | <u>158,598</u>              | <u>1,410</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | (15,513)  | (5,977)                     | (106,363)                   | (1,410)       |
| <b>Other Financing Sources (Uses):</b>               |   |                             |                             |               |
| Transfers In   | 0   | 0                           | 104,000                     | 0             |
| <b>Total Other Financing Sources (Uses)</b>          | <u>0</u>  | <u>0</u>                    | <u>104,000</u>              | <u>0</u>      |
| Net Change in Fund Balances                          | (15,513)  | (5,977)                     | (2,363)                     | (1,410)       |
| <b>Fund Balances at Beginning of Year</b>            | 23,982  | 36,940                      | 2,087                       | 1,913         |
| <b>Fund Balances End of Year</b>                     | <u>\$ 8,469</u>                                   | <u>\$ 30,963</u>            | <u>\$ (276)</u>             | <u>\$ 503</u> |

**CITY OF PORTSMOUTH, OHIO**

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| <u>Fire Pension</u> | <u>Police Pension</u> | <u>D.A.R.E. State Grant</u> | <u>Police Donation</u> | <u>JAG Grants</u> | <u>COPS Fast Grant</u> |
|---------------------|-----------------------|-----------------------------|------------------------|-------------------|------------------------|
| \$ 64,657           | \$ 64,656             | \$ 0                        | \$ 0                   | \$ 0              | \$ 0                   |
| 7,724               | 7,724                 | 0                           | 0                      | 0                 | 48,000                 |
| 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>72,381</u>       | <u>72,380</u>         | <u>0</u>                    | <u>0</u>               | <u>0</u>          | <u>48,000</u>          |
| 72,381              | 72,380                | 0                           | 399                    | 0                 | 37,385                 |
| 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>72,381</u>       | <u>72,380</u>         | <u>0</u>                    | <u>399</u>             | <u>0</u>          | <u>37,385</u>          |
| 0                   | 0                     | 0                           | (399)                  | 0                 | 10,615                 |
| 0                   | 0                     | 0                           | 0                      | 0                 | 0                      |
| 0                   | 0                     | 0                           | 0                      | 0                 | 0                      |
| 0                   | 0                     | 0                           | (399)                  | 0                 | 10,615                 |
| 0                   | 0                     | 52,533                      | 3,369                  | 22,468            | 298,982                |
| <u>\$ 0</u>         | <u>\$ 0</u>           | <u>\$ 52,533</u>            | <u>\$ 2,970</u>        | <u>\$ 22,468</u>  | <u>\$ 309,597</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, 2021**

|  | Indigent Drivers<br>Alcohol<br>Treatment | Indigent Drivers<br>Alcohol<br>Monitoring | Enforcement and<br>Education | Mandatory Fines  |
|--|--|---|------------------------------|------------------|
| <b>Revenues:</b>                                     |  |   |                              |                  |
| Taxes  | \$ 0                                     | \$ 0                                      | \$ 0                         | \$ 0             |
| Intergovernmental Revenues                           | 0  | 0   | 0                            | 0                |
| Charges for Services                                 | 0  | 0   | 0                            | 0                |
| Investment Earnings                                  | 0  | 0   | 0                            | 0                |
| Fines and Forfeitures                                | 13,459                                   | 10,847                                    | 365                          | 0                |
| All Other Revenue                                    | 0  | 0   | 0                            | 0                |
| <b>Total Revenue</b>                                 | <b>13,459</b>                            | <b>10,847</b>                             | <b>365</b>                   | <b>0</b>         |
| <b>Expenditures:</b>                                 |  |   |                              |                  |
| Current:   |  |   |                              |                  |
| Security of Persons and Property                     | 0  | 0   | 0                            | 0                |
| Leisure Time Activities                              | 0  | 0   | 0                            | 0                |
| Community Environment                                | 0  | 0   | 0                            | 0                |
| Transportation                                       | 0  | 0   | 0                            | 0                |
| General Government                                   | 0  | 6,540                                     | 1                            | 0                |
| <b>Total Expenditures</b>                            | <b>0</b>                                 | <b>6,540</b>                              | <b>1</b>                     | <b>0</b>         |
| Excess (Deficiency) of Revenues<br>Over Expenditures | 13,459                                   | 4,307                                     | 364                          | 0                |
| <b>Other Financing Sources (Uses):</b>               |  |   |                              |                  |
| Transfers In   | 0  | 0   | 0                            | 0                |
| <b>Total Other Financing Sources (Uses)</b>          | <b>0</b>                                 | <b>0</b>                                  | <b>0</b>                     | <b>0</b>         |
| Net Change in Fund Balances                          | 13,459                                   | 4,307                                     | 364                          | 0                |
| <b>Fund Balances at Beginning of Year</b>            | <b>40,790</b>                            | <b>55,613</b>                             | <b>1,070</b>                 | <b>14,327</b>    |
| <b>Fund Balances End of Year</b>                     | <b>\$ 54,249</b>                         | <b>\$ 59,920</b>                          | <b>\$ 1,434</b>              | <b>\$ 14,327</b> |

**CITY OF PORTSMOUTH, OHIO**

| Law Enforcement   | Federal Forfeitures | OPOTA Fund       | COPS Hiring Recovery Program Grant | Rural Law Enforcement Assistance Grant | Street Construction, Maintenance and Repair |
|-------------------|---------------------|------------------|------------------------------------|--|---|
| \$ 0              | \$ 0                | \$ 0             | \$ 0                               | \$ 0                                   | \$ 0  |
| 0                 | 0                   | 0                | 0                                  | 0                                      | 1,166,061                                   |
| 0                 | 0                   | 0                | 0                                  | 0                                      | 0   |
| 0                 | 0                   | 0                | 0                                  | 0                                      | 0   |
| 39,660            | 0                   | 0                | 0                                  | 0                                      | 0   |
| 945               | 0                   | 0                | 0                                  | 0                                      | 0   |
| <u>40,605</u>     | <u>0</u>            | <u>0</u>         | <u>0</u>                           | <u>0</u>                               | <u>1,166,061</u>                            |
| 1,477             | 1,430               | 0                | 0                                  | 0                                      | 0   |
| 0                 | 0                   | 0                | 0                                  | 0                                      | 0   |
| 0                 | 0                   | 0                | 0                                  | 0                                      | 0   |
| 0                 | 0                   | 0                | 0                                  | 0                                      | 1,286,956                                   |
| <u>0</u>          | <u>0</u>            | <u>0</u>         | <u>0</u>                           | <u>0</u>                               | <u>0</u>                                    |
| <u>1,477</u>      | <u>1,430</u>        | <u>0</u>         | <u>0</u>                           | <u>0</u>                               | <u>1,286,956</u>                            |
| 39,128            | (1,430)             | 0                | 0                                  | 0                                      | (120,895)                                   |
| <u>0</u>          | <u>0</u>            | <u>0</u>         | <u>0</u>                           | <u>0</u>                               | <u>0</u>                                    |
| <u>0</u>          | <u>0</u>            | <u>0</u>         | <u>0</u>                           | <u>0</u>                               | <u>0</u>                                    |
| 39,128            | (1,430)             | 0                | 0                                  | 0                                      | (120,895)                                   |
| 61,746            | 82,142              | 28,480           | 14,805                             | 13,342                                 | 713,302                                     |
| <u>\$ 100,874</u> | <u>\$ 80,712</u>    | <u>\$ 28,480</u> | <u>\$ 14,805</u>                   | <u>\$ 13,342</u>                       | <u>\$ 592,407</u>                           |

(Continued)

**CITY OF PORTSMOUTH, OHIO**

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021**

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|  | State Highway<br>Improvement | Community<br>Development | Tourism and<br>Cultural<br>Development | Flood Defense    |
|--|------------------------------|--------------------------|--|------------------|
| <b>Revenues:</b>                                     |                              |                          |  |                  |
| Taxes  | \$ 0                         | \$ 0                     | \$ 105,056                             | \$ 193,492       |
| Intergovernmental Revenues                           | 74,504                       | 15,000                   | 0                                      | 91,650           |
| Charges for Services                                 | 0                            | 0                        | 0                                      | 0                |
| Investment Earnings                                  | 0                            | 3                        | 0                                      | 0                |
| Fines and Forfeitures                                | 0                            | 0                        | 0                                      | 0                |
| All Other Revenue                                    | 0                            | 0                        | 0                                      | 0                |
| <b>Total Revenue</b>                                 | <u>74,504</u>                | <u>15,003</u>            | <u>105,056</u>                         | <u>285,142</u>   |
| <b>Expenditures:</b>                                 |                              |                          |  |                  |
| Current:   |                              |                          |  |                  |
| Security of Persons and Property                     | 0                            | 0                        | 0                                      | 327,572          |
| Leisure Time Activities                              | 0                            | 0                        | 0                                      | 0                |
| Community Environment                                | 0                            | 39,047                   | 95,589                                 | 0                |
| Transportation                                       | 0                            | 0                        | 0                                      | 0                |
| General Government                                   | 0                            | 0                        | 0                                      | 0                |
| <b>Total Expenditures</b>                            | <u>0</u>                     | <u>39,047</u>            | <u>95,589</u>                          | <u>327,572</u>   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | 74,504                       | (24,044)                 | 9,467                                  | (42,430)         |
| <b>Other Financing Sources (Uses):</b>               |                              |                          |  |                  |
| Transfers In   | 0                            | 0                        | 0                                      | 0                |
| <b>Total Other Financing Sources (Uses)</b>          | <u>0</u>                     | <u>0</u>                 | <u>0</u>                               | <u>0</u>         |
| Net Change in Fund Balances                          | 74,504                       | (24,044)                 | 9,467                                  | (42,430)         |
| <b>Fund Balances at Beginning of Year</b>            | <u>283,880</u>               | <u>124,707</u>           | <u>36,262</u>                          | <u>68,689</u>    |
| <b>Fund Balances End of Year</b>                     | <u>\$ 358,384</u>            | <u>\$ 100,663</u>        | <u>\$ 45,729</u>                       | <u>\$ 26,259</u> |



**CITY OF PORTSMOUTH, OHIO**

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| Coronavirus Relief | Council Trust for Recreation | Playground Trust | Performance Bonds | Total Nonmajor Special Revenue Funds |
|--------------------|------------------------------|------------------|-------------------|--------------------------------------|
| \$ 0               | \$ 0                         | \$ 0             | \$ 0              | \$ 427,861                           |
| 0                  | 0                            | 0                | 0                 | 1,599,662                            |
| 0                  | 57,590                       | 0                | 0                 | 57,590                               |
| 0                  | 0                            | 0                | 0                 | 3                                    |
| 0                  | 0                            | 0                | 0                 | 491,728                              |
| 0                  | 20,000                       | 0                | 0                 | 20,945                               |
| 0                  | 77,590                       | 0                | 0                 | 2,597,789                            |
| 0                  | 0                            | 0                | 0                 | 514,434                              |
| 0                  | 44,011                       | 0                | 0                 | 44,011                               |
| 0                  | 0                            | 0                | 7,109             | 141,745                              |
| 0                  | 0                            | 0                | 0                 | 1,286,956                            |
| 46,331             | 0                            | 0                | 0                 | 934,648                              |
| 46,331             | 44,011                       | 0                | 7,109             | 2,921,794                            |
| (46,331)           | 33,579                       | 0                | (7,109)           | (324,005)                            |
| 0                  | 0                            | 0                | 0                 | 104,000                              |
| 0                  | 0                            | 0                | 0                 | 104,000                              |
| (46,331)           | 33,579                       | 0                | (7,109)           | (220,005)                            |
| 46,331             | 11,426                       | 33,060           | 7,109             | 2,527,472                            |
| \$ 0               | \$ 45,005                    | \$ 33,060        | \$ 0              | \$ 2,307,467                         |

**CITY OF PORTSMOUTH, OHIO**

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**Combining Balance Sheet  
Nonmajor Permanent Funds  
December 31, 2021**

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|  | <u>Cemetery Trust</u> | <u>Mausoleum Trust</u> | <u>Total Nonmajor Permanent Funds</u> |
|--|-----------------------|------------------------|---------------------------------------|
| <b>Assets:</b>                             |                       |                        |                                       |
| Restricted Assets:                         |                       |                        |                                       |
| Cash and Cash Equivalents                  | \$ 203,188            | \$ 4,852               | \$ 208,040                            |
| <b>Total Assets</b>                        | <u>\$ 203,188</u>     | <u>\$ 4,852</u>        | <u>\$ 208,040</u>                     |
| <br>                                       |                       |                        |                                       |
| <b>Fund Balances:</b>                      |                       |                        |                                       |
| Nonspendable                               | \$ 22,339             | \$ 4,504               | \$ 26,843                             |
| Restricted                                 | 180,849               | 348                    | 181,197                               |
| <b>Total Fund Balances</b>                 | <u>203,188</u>        | <u>4,852</u>           | <u>208,040</u>                        |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 203,188</u>     | <u>\$ 4,852</u>        | <u>\$ 208,040</u>                     |

**CITY OF PORTSMOUTH, OHIO**

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***Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Permanent Funds  
For the Year Ended December 31, 2021***

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|   | Cemetery Trust    | Mausoleum Trust | Total Nonmajor Permanent Funds |
|---|-------------------|-----------------|--------------------------------|
| <b>Revenues:</b>                                  |                   |                 |                                |
| Charges for Services                              | \$ 2,300          | \$ 0            | \$ 2,300                       |
| <b>Total Revenue</b>                              | <u>2,300</u>      | <u>0</u>        | <u>2,300</u>                   |
| <b>Expenditures:</b>                              |                   |                 |                                |
| Current:  |                   |                 |                                |
| Public Health and Welfare Services                | 6,000             | 0               | 6,000                          |
| <b>Total Expenditures</b>                         | <u>6,000</u>      | <u>0</u>        | <u>6,000</u>                   |
| Excess (Deficiency) of Revenues Over Expenditures | (3,700)           | 0               | (3,700)                        |
| <b>Fund Balances at Beginning of Year</b>         | 206,888           | 4,852           | 211,740                        |
| <b>Fund Balances End of Year</b>                  | <u>\$ 203,188</u> | <u>\$ 4,852</u> | <u>\$ 208,040</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, 2021**

|  | Original<br>Budget | Final Budget  | Actual        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|---------------|---------------|---|
| <b>Revenues:</b>                       |                    |               |               |   |
| Taxes                                  | \$ 14,665,000      | \$ 16,101,540 | \$ 16,111,644 | \$ 10,104   |
| Intergovernmental Revenues             | 876,183            | 1,136,121     | 1,136,121     | 0   |
| Charges for Services                   | 743,000            | 975,759       | 986,103       | 10,344  |
| Licenses and Permits                   | 170,000            | 206,329       | 206,329       | 0   |
| Investment Earnings                    | 0                  | 1,739         | 1,739         | 0   |
| Fines and Forfeitures                  | 520,000            | 496,507       | 496,507       | 0   |
| All Other Revenues                     | 61,000             | 168,724       | 168,724       | 0   |
| Total Revenues                         | 17,035,183         | 19,086,719    | 19,107,167    | 20,448  |
| <b>Expenditures:</b>                   |                    |               |               |   |
| Security of Persons and Property:      |                    |               |               |   |
| Police:                                |                    |               |               |   |
| Personal Services                      | 4,693,497          | 4,669,621     | 4,669,621     | 0   |
| Materials and Supplies                 | 185,000            | 286,705       | 286,705       | 0   |
| Contractual Services                   | 355,526            | 317,270       | 317,270       | 0   |
| Capital Outlay                         | 1,500              | 1,444         | 1,444         | 0   |
| Total Police                           | 5,235,523          | 5,275,040     | 5,275,040     | 0   |
| Fire:                                  |                    |               |               |   |
| Personal Services                      | 4,565,507          | 4,780,176     | 4,780,176     | 0   |
| Materials and Supplies                 | 151,255            | 160,475       | 160,475       | 0   |
| Contractual Services                   | 171,226            | 136,756       | 136,756       | 0   |
| Capital Outlay                         | 11,000             | 7,721         | 7,721         | 0   |
| Total Fire                             | 4,898,988          | 5,085,128     | 5,085,128     | 0   |
| Police Dispatch:                       |                    |               |               |   |
| Personal Services                      | 624,726            | 630,222       | 630,222       | 0   |
| Contractual Services                   | 15,500             | 6,516         | 6,516         | 0   |
| Total Police Dispatch                  | 640,226            | 636,738       | 636,738       | 0   |
| Street Lighting:                       |                    |               |               |   |
| Contractual Services                   | 220,000            | 193,370       | 193,370       | 0   |
| Total Street Lighting                  | 220,000            | 193,370       | 193,370       | 0   |
| Total Security of Persons and Property | 10,994,737         | 11,190,276    | 11,190,276    | 0   |

(Continued)

**CITY OF PORTSMOUTH, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2021***

|                             | Original<br>Budget | Final Budget | Actual  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|-----------------------------|--------------------|--------------|---------|---|
| Community Environment:      |                    |              |         |   |
| Building Inspection:        |                    |              |         |   |
| Personal Services           | 161,471            | 162,910      | 162,910 | 0   |
| Materials and Supplies      | 2,100              | 457          | 457     | 0   |
| Contractual Services        | 53,600             | 64,918       | 64,918  | 0   |
| Total Building Inspection   | 217,171            | 228,285      | 228,285 | 0   |
| Administration:             |                    |              |         |   |
| Personal Services           | 92,941             | 105,346      | 105,346 | 0   |
| Materials and Supplies      | 1,350              | 569          | 569     | 0   |
| Contractual Services        | 3,600              | 58,773       | 58,773  | 0   |
| Total Administration        | 97,891             | 164,688      | 164,688 | 0   |
| Total Community Environment | 315,062            | 392,973      | 392,973 | 0   |
| Transportation:             |                    |              |         |   |
| Traffic Lights:             |                    |              |         |   |
| Personal Services           | 270,278            | 375,261      | 375,261 | 0   |
| Materials and Supplies      | 25,700             | 29,491       | 29,491  | 0   |
| Contractual Services        | 28,250             | 24,219       | 24,219  | 0   |
| Total Traffic Lights        | 324,228            | 428,971      | 428,971 | 0   |
| Cemetery Grounds:           |                    |              |         |   |
| Personal Services           | 213,552            | 266,902      | 266,902 | 0   |
| Materials and Supplies      | 11,050             | 13,108       | 13,108  | 0   |
| Contractual Services        | 11,300             | 21,841       | 21,841  | 0   |
| Capital Outlay              | 2,000              | 3,410        | 3,410   | 0   |
| Total Cemetery Grounds      | 237,902            | 305,261      | 305,261 | 0   |
| Recreational Grounds:       |                    |              |         |   |
| Personal Services           | 87,252             | 60,096       | 60,096  | 0   |
| Materials and Supplies      | 3,000              | 2,781        | 2,781   | 0   |
| Contractual Services        | 4,500              | 3,738        | 3,738   | 0   |
| Total Recreational Grounds  | 94,752             | 66,615       | 66,615  | 0   |
| Total Transportation        | 656,882            | 800,847      | 800,847 | 0   |
| General Government:         |                    |              |         |   |
| City Council:               |                    |              |         |   |
| Personal Services           | 119,474            | 93,636       | 93,636  | 0   |
| Materials and Supplies      | 800                | 626          | 626     | 0   |
| Contractual Services        | 6,550              | 9,040        | 9,040   | 0   |
| Total City Council          | 126,824            | 103,302      | 103,302 | 0   |

(Continued)

**CITY OF PORTSMOUTH, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2021***

|                        | Original<br>Budget | Final Budget | Actual  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|------------------------|--------------------|--------------|---------|---|
| <b>Executive:</b>      |                    |              |         |   |
| Personal Services      | 66,211             | 51,712       | 51,712  | 0   |
| Materials and Supplies | 3,000              | 6,608        | 6,608   | 0   |
| Contractual Services   | 13,900             | 5,369        | 5,369   | 0   |
| Total Executive        | 83,111             | 63,689       | 63,689  | 0   |
| <b>Legal:</b>          |                    |              |         |   |
| Personal Services      | 273,273            | 283,069      | 283,069 | 0   |
| Materials and Supplies | 4,500              | 3,462        | 3,462   | 0   |
| Contractual Services   | 7,300              | 1,752        | 1,752   | 0   |
| Total Legal            | 285,073            | 288,283      | 288,283 | 0   |
| <b>Finance:</b>        |                    |              |         |   |
| Personal Services      | 228,488            | 228,320      | 228,320 | 0   |
| Materials and Supplies | 4,075              | 3,152        | 3,152   | 0   |
| Contractual Services   | 48,100             | 67,993       | 67,993  | 0   |
| Capital Outlay         | 0                  | 194          | 194     | 0   |
| Total Finance          | 280,663            | 299,659      | 299,659 | 0   |
| <b>Civil Service:</b>  |                    |              |         |   |
| Personal Services      | 16,077             | 17,987       | 17,987  | 0   |
| Materials and Supplies | 250                | 0            | 0       | 0   |
| Contractual Services   | 15,500             | 6,971        | 6,971   | 0   |
| Total Civil Service    | 31,827             | 24,958       | 24,958  | 0   |
| <b>Income Tax:</b>     |                    |              |         |   |
| Personal Services      | 140,992            | 144,386      | 144,386 | 0   |
| Materials and Supplies | 5,600              | 6,736        | 6,736   | 0   |
| Contractual Services   | 22,495             | 18,205       | 18,205  | 0   |
| Capital Outlay         | 150                | 0            | 0       | 0   |
| Total Income Tax       | 169,237            | 169,327      | 169,327 | 0   |
| <b>Engineering:</b>    |                    |              |         |   |
| Personal Services      | 112,699            | 114,565      | 114,565 | 0   |
| Materials and Supplies | 5,850              | 17,673       | 17,673  | 0   |
| Contractual Services   | 95,800             | 219,883      | 219,883 | 0   |
| Total Engineering      | 214,349            | 352,121      | 352,121 | 0   |

(Continued)

**CITY OF PORTSMOUTH, OHIO**

**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – General Fund  
For the Year Ended December 31, 2021**

|  | Original<br>Budget | Final Budget | Actual     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|--------------|------------|---|
| Public Service:  |                    |              |            |   |
| Personal Services  | 4,102              | 8,262        | 8,262      | 0   |
| Materials and Supplies                                       | 1,050              | 1,300        | 1,300      | 0   |
| Contractual Services   | 52,474             | 57,180       | 57,180     | 0   |
| Capital Outlay   | 500                | 406          | 406        | 0   |
| Total Public Service   | 58,126             | 67,148       | 67,148     | 0   |
| City Building:   |                    |              |            |   |
| Personal Services  | 82,123             | 84,385       | 84,385     | 0   |
| Materials and Supplies                                       | 3,500              | 5,449        | 5,449      | 0   |
| Contractual Services   | 171,500            | 147,604      | 147,604    | 0   |
| Total City Building  | 257,123            | 237,438      | 237,438    | 0   |
| Drainage Projects:   |                    |              |            |   |
| Capital Outlay   | 95,000             | 72,275       | 72,275     | 0   |
| Total Drainage Projects                                      | 95,000             | 72,275       | 72,275     | 0   |
| Garage:  |                    |              |            |   |
| Personal Services  | 24,577             | 59,696       | 59,696     | 0   |
| Materials and Supplies                                       | 234,750            | 241,346      | 241,346    | 0   |
| Contractual Services   | 25,961             | 14,419       | 14,419     | 0   |
| Capital Outlay   | 5,000              | 0            | 0          | 0   |
| Total Garage   | 290,288            | 315,461      | 315,461    | 0   |
| Economic Development:  |                    |              |            |   |
| Materials and Supplies                                       | 55,000             | 55,000       | 55,000     | 0   |
| Contractual Services   | 15,000             | 2,440        | 2,440      | 0   |
| Total Economic Development                                   | 70,000             | 57,440       | 57,440     | 0   |
| Non-Departmental:  |                    |              |            |   |
| Personal Services  | 183,729            | 259          | 259        | 0   |
| Materials and Supplies                                       | 5,000              | 5,040        | 5,040      | 0   |
| Contractual Services   | 1,044,055          | 1,004,358    | 1,004,358  | 0   |
| Total Non-Departmental                                       | 1,232,784          | 1,009,657    | 1,009,657  | 0   |
| Total General Government                                     | 3,194,405          | 3,060,758    | 3,060,758  | 0   |
| Total Expenditures   | 15,161,086         | 15,444,854   | 15,444,854 | 0   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 1,874,097          | 3,641,865    | 3,662,313  | 20,448  |

(Continued)

**CITY OF PORTSMOUTH, OHIO**

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***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, 2021***

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|  | Original<br>Budget  | Final Budget         | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|----------------------|----------------------|---|
| <b>Other Financing Sources (Uses):</b> |                     |                      |                      |   |
| Transfers Out                          | (2,440,698)         | (2,141,198)          | (2,141,198)          | 0   |
| Advances In                            | 400,000             | 550,000              | 550,000              | 0   |
| Advances Out                           | (400,000)           | (400,000)            | (400,000)            | 0   |
| Total Other Financing Sources (Uses)   | <u>(2,440,698)</u>  | <u>(1,991,198)</u>   | <u>(1,991,198)</u>   | <u>0</u>  |
| Net Change in Fund Balance             | (566,601)           | 1,650,667            | 1,671,115            | 20,448  |
| Fund Balance at Beginning of Year      | 9,714,733           | 9,714,733            | 9,714,733            | 0   |
| Prior Year Encumbrances                | 26,000              | 26,000               | 26,000               | 0   |
| Fund Balance at End of Year            | <u>\$ 9,174,132</u> | <u>\$ 11,391,400</u> | <u>\$ 11,411,848</u> | <u>\$ 20,448</u>  |



**CITY OF PORTSMOUTH, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Special Revenue Fund  
For the Year Ended December 31, 2021***

| <b>HEALTH DEPARTMENT FUND</b>       |                    |                  |                  |   |
|-------------------------------------|--------------------|------------------|------------------|---|
|                                     | Original<br>Budget | Final Budget     | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
| <b>Revenues:</b>                    |                    |                  |                  |   |
| Intergovernmental Revenues          | \$ 1,526,000       | \$ 1,305,000     | \$ 1,323,602     | \$ 18,602   |
| Charges for Services                | 723,000            | 1,333,000        | 1,243,239        | (89,761)  |
| All Other Revenues                  | 10,000             | 100,000          | 124,987          | 24,987  |
| Total Revenues                      | <u>2,259,000</u>   | <u>2,738,000</u> | <u>2,691,828</u> | <u>(46,172)</u>   |
| <b>Expenditures:</b>                |                    |                  |                  |   |
| Public Health and Welfare Services: |                    |                  |                  |   |
| Health Department Operating:        |                    |                  |                  |   |
| Personal Services                   | 651,203            | 654,799          | 654,799          | 0   |
| Materials and Supplies              | 5,250              | 15,374           | 15,374           | 0   |
| Contractual Services                | 111,645            | 127,134          | 127,134          | 0   |
| Total Health Department Operating   | <u>768,098</u>     | <u>797,307</u>   | <u>797,307</u>   | <u>0</u>  |
| Environmental State Grants:         |                    |                  |                  |   |
| Personal Services                   | 478,653            | 474,980          | 474,980          | 0   |
| Materials and Supplies              | 46,958             | 11,750           | 11,750           | 0   |
| Contractual Services                | 62,000             | 41,425           | 41,425           | 0   |
| Capital Outlay                      | 7,000              | 6,655            | 6,655            | 0   |
| Total Environmental State Grants    | <u>594,611</u>     | <u>534,810</u>   | <u>534,810</u>   | <u>0</u>  |
| Safety State Grant:                 |                    |                  |                  |   |
| Personal Services                   | 35,298             | 17,345           | 17,345           | 0   |
| Materials and Supplies              | 750                | 12,148           | 12,148           | 0   |
| Contractual Services                | 1,300              | 487              | 487              | 0   |
| Total Safety State Grant            | <u>37,348</u>      | <u>29,980</u>    | <u>29,980</u>    | <u>0</u>  |
| Rural AIDS State Grant:             |                    |                  |                  |   |
| Personal Services                   | 30,833             | 58,192           | 58,192           | 0   |
| Materials and Supplies              | 2,000              | 0                | 0                | 0   |
| Contractual Services                | 5,185              | 0                | 0                | 0   |
| Total Rural AIDS State Grant        | <u>38,018</u>      | <u>58,192</u>    | <u>58,192</u>    | <u>0</u>  |
| Drug Free Communities Grant:        |                    |                  |                  |   |
| Personal Services                   | 116,319            | 107,621          | 107,621          | 0   |
| Materials and Supplies              | 5,000              | 1,068            | 1,068            | 0   |
| Contractual Services                | 8,031              | 9,502            | 9,502            | 0   |
| Total Drug Free Communities Grant   | <u>129,350</u>     | <u>118,191</u>   | <u>118,191</u>   | <u>0</u>  |

(Continued)

**CITY OF PORTSMOUTH, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Special Revenue Fund  
For the Year Ended December 31, 2021***

| <b>HEALTH DEPARTMENT FUND</b>                 |                    |              |         |   |
|---|--------------------|--------------|---------|---|
|   | Original<br>Budget | Final Budget | Actual  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
| Injury Prevention Grant:                      |                    |              |         |   |
| Personal Services                             | 77,942             | 86,981       | 86,981  | 0   |
| Materials and Supplies                        | 1,244              | 359          | 359     | 0   |
| Contractual Services                          | 3,500              | 0            | 0       | 0   |
| Total Injury Prevention Grant                 | 82,686             | 87,340       | 87,340  | 0   |
| Family Planning Grant:                        |                    |              |         |   |
| Personal Services                             | 208,394            | 184,349      | 184,349 | 0   |
| Materials and Supplies                        | 54,000             | 34,742       | 34,742  | 0   |
| Contractual Services                          | 9,200              | 167          | 167     | 0   |
| Total Family Planning Grant                   | 271,594            | 219,258      | 219,258 | 0   |
| Rural Community Opioid Response Program:      |                    |              |         |   |
| Personal Services                             | 128,335            | 139,167      | 139,167 | 0   |
| Materials and Supplies                        | 73                 | 16,290       | 16,290  | 0   |
| Contractual Services                          | 5,500              | 1,169        | 1,169   | 0   |
| Total Rural Community Opioid Response Program | 133,908            | 156,626      | 156,626 | 0   |
| Public Health Emergency Preparedness:         |                    |              |         |   |
| Personal Services                             | 105,108            | 198,509      | 198,509 | 0   |
| Materials and Supplies                        | 13,000             | 275,991      | 275,991 | 0   |
| Contractual Services                          | 7,178              | 12,347       | 12,347  | 0   |
| Capital Outlay                                | 9,000              | 238          | 238     | 0   |
| Total Public Health Emergency Preparedness    | 134,286            | 487,085      | 487,085 | 0   |
| Federal HIV Prevention Grant:                 |                    |              |         |   |
| Personal Services                             | 144,413            | 2,179        | 2,179   | 0   |
| Materials and Supplies                        | 27,550             | 5,827        | 5,827   | 0   |
| Contractual Services                          | 41,980             | 5,090        | 5,090   | 0   |
| Total Federal HIV Prevention Grant            | 213,943            | 13,096       | 13,096  | 0   |
| State HIV Prevention Grant:                   |                    |              |         |   |
| Personal Services                             | 30,791             | 147,304      | 147,304 | 0   |
| Materials and Supplies                        | 9,831              | 724          | 724     | 0   |
| Contractual Services                          | 4,000              | 3,484        | 3,484   | 0   |
| Total State HIV Prevention Grant              | 44,622             | 151,512      | 151,512 | 0   |

(Continued)

**CITY OF PORTSMOUTH, OHIO**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Special Revenue Fund  
For the Year Ended December 31, 2021***

| <b>HEALTH DEPARTMENT FUND</b>                                |                     |                     |                     |   |
|--|---------------------|---------------------|---------------------|---|
|  | Original<br>Budget  | Final Budget        | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
| Land Reutilization:  |                     |                     |                     |   |
| Contractual Services   | 23,000              | 16,910              | 16,910              | 0   |
| Total Land Reutilization                                     | 23,000              | 16,910              | 16,910              | 0   |
| Primary Care:  |                     |                     |                     |   |
| Personal Services  | 144,446             | 170,862             | 170,862             | 0   |
| Materials and Supplies                                       | 545,000             | 980,803             | 980,803             | 0   |
| Contractual Services   | 17,231              | 22,784              | 22,784              | 0   |
| Total Primary Care   | 706,677             | 1,174,449           | 1,174,449           | 0   |
| Total Expenditures   | 3,178,141           | 3,844,756           | 3,844,756           | 0   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (919,141)           | (1,106,756)         | (1,152,928)         | (46,172)  |
| <b>Other Financing Sources (Uses):</b>                       |                     |                     |                     |   |
| Transfers In   | 748,000             | 788,000             | 786,698             | (1,302)   |
| Advances In  | 0                   | 395,000             | 400,000             | 5,000   |
| Advances Out   | 0                   | (550,000)           | (550,000)           | 0   |
| Total Other Financing Sources (Uses)                         | 748,000             | 633,000             | 636,698             | 3,698   |
| Net Change in Fund Balance                                   | (171,141)           | (473,756)           | (516,230)           | (42,474)  |
| Fund Balance at Beginning of Year                            | 1,537,468           | 1,537,468           | 1,537,468           | 0   |
| Fund Balance at End of Year                                  | <u>\$ 1,366,327</u> | <u>\$ 1,063,712</u> | <u>\$ 1,021,238</u> | <u>\$ (42,474)</u>                                      |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Debt Service Fund  
For the Year Ended December 31, 2021***

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|  | Final Budget      | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|-------------------|---|
| <b>Revenues:</b>   |                   |                   |   |
| Taxes  | \$ 140,000        | \$ 150,869        | \$ 10,869   |
| Intergovernmental Revenues                                   | 20,000            | 18,023            | (1,977)   |
| Total Revenues   | <u>160,000</u>    | <u>168,892</u>    | <u>8,892</u>  |
| <b>Expenditures:</b>   |                   |                   |   |
| Debt Service:  |                   |                   |   |
| Principal Retirement   | 125,000           | 125,000           | 0   |
| Interest and Fiscal Charges                                  | 16,758            | 16,758            | 0   |
| Total Expenditures   | <u>141,758</u>    | <u>141,758</u>    | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 18,242            | 27,134            | 8,892   |
| Fund Balance at Beginning of Year                            | <u>148,415</u>    | <u>148,415</u>    | <u>0</u>  |
| Fund Balance at End of Year                                  | <u>\$ 166,657</u> | <u>\$ 175,549</u> | <u>\$ 8,892</u>   |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Funds – Capital Project Funds  
For the Year Ended December 31, 2021***

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|  | Original<br>Budget | Final Budget      | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|-------------------|-------------------|---|
| <b>Revenues:</b>   |                    |                   |                   |   |
| Taxes  | \$ 1,700,000       | \$ 1,935,000      | \$ 1,931,312      | \$ (3,688)  |
| Intergovernmental Revenues                                   | 0                  | 170,000           | 172,387           | 2,387   |
| All Other Revenues   | 0                  | 0                 | 1,090             | 1,090   |
| Total Revenues   | <u>1,700,000</u>   | <u>2,105,000</u>  | <u>2,104,789</u>  | <u>(211)</u>  |
| <b>Expenditures:</b>   |                    |                   |                   |   |
| Capital Outlay   | 2,505,547          | 2,900,338         | 2,900,338         | 0   |
| Debt Service:  |                    |                   |                   |   |
| Principal Retirement   | 123,163            | 123,163           | 123,163           | 0   |
| Interest and Fiscal Charges                                  | 10,204             | 10,204            | 10,204            | 0   |
| Total Expenditures   | <u>2,638,914</u>   | <u>3,033,705</u>  | <u>3,033,705</u>  | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (938,914)          | (928,705)         | (928,916)         | (211)   |
| Fund Balance at Beginning of Year                            | 806,804            | 806,804           | 806,804           | 0   |
| Prior Year Encumbrances                                      | 674,097            | 674,097           | 674,097           | 0   |
| Fund Balance at End of Year                                  | <u>\$ 541,987</u>  | <u>\$ 552,196</u> | <u>\$ 551,985</u> | <u>\$ (211)</u>   |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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**MUNICIPAL COURT GRANTS FUND**

|  | <u>Final Budget</u> | <u>Actual</u>    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|------------------|---|
| <b>Revenues:</b>   |                     |                  |   |
| Intergovernmental Revenues                                   | \$ 160,000          | \$ 159,953       | \$ (47)   |
| Total Revenues   | <u>160,000</u>      | <u>159,953</u>   | <u>(47)</u>   |
| <b>Expenditures:</b>   |                     |                  |   |
| General Government:  |                     |                  |   |
| Personal Services  | <u>165,368</u>      | <u>165,368</u>   | <u>0</u>  |
| Total Expenditures   | <u>165,368</u>      | <u>165,368</u>   | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (5,368)             | (5,415)          | (47)  |
| Fund Balance at Beginning of Year                            | <u>50,052</u>       | <u>50,052</u>    | <u>0</u>  |
| Fund Balance at End of Year                                  | <u>\$ 44,684</u>    | <u>\$ 44,637</u> | <u>\$ (47)</u>  |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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**MUNICIPAL COURT SUBSIDY FUND**

|  | Final Budget     | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|---|
| <b>Revenues:</b>   |                  |                  |   |
| All Other Revenues   | \$ 105,000       | \$ 35,000        | \$ (70,000)   |
| Total Revenues   | <u>105,000</u>   | <u>35,000</u>    | <u>(70,000)</u>   |
| <b>Expenditures:</b>   |                  |                  |   |
| General Government:  |                  |                  |   |
| Personal Services  | 1,282,427        | 1,282,427        | 0   |
| Materials and Supplies                                       | 8,056            | 8,056            | 0   |
| Contractual Services   | 32,305           | 32,305           | 0   |
| Total Expenditures   | <u>1,322,788</u> | <u>1,322,788</u> | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (1,217,788)      | (1,287,788)      | (70,000)  |
| <b>Other Financing Sources (Uses):</b>                       |                  |                  |   |
| Transfers In   | 1,200,000        | 1,250,500        | 50,500  |
| Total Other Financing Sources (Uses)                         | <u>1,200,000</u> | <u>1,250,500</u> | <u>50,500</u>   |
| Net Change in Fund Balance                                   | (17,788)         | (37,288)         | (19,500)  |
| Fund Balance at Beginning of Year                            | 37,288           | 37,288           | 0   |
| Fund Balance at End of Year                                  | <u>\$ 19,500</u> | <u>\$ 0</u>      | <u>\$ (19,500)</u>                                      |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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**MUNICIPAL COURT SPECIAL PROJECT FUND**

|  | Final Budget     | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|---|
| <b>Revenues:</b>   |                  |                  |   |
| Intergovernmental Revenues                                   | \$ 0             | \$ 2,499         | \$ 2,499  |
| Fines and Forfeitures  | 100,000          | 89,280           | (10,720)  |
| Total Revenues   | <u>100,000</u>   | <u>91,779</u>    | <u>(8,221)</u>  |
| <b>Expenditures:</b>   |                  |                  |   |
| General Government:  |                  |                  |   |
| Personal Services  | 80,463           | 80,463           | 0   |
| Materials and Supplies                                       | 30,887           | 30,887           | 0   |
| Contractual Services   | 23,453           | 23,453           | 0   |
| Capital Outlay   | 2,060            | 2,060            | 0   |
| Total Expenditures   | <u>136,863</u>   | <u>136,863</u>   | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (36,863)         | (45,084)         | (8,221)   |
| <b>Other Financing Sources (Uses):</b>                       |                  |                  |   |
| Total Other Financing Sources (Uses)                         | <u>0</u>         | <u>0</u>         | <u>0</u>  |
| Net Change in Fund Balance                                   | (36,863)         | (45,084)         | (8,221)   |
| Fund Balance at Beginning of Year                            | 134,226          | 134,226          | 0   |
| Fund Balance at End of Year                                  | <u>\$ 97,363</u> | <u>\$ 89,142</u> | <u>\$ (8,221)</u>                                       |



**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | Final Budget     | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-----------------|---|
| <b>Revenues:</b>   |                  |                 |   |
| Fines and Forfeitures  | \$ 200,000       | \$ 182,224      | \$ (17,776)   |
| Total Revenues   | <u>200,000</u>   | <u>182,224</u>  | <u>(17,776)</u>   |
| <b>Expenditures:</b>   |                  |                 |   |
| General Government:  |                  |                 |   |
| Personal Services  | 241,314          | 241,314         | 0   |
| Materials and Supplies                                       | 2,400            | 2,400           | 0   |
| Total Expenditures   | <u>243,714</u>   | <u>243,714</u>  | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (43,714)         | (61,490)        | (17,776)  |
| Fund Balance at Beginning of Year                            | 68,368           | 68,368          | 0   |
| Fund Balance at End of Year                                  | <u>\$ 24,654</u> | <u>\$ 6,878</u> | <u>\$ (17,776)</u>                                      |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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**MUNICIPAL COURT PROGRAMS FUND**

|  | Final Budget     | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|---|
| <b>Revenues:</b>   |                  |                  |   |
| Fines and Forfeitures  | \$ 75,000        | \$ 75,429        | \$ 429  |
| Total Revenues   | <u>75,000</u>    | <u>75,429</u>    | <u>429</u>  |
| <b>Expenditures:</b>   |                  |                  |   |
| General Government:  |                  |                  |   |
| Personal Services  | 74,781           | 74,781           | 0   |
| Contractual Services   | 31,037           | 31,037           | 0   |
| Total Expenditures   | <u>105,818</u>   | <u>105,818</u>   | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (30,818)         | (30,389)         | 429   |
| Fund Balance at Beginning of Year                            | <u>77,066</u>    | <u>77,066</u>    | <u>0</u>  |
| Fund Balance at End of Year                                  | <u>\$ 46,248</u> | <u>\$ 46,677</u> | <u>\$ 429</u>   |

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021**

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|  | Final Budget    | Actual        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------|---------------|---|
| <b>JUSTICE REINVESTMENT AND INCENTIVE GRANT FUND</b>         |                 |               |   |
| <b>Revenues:</b>   |                 |               |   |
| Intergovernmental Revenues                                   | \$ 35,000       | \$ 26,547     | \$ (8,453)  |
| Total Revenues   | <u>35,000</u>   | <u>26,547</u> | <u>(8,453)</u>  |
| <b>Expenditures:</b>   |                 |               |   |
| General Government:  |                 |               |   |
| Personal Services  | <u>41,813</u>   | <u>41,813</u> | <u>0</u>  |
| Total Expenditures   | <u>41,813</u>   | <u>41,813</u> | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (6,813)         | (15,266)      | (8,453)   |
| Fund Balance at Beginning of Year                            | <u>15,266</u>   | <u>15,266</u> | <u>0</u>  |
| Fund Balance at End of Year                                  | <u>\$ 8,453</u> | <u>\$ 0</u>   | <u>\$ (8,453)</u>                                       |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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**MUNICIPAL COURT COMPUTER FUND**

|  | Final Budget     | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|---|
| <b>Revenues:</b>   |                  |                  |   |
| Fines and Forfeitures  | \$ 30,000        | \$ 24,910        | \$ (5,090)  |
| Total Revenues   | <u>30,000</u>    | <u>24,910</u>    | <u>(5,090)</u>  |
| <b>Expenditures:</b>   |                  |                  |   |
| General Government:  |                  |                  |   |
| Materials and Supplies                                       | 767              | 767              | 0   |
| Contractual Services   | 21,052           | 21,052           | 0   |
| Capital Outlay   | 9,322            | 9,322            | 0   |
| Total Expenditures   | <u>31,141</u>    | <u>31,141</u>    | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (1,141)          | (6,231)          | (5,090)   |
| Fund Balance at Beginning of Year                            | 31,998           | 31,998           | 0   |
| Fund Balance at End of Year                                  | <u>\$ 30,857</u> | <u>\$ 25,767</u> | <u>\$ (5,090)</u>                                       |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | Final Budget    | Actual         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------|----------------|---|
| <b>Revenues:</b>   |                 |                |   |
| Fines and Forfeitures  | \$ 61,000       | \$ 52,235      | \$ (8,765)  |
| Total Revenues   | <u>61,000</u>   | <u>52,235</u>  | <u>(8,765)</u>  |
| <b>Expenditures:</b>   |                 |                |   |
| General Government:  |                 |                |   |
| Personal Services  | 158,716         | 158,716        | 0   |
| Total Expenditures   | <u>158,716</u>  | <u>158,716</u> | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (97,716)        | (106,481)      | (8,765)   |
| <b>Other Financing Sources (Uses):</b>                       |                 |                |   |
| Transfers In   | 104,000         | 104,000        | 0   |
| Total Other Financing Sources (Uses)                         | <u>104,000</u>  | <u>104,000</u> | <u>0</u>  |
| Net Change in Fund Balance                                   | 6,284           | (2,481)        | (8,765)   |
| Fund Balance at Beginning of Year                            | 2,481           | 2,481          | 0   |
| Fund Balance at End of Year                                  | <u>\$ 8,765</u> | <u>\$ 0</u>    | <u>\$ (8,765)</u>                                       |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | FIRE DONATION FUND |         | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|---------|---|
|  | Final Budget       | Actual  |   |
| <b>Revenues:</b>   |                    |         |   |
| Total Revenues   | \$ 0               | \$ 0    | \$ 0  |
| <b>Expenditures:</b>   |                    |         |   |
| Security of Persons and Property:                            |                    |         |   |
| Contractual Services   | 1,410              | 1,410   | 0   |
| Total Expenditures   | 1,410              | 1,410   | 0   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (1,410)            | (1,410) | 0   |
| Fund Balance at Beginning of Year                            | 1,913              | 1,913   | 0   |
| Fund Balance at End of Year                                  | \$ 503             | \$ 503  | \$ 0  |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | <b>FIRE PENSION FUND</b> |               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------------|---------------|---|
|  | <u>Final Budget</u>      | <u>Actual</u> |   |
| <b>Revenues:</b>   |                          |               |   |
| Taxes  | \$ 65,000                | \$ 64,657     | \$ (343)  |
| Intergovernmental Revenues                                   | 8,000                    | 7,724         | (276)   |
| Total Revenues   | <u>73,000</u>            | <u>72,381</u> | <u>(619)</u>  |
| <b>Expenditures:</b>   |                          |               |   |
| Security of Persons and Property:                            |                          |               |   |
| Personal Services  | 72,381                   | 72,381        | 0   |
| Total Expenditures   | <u>72,381</u>            | <u>72,381</u> | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 619                      | 0             | (619)   |
| Fund Balance at Beginning of Year                            | 0                        | 0             | 0   |
| Fund Balance at End of Year                                  | <u>\$ 619</u>            | <u>\$ 0</u>   | <u>\$ (619)</u>   |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | POLICE PENSION FUND |               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|---------------|---|
|  | Final Budget        | Actual        |   |
| <b>Revenues:</b>   |                     |               |   |
| Taxes  | \$ 65,000           | \$ 64,656     | \$ (344)  |
| Intergovernmental Revenues                                   | 8,000               | 7,724         | (276)   |
| Total Revenues   | <u>73,000</u>       | <u>72,380</u> | <u>(620)</u>  |
| <b>Expenditures:</b>   |                     |               |   |
| Security of Persons and Property:                            |                     |               |   |
| Personal Services  | 72,380              | 72,380        | 0   |
| Total Expenditures   | <u>72,380</u>       | <u>72,380</u> | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 620                 | 0             | (620)   |
| Fund Balance at Beginning of Year                            | 0                   | 0             | 0   |
| Fund Balance at End of Year                                  | <u>\$ 620</u>       | <u>\$ 0</u>   | <u>\$ (620)</u>   |



**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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**D.A.R.E. STATE GRANT FUND**

|  | <u>Final Budget</u> | <u>Actual</u>    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|------------------|---|
| <b>Revenues:</b>   |                     |                  |   |
| Total Revenues   | <u>\$ 0</u>         | <u>\$ 0</u>      | <u>\$ 0</u>   |
| <b>Expenditures:</b>   |                     |                  |   |
| Total Expenditures   | <u>0</u>            | <u>0</u>         | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 0                   | 0                | 0   |
| Fund Balance at Beginning of Year                            | <u>52,533</u>       | <u>52,533</u>    | <u>0</u>  |
| Fund Balance at End of Year                                  | <u>\$ 52,533</u>    | <u>\$ 52,533</u> | <u>\$ 0</u>   |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | Final Budget | Actual   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------|----------|---|
| <b>Revenues:</b>   |              |          |   |
| Total Revenues   | \$ 0         | \$ 0     | \$ 0  |
| <b>Expenditures:</b>   |              |          |   |
| Security of Persons and Property:                            |              |          |   |
| Contractual Services   | 399          | 399      | 0   |
| Total Expenditures   | 399          | 399      | 0   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (399)        | (399)    | 0   |
| Fund Balance at Beginning of Year                            | 3,369        | 3,369    | 0   |
| Fund Balance at End of Year                                  | \$ 2,970     | \$ 2,970 | \$ 0  |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | <b>JAG GRANTS FUND</b> |                  |   |
|--|------------------------|------------------|---|
|  | <u>Final Budget</u>    | <u>Actual</u>    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
| <b>Revenues:</b>   |                        |                  |   |
| Total Revenues   | <u>\$ 0</u>            | <u>\$ 0</u>      | <u>\$ 0</u>   |
| <b>Expenditures:</b>   |                        |                  |   |
| Total Expenditures   | <u>0</u>               | <u>0</u>         | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 0                      | 0                | 0   |
| Fund Balance at Beginning of Year                            | <u>22,468</u>          | <u>22,468</u>    | <u>0</u>  |
| Fund Balance at End of Year                                  | <u>\$ 22,468</u>       | <u>\$ 22,468</u> | <u>\$ 0</u>   |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | Final Budget      | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|-------------------|---|
| <b>Revenues:</b>   |                   |                   |   |
| Intergovernmental Revenues                                   | \$ 40,000         | \$ 48,000         | \$ 8,000  |
| Total Revenues   | <u>40,000</u>     | <u>48,000</u>     | <u>8,000</u>  |
| <b>Expenditures:</b>   |                   |                   |   |
| Security of Persons and Property:                            |                   |                   |   |
| Contractual Services   | 16,000            | 16,000            | 0   |
| Capital Outlay   | 21,385            | 21,385            | 0   |
| Total Expenditures   | <u>37,385</u>     | <u>37,385</u>     | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 2,615             | 10,615            | 8,000   |
| Fund Balance at Beginning of Year                            | 298,982           | 298,982           | 0   |
| Fund Balance at End of Year                                  | <u>\$ 301,597</u> | <u>\$ 309,597</u> | <u>\$ 8,000</u>   |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | Final Budget     | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|---|
| <b>Revenues:</b>   |                  |                  |   |
| Fines and Forfeitures  | \$ 14,000        | \$ 13,573        | \$ (427)  |
| Total Revenues   | <u>14,000</u>    | <u>13,573</u>    | <u>(427)</u>  |
| <b>Expenditures:</b>   |                  |                  |   |
| Total Expenditures   | <u>0</u>         | <u>0</u>         | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 14,000           | 13,573           | (427)   |
| Fund Balance at Beginning of Year                            | <u>38,496</u>    | <u>38,496</u>    | <u>0</u>  |
| Fund Balance at End of Year                                  | <u>\$ 52,496</u> | <u>\$ 52,069</u> | <u>\$ (427)</u>   |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | Final Budget     | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|---|
| <b>Revenues:</b>   |                  |                  |   |
| Fines and Forfeitures  | \$ 10,000        | \$ 10,933        | \$ 933  |
| Total Revenues   | <u>10,000</u>    | <u>10,933</u>    | <u>933</u>  |
| <b>Expenditures:</b>   |                  |                  |   |
| General Government:  |                  |                  |   |
| Contractual Services   | <u>6,540</u>     | <u>6,540</u>     | <u>0</u>  |
| Total Expenditures   | <u>6,540</u>     | <u>6,540</u>     | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 3,460            | 4,393            | 933   |
| Fund Balance at Beginning of Year                            | <u>54,541</u>    | <u>54,541</u>    | <u>0</u>  |
| Fund Balance at End of Year                                  | <u>\$ 58,001</u> | <u>\$ 58,934</u> | <u>\$ 933</u>   |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | Final Budget    | Actual          | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------|-----------------|---|
| <b>Revenues:</b>   |                 |                 |   |
| Fines and Forfeitures  | \$ 0            | \$ 250          | \$ 250  |
| Total Revenues   | <u>0</u>        | <u>250</u>      | <u>250</u>  |
| <b>Expenditures:</b>   |                 |                 |   |
| General Government:  |                 |                 |   |
| Personal Services  | <u>1</u>        | <u>1</u>        | <u>0</u>  |
| Total Expenditures   | <u>1</u>        | <u>1</u>        | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (1)             | 249             | 250   |
| Fund Balance at Beginning of Year                            | <u>1,070</u>    | <u>1,070</u>    | <u>0</u>  |
| Fund Balance at End of Year                                  | <u>\$ 1,069</u> | <u>\$ 1,319</u> | <u>\$ 250</u>   |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | <b>MANDATORY FINES FUND</b> |                         |   |
|--|-----------------------------|-------------------------|---|
|  | <u>Final Budget</u>         | <u>Actual</u>           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
| <b>Revenues:</b>   |                             |                         |   |
| Total Revenues   | <u>\$ 0</u>                 | <u>\$ 0</u>             | <u>\$ 0</u>   |
| <b>Expenditures:</b>   |                             |                         |   |
| Total Expenditures   | <u>0</u>                    | <u>0</u>                | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>0</u>                    | <u>0</u>                | <u>0</u>  |
| Fund Balance at End of Year                                  | <u><u>\$ 14,327</u></u>     | <u><u>\$ 14,327</u></u> | <u><u>\$ 0</u></u>                                      |



**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | Final Budget      | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|-------------------|---|
| <b>Revenues:</b>   |                   |                   |   |
| Fines and Forfeitures  | \$ 40,000         | \$ 39,660         | \$ (340)  |
| All Other Revenues   | 1,000             | 945               | (55)  |
| Total Revenues   | <u>41,000</u>     | <u>40,605</u>     | <u>(395)</u>  |
| <b>Expenditures:</b>   |                   |                   |   |
| Security of Persons and Property:                            |                   |                   |   |
| Materials and Supplies                                       | <u>1,477</u>      | <u>1,477</u>      | <u>0</u>  |
| Total Expenditures   | <u>1,477</u>      | <u>1,477</u>      | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 39,523            | 39,128            | (395)   |
| Fund Balance at Beginning of Year                            | <u>61,746</u>     | <u>61,746</u>     | <u>0</u>  |
| Fund Balance at End of Year                                  | <u>\$ 101,269</u> | <u>\$ 100,874</u> | <u>\$ (395)</u>   |

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021**

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|  | Final Budget | Actual    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------|-----------|---|
| <b>Revenues:</b>   |              |           |   |
| Total Revenues   | \$ 0         | \$ 0      | \$ 0  |
| <b>Expenditures:</b>   |              |           |   |
| Security of Persons and Property:                            |              |           |   |
| Materials and Supplies                                       | 1,430        | 1,430     | 0   |
| Total Expenditures   | 1,430        | 1,430     | 0   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (1,430)      | (1,430)   | 0   |
| Fund Balance at Beginning of Year                            | 82,142       | 82,142    | 0   |
| Fund Balance at End of Year                                  | \$ 80,712    | \$ 80,712 | \$ 0  |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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**OHIO PEACE OFFICERS TRAINING FUND**

|  | <u>Final Budget</u> | <u>Actual</u>    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|------------------|---|
| <b>Revenues:</b>   |                     |                  |   |
| Total Revenues   | <u>\$ 0</u>         | <u>\$ 0</u>      | <u>\$ 0</u>   |
| <b>Expenditures:</b>   |                     |                  |   |
| Total Expenditures   | <u>0</u>            | <u>0</u>         | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 0                   | 0                | 0   |
| Fund Balance at Beginning of Year                            | <u>28,480</u>       | <u>28,480</u>    | <u>0</u>  |
| Fund Balance at End of Year                                  | <u>\$ 28,480</u>    | <u>\$ 28,480</u> | <u>\$ 0</u>   |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | Final Budget     | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|---|
| <b>Revenues:</b>   |                  |                  |   |
| Total Revenues   | \$ 0             | \$ 0             | \$ 0  |
| <b>Expenditures:</b>   |                  |                  |   |
| Total Expenditures   | 0                | 0                | 0   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 0                | 0                | 0   |
| Fund Balance at Beginning of Year                            | 14,805           | 14,805           | 0   |
| Fund Balance at End of Year                                  | <u>\$ 14,805</u> | <u>\$ 14,805</u> | <u>\$ 0</u>   |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | Final Budget     | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|---|
| <b>Revenues:</b>   |                  |                  |   |
| Total Revenues   | \$ 0             | \$ 0             | \$ 0  |
| <b>Expenditures:</b>   |                  |                  |   |
| Total Expenditures   | 0                | 0                | 0   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 0                | 0                | 0   |
| Fund Balance at Beginning of Year                            | 13,342           | 13,342           | 0   |
| Fund Balance at End of Year                                  | <u>\$ 13,342</u> | <u>\$ 13,342</u> | <u>\$ 0</u>   |

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021**

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|  | Final Budget      | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|-------------------|---|
| <b>STREET CONSTRUCTION, MAINTENANCE AND REPAIR FUND</b>      |                   |                   |   |
| <b>Revenues:</b>   |                   |                   |   |
| Intergovernmental Revenues                                   | \$ 1,200,000      | \$ 1,156,845      | \$ (43,155)   |
| Total Revenues   | <u>1,200,000</u>  | <u>1,156,845</u>  | <u>(43,155)</u>   |
| <b>Expenditures:</b>   |                   |                   |   |
| Transportation:  |                   |                   |   |
| Personal Services  | 839,963           | 839,963           | 0   |
| Materials and Supplies                                       | 125,699           | 125,699           | 0   |
| Contractual Services   | 347,348           | 347,348           | 0   |
| Capital Outlay   | 8,800             | 8,800             | 0   |
| Total Expenditures   | <u>1,321,810</u>  | <u>1,321,810</u>  | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (121,810)         | (164,965)         | (43,155)  |
| Fund Balance at Beginning of Year                            | 500,479           | 500,479           | 0   |
| Prior Year Encumbrances                                      | 44,220            | 44,220            | 0   |
| Fund Balance at End of Year                                  | <u>\$ 422,889</u> | <u>\$ 379,734</u> | <u>\$ (43,155)</u>                                      |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | Final Budget      | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|-------------------|---|
| <b>Revenues:</b>   |                   |                   |   |
| Intergovernmental Revenues                                   | \$ 55,000         | \$ 73,947         | \$ 18,947   |
| Total Revenues   | <u>55,000</u>     | <u>73,947</u>     | <u>18,947</u>   |
| <b>Expenditures:</b>   |                   |                   |   |
| Total Expenditures   | <u>0</u>          | <u>0</u>          | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 55,000            | 73,947            | 18,947  |
| Fund Balance at Beginning of Year                            | <u>272,403</u>    | <u>272,403</u>    | <u>0</u>  |
| Fund Balance at End of Year                                  | <u>\$ 327,403</u> | <u>\$ 346,350</u> | <u>\$ 18,947</u>  |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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**COMMUNITY DEVELOPMENT FUND**

|  | <u>Final Budget</u> | <u>Actual</u>    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|------------------|---|
| <b>Revenues:</b>   |                     |                  |   |
| Intergovernmental Revenues                                   | \$ 15,000           | \$ 15,000        | \$ 0  |
| Investment Earnings  | 0                   | 3                | 3   |
| Total Revenues   | <u>15,000</u>       | <u>15,003</u>    | <u>3</u>  |
| <b>Expenditures:</b>   |                     |                  |   |
| Community Environment:                                       |                     |                  |   |
| Contractual Services   | <u>15,000</u>       | <u>15,000</u>    | <u>0</u>  |
| Total Expenditures   | <u>15,000</u>       | <u>15,000</u>    | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 0                   | 3                | 3   |
| Fund Balance at Beginning of Year                            | <u>76,207</u>       | <u>76,207</u>    | <u>0</u>  |
| Fund Balance at End of Year                                  | <u>\$ 76,207</u>    | <u>\$ 76,210</u> | <u>\$ 3</u>   |



**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021**

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**TOURISM AND CULTURAL DEVELOPMENT FUND**

|  | Final Budget     | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|---|
| <b>Revenues:</b>   |                  |                  |   |
| Taxes  | \$ 105,000       | \$ 99,928        | \$ (5,072)  |
| Total Revenues   | <u>105,000</u>   | <u>99,928</u>    | <u>(5,072)</u>  |
| <b>Expenditures:</b>   |                  |                  |   |
| Community Environment:                                       |                  |                  |   |
| Contractual Services   | 95,589           | 95,589           | 0   |
| Total Expenditures   | <u>95,589</u>    | <u>95,589</u>    | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 9,411            | 4,339            | (5,072)   |
| Fund Balance at Beginning of Year                            | 15,436           | 15,436           | 0   |
| Fund Balance at End of Year                                  | <u>\$ 24,847</u> | <u>\$ 19,775</u> | <u>\$ (5,072)</u>                                       |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | FLOOD DEFENSE FUND |                  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|------------------|---|
|  | Final Budget       | Actual           |   |
| <b>Revenues:</b>   |                    |                  |   |
| Taxes  | \$ 193,000         | \$ 193,492       | \$ 492  |
| Intergovernmental Revenues                                   | 22,000             | 22,070           | 70  |
| Total Revenues   | <u>215,000</u>     | <u>215,562</u>   | <u>562</u>  |
| <b>Expenditures:</b>   |                    |                  |   |
| Security of Persons and Property:                            |                    |                  |   |
| Personal Services  | 6,384              | 6,384            | 0   |
| Materials and Supplies                                       | 10,918             | 10,918           | 0   |
| Contractual Services   | 174,357            | 174,357          | 0   |
| Capital Outlay   | 79,827             | 79,827           | 0   |
| Total Expenditures   | <u>271,486</u>     | <u>271,486</u>   | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (56,486)           | (55,924)         | 562   |
| Fund Balance at Beginning of Year                            | 0                  | 0                | 0   |
| Prior Year Encumbrances                                      | 68,689             | 68,689           | 0   |
| Fund Balance at End of Year                                  | <u>\$ 12,203</u>   | <u>\$ 12,765</u> | <u>\$ 562</u>   |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | Final Budget     | Actual        | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|---------------|---|
| <b>Revenues:</b>   |                  |               |   |
| Intergovernmental Revenues                                   | \$ 47,000        | \$ 0          | \$ (47,000)   |
| Total Revenues   | <u>47,000</u>    | <u>0</u>      | <u>(47,000)</u>   |
| <b>Expenditures:</b>   |                  |               |   |
| General Government:  |                  |               |   |
| Materials and Supplies                                       | 21,967           | 21,967        | 0   |
| Contractual Services   | 15,170           | 15,170        | 0   |
| Capital Outlay   | 9,194            | 9,194         | 0   |
| Total Expenditures   | <u>46,331</u>    | <u>46,331</u> | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 669              | (46,331)      | (47,000)  |
| Fund Balance at Beginning of Year                            | 0                | 0             | 0   |
| Prior Year Encumbrances                                      | 46,331           | 46,331        | 0   |
| Fund Balance at End of Year                                  | <u>\$ 47,000</u> | <u>\$ 0</u>   | <u>\$ (47,000)</u>                                      |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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|  | Final Budget        | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|-------------------|---|
| <b>Revenues:</b>   |                     |                   |   |
| Intergovernmental Revenues                                   | \$ 1,056,000        | \$ 852,066        | \$ (203,934)  |
| Total Revenues   | <u>1,056,000</u>    | <u>852,066</u>    | <u>(203,934)</u>  |
| <b>Expenditures:</b>   |                     |                   |   |
| Total Expenditures   | <u>0</u>            | <u>0</u>          | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 1,056,000           | 852,066           | (203,934)   |
| Fund Balance at Beginning of Year                            | <u>0</u>            | <u>0</u>          | <u>0</u>  |
| Fund Balance at End of Year                                  | <u>\$ 1,056,000</u> | <u>\$ 852,066</u> | <u>\$ (203,934)</u>                                     |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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**COUNCIL TRUST FOR RECREATION FUND**

|  | Final Budget     | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|---|
| <b>Revenues:</b>   |                  |                  |   |
| Charges for Services   | \$ 59,000        | \$ 57,590        | \$ (1,410)  |
| All Other Revenues   | 1,000            | 20,000           | 19,000  |
| Total Revenues   | <u>60,000</u>    | <u>77,590</u>    | <u>17,590</u>   |
| <b>Expenditures:</b>   |                  |                  |   |
| Leisure Time Activities:                                     |                  |                  |   |
| Personal Services  | 7,123            | 7,123            | 0   |
| Materials and Supplies                                       | 10,391           | 10,391           | 0   |
| Contractual Services   | 26,418           | 26,418           | 0   |
| Total Expenditures   | <u>43,932</u>    | <u>43,932</u>    | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 16,068           | 33,658           | 17,590  |
| Fund Balance at Beginning of Year                            | 10,893           | 10,893           | 0   |
| Fund Balance at End of Year                                  | <u>\$ 26,961</u> | <u>\$ 44,551</u> | <u>\$ 17,590</u>  |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021***

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**PLAYGROUND TRUST FUND**

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

**CITY OF PORTSMOUTH, OHIO**

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**Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Fund  
For the Year Ended December 31, 2021**

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|  | Final Budget      | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|-------------------|---|
| <b>CEMETERY TRUST FUND</b>                                   |                   |                   |   |
| <b>Revenues:</b>   |                   |                   |   |
| Charges for Services   | \$ 2,000          | \$ 2,300          | \$ 300  |
| Total Revenues   | <u>2,000</u>      | <u>2,300</u>      | <u>300</u>  |
| <b>Expenditures:</b>   |                   |                   |   |
| Public Health and Welfare Services:                          |                   |                   |   |
| Contractual Services   | <u>6,000</u>      | <u>6,000</u>      | <u>0</u>  |
| Total Expenditures   | <u>6,000</u>      | <u>6,000</u>      | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (4,000)           | (3,700)           | 300   |
| Fund Balance at Beginning of Year                            | <u>206,888</u>    | <u>206,888</u>    | <u>0</u>  |
| Fund Balance at End of Year                                  | <u>\$ 202,888</u> | <u>\$ 203,188</u> | <u>\$ 300</u>   |

**CITY OF PORTSMOUTH, OHIO**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Permanent Fund  
For the Year Ended December 31, 2021***

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



***Fiduciary Funds***

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

***Custodial Funds***

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**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.

**Community Prevention Grant Fund**

To account for a pass through grant from the Ohio Department of Youth Services to a third party not for profit organization in the City.

**Municipal Court Fund**

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

**CITY OF PORTSMOUTH, OHIO**

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**Statement of Net Position  
Fiduciary Funds  
December 31, 2021**

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|                           | Law Library   | Ohio Board of<br>Building<br>Standards | Municipal<br>Court | Total Custodial<br>Funds |
|---------------------------|---------------|--|--------------------|--------------------------|
| <b>Assets:</b>            |               |  |                    |                          |
| Receivables:              |               |  |                    |                          |
| Accounts                  | \$ 19,831     | \$ 0                                   | \$ 615,713         | \$ 635,544               |
| Restricted Assets:        |               |  |                    |                          |
| Cash and Cash Equivalents | 1,696         | 13,800                                 | 56,371             | 71,867                   |
| <b>Total Assets</b>       | <u>21,527</u> | <u>13,800</u>                          | <u>672,084</u>     | <u>707,411</u>           |
| <b>Liabilities:</b>       |               |  |                    |                          |
| Intergovernmental Payable | 0             | 0                                      | 24,759             | 24,759                   |
| Due to Others             | 21,527        | 13,800                                 | 647,325            | 682,652                  |
| <b>Total Liabilities</b>  | <u>21,527</u> | <u>13,800</u>                          | <u>672,084</u>     | <u>707,411</u>           |
| Unrestricted              | 0             | 0                                      | 0                  | 0                        |
| <b>Total Net Position</b> | <u>\$ 0</u>   | <u>\$ 0</u>                            | <u>\$ 0</u>        | <u>\$ 0</u>              |

**CITY OF PORTSMOUTH, OHIO**

**Statement of Changes in Net Position  
Fiduciary Funds  
For the Year Ended December 31, 2021**

|   | Law Library   | Ohio Board of<br>Building<br>Standards | Community<br>Prevention<br>Grant | Municipal<br>Court | Total Custodial<br>Funds |
|---|---------------|--|----------------------------------|--------------------|--------------------------|
| <b>Additions:</b>                               |               |  |                                  |                    |                          |
| Fines and Forfeiture Collections for Others     | \$ 19,882     | \$ 0                                   | \$ 0                             | \$ 882,038         | \$ 901,920               |
| Charges Collected for Others                    | 0             | 2,132                                  | 0                                | 0                  | 2,132                    |
| Miscellaneous                                   | 0             | 0                                      | 24,587                           | 0                  | 24,587                   |
| <b>Total Additions</b>                          | <b>19,882</b> | <b>2,132</b>                           | <b>24,587</b>                    | <b>882,038</b>     | <b>928,639</b>           |
| <b>Deductions:</b>                              |               |  |                                  |                    |                          |
| Distribution of Fines and Forfeitures to Others | 19,882        | 0                                      | 0                                | 882,038            | 901,920                  |
| Distribution of Charges Collected for Others    | 0             | 2,132                                  | 0                                | 0                  | 2,132                    |
| Distributions to Others                         | 0             | 0                                      | 24,587                           | 0                  | 24,587                   |
| <b>Total Deductions</b>                         | <b>19,882</b> | <b>2,132</b>                           | <b>24,587</b>                    | <b>882,038</b>     | <b>928,639</b>           |
| Change in Net Position                          | 0             | 0                                      | 0                                | 0                  | 0                        |
| <b>Net Position at Beginning of Year</b>        | <b>0</b>      | <b>0</b>                               | <b>0</b>                         | <b>0</b>           | <b>0</b>                 |
| <b>Net Position End of Year</b>                 | <b>\$ 0</b>   | <b>\$ 0</b>                            | <b>\$ 0</b>                      | <b>\$ 0</b>        | <b>\$ 0</b>              |



# *STATISTICAL SECTION*

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## ***STATISTICAL TABLES***

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

### ***Contents***

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

**City of Portsmouth, Ohio**

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

|   | 2012                | 2013                | 2014                | 2015                |
|---|---------------------|---------------------|---------------------|---------------------|
| <b>Governmental Activities:</b>             |                     |                     | (1)                 |                     |
| Net Investment in Capital Assets            | \$20,630,492        | \$20,650,606        | \$19,585,820        | \$18,924,619        |
| Restricted                                  | 5,446,225           | 5,948,525           | 5,561,675           | 5,578,284           |
| Unrestricted                                | (1,846,035)         | (101,280)           | (11,796,128)        | (10,850,195)        |
| Total Governmental Activities Net Position  | <u>\$24,230,682</u> | <u>\$26,497,851</u> | <u>\$13,351,367</u> | <u>\$13,652,708</u> |
| <b>Business-type Activities:</b>            |                     |                     |                     |                     |
| Net Investment in Capital Assets            | \$14,995,902        | \$15,122,072        | \$15,436,290        | \$15,753,500        |
| Restricted                                  | 953,034             | 963,878             | 557,025             | 0                   |
| Unrestricted                                | 1,921,714           | 2,337,602           | 163,750             | 820,725             |
| Total Business-type Activities Net Position | <u>\$17,870,650</u> | <u>\$18,423,552</u> | <u>\$16,157,065</u> | <u>\$16,574,225</u> |
| <b>Primary Government:</b>                  |                     |                     |                     |                     |
| Net Investment in Capital Assets            | \$35,626,394        | \$35,772,678        | \$35,022,110        | \$34,678,119        |
| Restricted                                  | 6,399,259           | 6,912,403           | 6,118,700           | 5,578,284           |
| Unrestricted                                | 75,679              | 2,236,322           | (11,632,378)        | (10,029,470)        |
| Total Primary Government Net Position       | <u>\$42,101,332</u> | <u>\$44,921,403</u> | <u>\$29,508,432</u> | <u>\$30,226,933</u> |

Source: City Auditor's Office

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



*City of Portsmouth, Ohio*

| 2016                | 2017                | 2018                | 2019                | 2020                | 2021                |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                     | (1)                 | (1)                 |                     |                     |                     |
| \$18,518,783        | \$19,448,701        | \$19,371,039        | \$19,736,920        | \$20,275,746        | \$20,361,528        |
| 5,525,394           | 5,736,295           | 5,987,081           | 6,146,334           | 6,404,322           | 5,510,254           |
| (8,842,212)         | (21,893,895)        | (21,889,402)        | (13,834,622)        | (12,311,310)        | (6,095,946)         |
| <u>\$15,201,965</u> | <u>\$3,291,101</u>  | <u>\$3,468,718</u>  | <u>\$12,048,632</u> | <u>\$14,368,758</u> | <u>\$19,775,836</u> |
| <br>                |                     |                     |                     |                     |                     |
| \$16,163,417        | \$16,482,329        | \$16,842,545        | \$17,300,233        | \$16,614,216        | \$15,883,356        |
| 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| 352,414             | (1,322,632)         | (1,006,253)         | (801,964)           | 377,100             | 4,016,287           |
| <u>\$16,515,831</u> | <u>\$15,159,697</u> | <u>\$15,836,292</u> | <u>\$16,498,269</u> | <u>\$16,991,316</u> | <u>\$19,899,643</u> |
| <br>                |                     |                     |                     |                     |                     |
| \$34,682,200        | \$35,931,030        | \$36,213,584        | \$37,037,153        | \$36,889,962        | \$36,244,884        |
| 5,525,394           | 5,736,295           | 5,987,081           | 6,146,334           | 6,404,322           | 5,510,254           |
| (8,489,798)         | (23,216,527)        | (22,895,655)        | (14,636,586)        | (11,934,210)        | (2,079,659)         |
| <u>\$31,717,796</u> | <u>\$18,450,798</u> | <u>\$19,305,010</u> | <u>\$28,546,901</u> | <u>\$31,360,074</u> | <u>\$39,675,479</u> |

## City of Portsmouth, Ohio

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

|   | 2012                | 2013                | 2014                |
|---|---------------------|---------------------|---------------------|
| <b>Expenses</b>                                       |                     |                     |                     |
| Governmental Activities:                              |                     |                     |                     |
| Security of Persons and Property                      | \$8,608,663         | \$8,888,183         | \$9,047,187         |
| Public Health and Welfare Services                    | 2,840,139           | 2,893,736           | 2,959,083           |
| Leisure Time Activities                               | 126,749             | 83,400              | 68,933              |
| Community Environment                                 | 822,320             | 616,289             | 1,236,218           |
| Transportation  | 2,119,056           | 1,872,986           | 2,431,358           |
| General Government                                    | 3,960,999           | 3,890,219           | 4,037,247           |
| Interest and Fiscal Charges                           | 113,254             | 111,808             | 100,934             |
| <i>Total Governmental Activities Expenses</i>         | <u>18,591,180</u>   | <u>18,356,621</u>   | <u>19,880,960</u>   |
| Business-type Activities:                             |                     |                     |                     |
| Water   | 6,032,711           | 5,841,561           | 5,939,858           |
| Sewer   | 2,894,710           | 3,097,309           | 3,538,609           |
| Sanitation  | 1,431,274           | 1,532,213           | 1,858,980           |
| Primary Care (1)                                      | 50,045              | 92,388              | 111,594             |
| <i>Total Business-type Activities Expenses</i>        | <u>10,408,740</u>   | <u>10,563,471</u>   | <u>11,449,041</u>   |
| <i>Total Primary Government Expenses</i>              | <u>\$28,999,920</u> | <u>\$28,920,092</u> | <u>\$31,330,001</u> |
| <b>Program Revenues</b>                               |                     |                     |                     |
| Governmental Activities:                              |                     |                     |                     |
| Charges for Services                                  |                     |                     |                     |
| Security of Persons and Property                      | \$862,367           | \$1,179,840         | \$755,818           |
| Public Health and Welfare Services                    | 414,378             | 407,318             | 351,480             |
| Leisure Time Activities                               | 86,633              | 79,158              | 76,153              |
| Community Environment                                 | 89,638              | 76,568              | 93,865              |
| Transportation  | 36,224              | 34,715              | 39,790              |
| General Government                                    | 435,442             | 442,522             | 497,485             |
| Operating Grants and Contributions                    | 2,926,892           | 4,341,552           | 3,108,213           |
| Capital Grants and Contributions                      | 0                   | 0                   | 0                   |
| <i>Total Governmental Activities Program Revenues</i> | <u>4,851,574</u>    | <u>6,561,673</u>    | <u>4,922,804</u>    |

*City of Portsmouth, Ohio*

| 2015                | 2016                | 2017                | 2018                | 2019                | 2020                | 2021                |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$9,277,034         | \$10,060,825        | \$11,246,084        | \$12,000,917        | \$3,416,830         | \$13,563,806        | \$11,990,922        |
| 2,646,659           | 2,993,466           | 2,593,327           | 3,373,410           | 4,247,598           | 3,999,162           | 2,765,917           |
| 74,438              | 71,114              | 90,138              | 82,158              | 91,374              | 61,331              | 49,139              |
| 750,567             | 624,103             | 508,146             | 453,197             | 646,488             | 833,460             | 516,196             |
| 2,048,345           | 2,597,717           | 2,042,145           | 2,414,383           | 2,548,051           | 2,744,888           | 2,303,955           |
| 4,194,086           | 4,089,277           | 5,242,442           | 5,562,132           | 6,301,546           | 6,604,638           | 3,677,060           |
| 89,558              | 50,031              | 31,788              | 25,752              | 43,889              | 47,806              | 31,510              |
| <u>19,080,687</u>   | <u>20,486,533</u>   | <u>21,754,070</u>   | <u>23,911,949</u>   | <u>17,295,776</u>   | <u>27,855,091</u>   | <u>21,334,699</u>   |
| 5,549,162           | 6,456,104           | 6,144,431           | 6,853,813           | 7,058,219           | 6,736,112           | 5,501,582           |
| 3,303,902           | 3,976,485           | 3,990,481           | 4,471,089           | 4,718,402           | 4,994,544           | 4,204,937           |
| 1,739,108           | 1,904,954           | 2,061,479           | 2,177,201           | 2,297,236           | 1,988,648           | 1,786,676           |
| 41,722              | 201,008             | 366,654             | 523,175             | 0                   | 0                   | 0                   |
| <u>10,633,894</u>   | <u>12,538,551</u>   | <u>12,563,045</u>   | <u>14,025,278</u>   | <u>14,073,857</u>   | <u>13,719,304</u>   | <u>11,493,195</u>   |
| <u>\$29,714,581</u> | <u>\$33,025,084</u> | <u>\$34,317,115</u> | <u>\$37,937,227</u> | <u>\$31,369,633</u> | <u>\$41,574,395</u> | <u>\$32,827,894</u> |
| \$778,082           | \$708,802           | \$847,879           | \$1,103,638         | \$1,202,860         | \$1,145,441         | \$1,335,233         |
| 279,450             | 237,720             | 264,343             | 635,500             | 1,448,954           | 1,370,987           | 1,460,410           |
| 76,955              | 82,455              | 80,821              | 118,063             | 77,172              | 68,265              | 94,790              |
| 112,766             | 116,083             | 75,345              | 73,153              | 126,420             | 191,498             | 93,111              |
| 31,081              | 35,198              | 35,831              | 36,931              | 42,197              | 42,244              | 43,430              |
| 448,460             | 391,251             | 527,275             | 527,493             | 564,266             | 434,225             | 442,893             |
| 3,201,644           | 3,191,459           | 3,199,010           | 3,733,198           | 3,490,624           | 6,907,230           | 3,127,249           |
| 0                   | 124,695             | 790,795             | 0                   | 0                   | 0                   | 0                   |
| <u>4,928,438</u>    | <u>4,887,663</u>    | <u>5,821,299</u>    | <u>6,227,976</u>    | <u>6,952,493</u>    | <u>10,159,890</u>   | <u>6,597,116</u>    |

(Continued)

**City of Portsmouth, Ohio**

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

|  | 2012                  | 2013                  | 2014                  |
|--|-----------------------|-----------------------|-----------------------|
| <b>Business-type Activities:</b>                               |                       |                       |                       |
| <b>Charges for Services</b>                                    |                       |                       |                       |
| Water  | 6,332,121             | 6,348,951             | 6,260,916             |
| Sewer  | 3,178,003             | 3,289,947             | 3,350,865             |
| Sanitation   | 1,341,395             | 1,385,365             | 1,957,495             |
| Primary Care (1)   | 45,259                | 92,110                | 80,164                |
| Operating Grants and Contributions                             | 0                     | 0                     | 0                     |
| Capital Grants and Contributions                               | 408,230               | 0                     | 0                     |
| <i>Total Business-type Activities Program Revenues</i>         | <u>11,305,008</u>     | <u>11,116,373</u>     | <u>11,649,440</u>     |
| <i>Total Primary Government Program Revenues</i>               | <u>16,156,582</u>     | <u>17,678,046</u>     | <u>16,572,244</u>     |
| <b>Net (Expense)/Revenue</b>                                   |                       |                       |                       |
| Governmental Activities  | (13,739,606)          | (11,794,948)          | (14,958,156)          |
| Business-type Activities                                       | 896,268               | 552,902               | 200,399               |
| <i>Total Primary Government Net (Expense)/Revenue</i>          | <u>(\$12,843,338)</u> | <u>(\$11,242,046)</u> | <u>(\$14,757,757)</u> |
| <b>General Revenues and Other Changes in Net Position</b>      |                       |                       |                       |
| <b>Governmental Activities:</b>                                |                       |                       |                       |
| Property Taxes Levied for:                                     |                       |                       |                       |
| General Purposes   | \$1,465,856           | \$1,455,262           | \$1,397,123           |
| Special Purposes   | 300,613               | 289,880               | 303,136               |
| Debt Service   | 147,508               | 145,693               | 136,218               |
| Income Taxes   | 9,620,121             | 10,253,546            | 10,165,799            |
| Other Local Taxes  | 330,303               | 318,840               | 311,926               |
| Grants and Entitlements not<br>Restricted to Specific Programs | 806,287               | 1,285,909             | 917,790               |
| Investment Earnings  | 40                    | 1,641                 | 182                   |
| Miscellaneous  | 302,111               | 311,346               | 544,864               |
| Transfers  | 0                     | 0                     | (47,325)              |
| <i>Total Governmental Activities</i>                           | <u>12,972,839</u>     | <u>14,062,117</u>     | <u>13,729,713</u>     |
| <b>Business-type Activities:</b>                               |                       |                       |                       |
| Transfers  | 0                     | 0                     | 47,325                |
| <i>Total Business-type Activities</i>                          | <u>0</u>              | <u>0</u>              | <u>47,325</u>         |
| <i>Total Primary Government</i>                                | <u>\$12,972,839</u>   | <u>\$14,062,117</u>   | <u>\$13,777,038</u>   |
| <b>Change in Net Position</b>                                  |                       |                       |                       |
| Governmental Activities  | (\$766,767)           | \$2,267,169           | (\$1,228,443)         |
| Business-type Activities                                       | 896,268               | 552,902               | 247,724               |
| <i>Total Primary Government Change in Net Position</i>         | <u>\$129,501</u>      | <u>\$2,820,071</u>    | <u>(\$980,719)</u>    |

Source: City Auditor's Office

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

*City of Portsmouth, Ohio*

| 2015                  | 2016                  | 2017                  | 2018                  | 2019                 | 2020                  | 2021                  |
|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|
| 5,693,192             | 6,174,408             | 6,372,974             | 6,431,274             | 6,670,304            | 7,390,021             | 7,042,946             |
| 3,074,800             | 3,703,214             | 4,314,536             | 4,520,067             | 5,751,751            | 4,741,197             | 5,142,103             |
| 2,181,292             | 2,042,592             | 2,105,509             | 2,110,316             | 2,190,481            | 1,856,133             | 2,012,753             |
| 66,219                | 253,339               | 264,293               | 446,652               | 0                    | 0                     | 0                     |
| 0                     | 0                     | 0                     | 0                     | 0                    | 225,000               | 0                     |
| 35,551                | 306,604               | 269,624               | 907,178               | 123,298              | 0                     | 203,720               |
| <u>11,051,054</u>     | <u>12,480,157</u>     | <u>13,326,936</u>     | <u>14,415,487</u>     | <u>14,735,834</u>    | <u>14,212,351</u>     | <u>14,401,522</u>     |
| <u>15,979,492</u>     | <u>17,367,820</u>     | <u>19,148,235</u>     | <u>20,643,463</u>     | <u>21,688,327</u>    | <u>24,372,241</u>     | <u>20,998,638</u>     |
| (14,152,249)          | (15,598,870)          | (15,932,771)          | (17,683,973)          | (10,343,283)         | (17,695,201)          | (14,737,583)          |
| 417,160               | (58,394)              | 763,891               | 390,209               | 661,977              | 493,047               | 2,908,327             |
| <u>(\$13,735,089)</u> | <u>(\$15,657,264)</u> | <u>(\$15,168,880)</u> | <u>(\$17,293,764)</u> | <u>(\$9,681,306)</u> | <u>(\$17,202,154)</u> | <u>(\$11,829,256)</u> |
| \$1,575,946           | \$1,602,080           | \$1,631,039           | \$1,645,052           | \$1,671,710          | \$1,706,366           | \$1,697,434           |
| 306,374               | 307,312               | 306,846               | 306,076               | 316,727              | 320,492               | 319,298               |
| 138,622               | 140,242               | 143,409               | 141,949               | 146,962              | 150,062               | 157,133               |
| 10,605,852            | 13,263,572            | 13,789,556            | 14,305,157            | 14,710,992           | 15,050,130            | 16,118,525            |
| 313,388               | 320,904               | 349,724               | 241,947               | 280,159              | 319,955               | 343,704               |
| 1,069,435             | 919,894               | 962,843               | 991,191               | 1,096,085            | 1,031,751             | 1,242,995             |
| 30                    | 14                    | 1,259                 | 9,001                 | 8,484                | 2,808                 | 1,742                 |
| 443,943               | 594,109               | 425,618               | 507,603               | 692,078              | 1,433,763             | 263,830               |
| 0                     | 0                     | 0                     | (23,519)              | 0                    | 0                     | 0                     |
| <u>14,453,590</u>     | <u>17,148,127</u>     | <u>17,610,294</u>     | <u>18,124,457</u>     | <u>18,923,197</u>    | <u>20,015,327</u>     | <u>20,144,661</u>     |
| 0                     | 0                     | 0                     | 23,519                | 0                    | 0                     | 0                     |
| 0                     | 0                     | 0                     | 23,519                | 0                    | 0                     | 0                     |
| <u>\$14,453,590</u>   | <u>\$17,148,127</u>   | <u>\$17,610,294</u>   | <u>\$18,147,976</u>   | <u>\$18,923,197</u>  | <u>\$20,015,327</u>   | <u>\$20,144,661</u>   |
| \$301,341             | \$1,549,257           | \$1,677,523           | \$440,484             | \$8,579,914          | \$2,320,126           | \$5,407,078           |
| 417,160               | (58,394)              | 763,891               | 413,728               | 661,977              | 493,047               | 2,908,327             |
| <u>\$718,501</u>      | <u>\$1,490,863</u>    | <u>\$2,441,414</u>    | <u>\$854,212</u>      | <u>\$9,241,891</u>   | <u>\$2,813,173</u>    | <u>\$8,315,405</u>    |

**City of Portsmouth, Ohio**

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

|   | 2012                      | 2013                      | 2014                      | 2015                      |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>General Fund</b>                       |                           |                           |                           |                           |
| Nonspendable                              | \$33,670                  | \$36,236                  | \$72,839                  | \$58,906                  |
| Committed                                 | 0                         | 0                         | 0                         | 52,556                    |
| Assigned                                  | 0                         | 0                         | 373,351                   | 62,043                    |
| Unassigned                                | (795,901)                 | 937,700                   | 887,753                   | 1,601,983                 |
| <i>Total General Fund</i>                 | <u>(762,231)</u>          | <u>973,936</u>            | <u>1,333,943</u>          | <u>1,775,488</u>          |
| <b>All Other Governmental Funds</b>       |                           |                           |                           |                           |
| Nonspendable                              | \$55,253                  | \$63,215                  | \$86,495                  | \$61,360                  |
| Restricted                                | 4,699,200                 | 4,735,911                 | 4,723,099                 | 4,636,197                 |
| Committed                                 | 132,861                   | 104,261                   | 74,273                    | 58,919                    |
| Unassigned                                | (102,569)                 | (42,822)                  | (75,571)                  | (18,382)                  |
| <i>Total All Other Governmental Funds</i> | <u>4,784,745</u>          | <u>4,860,565</u>          | <u>4,808,296</u>          | <u>4,738,094</u>          |
| <i>Total Governmental Funds</i>           | <u><u>\$4,022,514</u></u> | <u><u>\$5,834,501</u></u> | <u><u>\$6,142,239</u></u> | <u><u>\$6,513,582</u></u> |

Source: City Auditor's Office

*City of Portsmouth, Ohio*

| 2016               | 2017                | 2018                | 2019                | 2020                | 2021                |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$56,728           | \$97,898            | \$75,438            | \$241,201           | \$182,095           | \$191,623           |
| 319,965            | 358,947             | 175,198             | 154,832             | 218,643             | 172,561             |
| 0                  | 289,028             | 358,000             | 143,170             | 382,873             | 1,518,814           |
| <u>3,352,833</u>   | <u>5,182,566</u>    | <u>6,547,594</u>    | <u>8,146,844</u>    | <u>11,105,873</u>   | <u>11,770,687</u>   |
| <u>3,729,526</u>   | <u>5,928,439</u>    | <u>7,156,230</u>    | <u>8,686,047</u>    | <u>11,889,484</u>   | <u>13,653,685</u>   |
| \$70,874           | \$53,953            | \$35,548            | \$78,768            | \$76,163            | \$60,537            |
| 4,676,483          | 4,622,731           | 4,901,593           | 5,102,321           | 5,760,151           | 4,865,543           |
| 49,934             | 35,957              | 30,474              | 14,337              | 10,689              | 44,439              |
| <u>(76,160)</u>    | <u>(51,773)</u>     | <u>(3,448)</u>      | <u>(1,880)</u>      | <u>0</u>            | <u>(1,221)</u>      |
| <u>4,721,131</u>   | <u>4,660,868</u>    | <u>4,964,167</u>    | <u>5,193,546</u>    | <u>5,847,003</u>    | <u>4,969,298</u>    |
| <u>\$8,450,657</u> | <u>\$10,589,307</u> | <u>\$12,120,397</u> | <u>\$13,879,593</u> | <u>\$17,736,487</u> | <u>\$18,622,983</u> |

## City of Portsmouth, Ohio

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

|  | 2012              | 2013               | 2014              | 2015              |
|--|-------------------|--------------------|-------------------|-------------------|
| <b>Revenues:</b>   |                   |                    |                   |                   |
| Taxes  | \$11,758,657      | \$12,497,593       | \$12,500,502      | \$12,749,590      |
| Intergovernmental Revenues   | 5,189,942         | 5,163,625          | 4,414,477         | 4,056,009         |
| Charges for Services   | 472,811           | 393,396            | 403,816           | 414,356           |
| Licenses and Permits   | 273,045           | 273,901            | 238,668           | 210,454           |
| Investment Earnings  | 40                | 1,641              | 182               | 30                |
| Fines and Forfeitures  | 1,115,368         | 1,581,009          | 1,109,375         | 1,093,935         |
| All Other Revenue  | 413,568           | 369,475            | 574,018           | 525,638           |
| <b>Total Revenue</b>   | <b>19,223,431</b> | <b>20,280,640</b>  | <b>19,241,038</b> | <b>19,050,012</b> |
| <b>Expenditures:</b>   |                   |                    |                   |                   |
| Current:   |                   |                    |                   |                   |
| Security of Persons and Property                                   | 8,200,417         | 8,535,167          | 8,560,561         | 8,937,793         |
| Public Health and Welfare Services                                 | 2,782,053         | 2,855,740          | 2,939,025         | 2,626,098         |
| Leisure Time Activities  | 65,033            | 70,920             | 56,452            | 62,191            |
| Community Environment  | 809,263           | 551,749            | 904,167           | 588,429           |
| Transportation   | 1,291,458         | 1,014,996          | 1,297,001         | 1,148,978         |
| General Government   | 3,376,636         | 3,373,740          | 3,672,978         | 3,685,862         |
| Capital Outlay   | 1,830,744         | 1,696,298          | 1,161,110         | 1,323,226         |
| Debt Service:  |                   |                    |                   |                   |
| Principal Retirement   | 286,885           | 248,051            | 255,331           | 238,079           |
| Interest and Fiscal Charges  | 114,338           | 112,998            | 102,147           | 90,883            |
| <b>Total Expenditures</b>  | <b>18,756,827</b> | <b>18,459,659</b>  | <b>18,948,772</b> | <b>18,701,539</b> |
| Excess (Deficiency) of Revenues<br>Over Expenditures               | 466,604           | 1,820,981          | 292,266           | 348,473           |
| <b>Other Financing Sources (Uses):</b>                             |                   |                    |                   |                   |
| Proceeds from the Sale of Capital Assets                           | 27,030            | 0                  | 0                 | 57,067            |
| Other Financing Sources - Capital Leases                           | 389,116           | 0                  | 0                 | 0                 |
| Refunding General Obligation Bonds                                 | 0                 | 0                  | 0                 | 0                 |
| Payment to Refunded Bond Escrow Agent                              | 0                 | 0                  | 0                 | 0                 |
| Transfers In   | 40,862            | 18,000             | 178,410           | 389,427           |
| Transfers Out  | (40,862)          | (18,000)           | 225,735           | (389,427)         |
| <b>Total Other Financing Sources (Uses)</b>                        | <b>416,146</b>    | <b>0</b>           | <b>404,145</b>    | <b>57,067</b>     |
| <b>Net Change in Fund Balance</b>                                  | <b>\$882,750</b>  | <b>\$1,820,981</b> | <b>\$696,411</b>  | <b>\$405,540</b>  |
| <b>Debt Service as a Percentage<br/>of Noncapital Expenditures</b> | 2.35%             | 2.13%              | 1.92%             | 1.87%             |

Source: City Auditor's Office



*City of Portsmouth, Ohio*

| 2016               | 2017               | 2018               | 2019               | 2020               | 2021              |
|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| \$15,506,101       | \$16,193,330       | \$16,705,620       | \$17,170,801       | \$17,393,784       | \$18,695,292      |
| 4,366,694          | 3,823,990          | 4,738,922          | 4,397,656          | 8,130,514          | 4,097,111         |
| 496,119            | 521,577            | 1,221,514          | 2,079,630          | 1,942,705          | 2,293,034         |
| 213,680            | 165,177            | 173,262            | 230,122            | 283,014            | 206,329           |
| 14                 | 1,259              | 9,001              | 8,484              | 2,808              | 1,742             |
| 882,641            | 1,030,819          | 1,065,652          | 1,173,221          | 984,183            | 997,685           |
| 683,141            | 557,477            | 521,348            | 926,477            | 1,639,345          | 358,153           |
| <u>22,148,390</u>  | <u>22,293,629</u>  | <u>24,435,319</u>  | <u>25,986,391</u>  | <u>30,376,353</u>  | <u>26,649,346</u> |
| 9,257,240          | 9,711,886          | 10,784,563         | 11,049,426         | 12,043,334         | 11,723,144        |
| 2,988,836          | 2,344,996          | 3,253,449          | 3,604,297          | 3,632,766          | 3,872,018         |
| 57,121             | 73,178             | 67,786             | 70,942             | 48,392             | 44,011            |
| 538,514            | 419,810            | 368,753            | 522,096            | 711,089            | 516,632           |
| 1,288,165          | 1,165,108          | 1,286,596          | 1,475,285          | 1,721,902          | 2,087,045         |
| 3,945,141          | 4,691,647          | 4,941,114          | 4,866,161          | 5,779,563          | 5,139,290         |
| 1,739,556          | 1,512,327          | 1,954,631          | 2,988,375          | 2,112,078          | 2,105,585         |
| 333,781            | 216,618            | 163,575            | 231,273            | 352,098            | 248,163           |
| 64,184             | 32,756             | 26,763             | 44,900             | 54,418             | 26,962            |
| <u>20,212,538</u>  | <u>20,168,326</u>  | <u>22,847,230</u>  | <u>24,852,755</u>  | <u>26,455,640</u>  | <u>25,762,850</u> |
| 1,935,852          | 2,125,303          | 1,588,089          | 1,133,636          | 3,920,713          | 886,496           |
| 0                  | 0                  | 0                  | 0                  | 0                  | 0                 |
| 0                  | 0                  | 0                  | 594,698            | 0                  | 0                 |
| 1,250,000          | 0                  | 0                  | 0                  | 0                  | 0                 |
| (1,250,000)        | 0                  | 0                  | 0                  | 0                  | 0                 |
| 536,408            | 231,852            | 456,548            | 1,261,376          | 919,382            | 890,698           |
| (536,408)          | (231,852)          | (480,067)          | (1,261,376)        | (919,382)          | (890,698)         |
| <u>0</u>           | <u>0</u>           | <u>(23,519)</u>    | <u>594,698</u>     | <u>0</u>           | <u>0</u>          |
| <u>\$1,935,852</u> | <u>\$2,125,303</u> | <u>\$1,564,570</u> | <u>\$1,728,334</u> | <u>\$3,920,713</u> | <u>\$886,496</u>  |
| 2.07%              | 1.35%              | 0.89%              | 1.24%              | 1.67%              | 1.15%             |

**City of Portsmouth, Ohio**

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

| <b>Tax year</b>                          | <u>2012</u> | <u>2013</u>  | <u>2014</u>  | <u>2015</u>  |
|--|-------------|--------------|--------------|--------------|
| Income Tax Rate                          | 2.00%       | 2.00%        | 2.00%        | 2.00%        |
| Estimated Personal Income (in thousands) | \$615,922   | \$620,756    | \$639,688    | \$663,939    |
| Total Tax Collected                      | \$9,272,190 | \$10,223,100 | \$10,151,503 | \$10,282,891 |
| Income Tax Receipts                      |             |              |              |              |
| Withholding                              | 8,296,325   | 8,846,473    | 8,921,883    | 9,013,520    |
| Percentage                               | 89.48%      | 86.53%       | 87.89%       | 87.66%       |
| Corporate                                | 678,619     | 1,006,435    | 891,858      | 887,742      |
| Percentage                               | 7.32%       | 9.84%        | 8.79%        | 8.63%        |
| Individuals                              | 297,246     | 370,192      | 337,762      | 381,629      |
| Percentage                               | 3.20%       | 3.63%        | 3.32%        | 3.71%        |

Source: City Income Tax Department

*City of Portsmouth, Ohio*

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| 2016         | 2017         | 2018         | 2019         | 2020         | 2021         |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 2.50%        | 2.50%        | 2.50%        | 2.50%        | 2.50%        | 2.50%        |
| \$674,315    | \$737,561    | \$790,432    | \$811,953    | \$886,303    | \$799,803    |
| \$12,978,301 | \$14,085,123 | \$14,275,245 | \$14,613,408 | \$14,776,724 | \$16,084,379 |
| 11,475,951   | 12,336,088   | 12,655,154   | 12,922,222   | 13,121,874   | 13,991,213   |
| 88.42%       | 87.58%       | 88.65%       | 88.43%       | 88.80%       | 86.99%       |
| 1,081,816    | 1,212,293    | 1,031,434    | 1,133,570    | 1,086,273    | 1,607,199    |
| 8.34%        | 8.61%        | 7.23%        | 7.76%        | 7.35%        | 9.99%        |
| 420,534      | 536,742      | 588,657      | 557,616      | 568,577      | 485,967      |
| 3.24%        | 3.81%        | 4.12%        | 3.81%        | 3.85%        | 3.02%        |



**City of Portsmouth, Ohio**

*Income Tax Collections  
Current Year and Nine Years Ago*

Calendar Year 2021

| <u>Income Tax Filers</u> | <u>Number of Filers</u> | <u>Percent of Total</u> | <u>Taxable Income</u> | <u>Percent of Income</u> | <u>Income Tax Collections</u> | <u>Percent of Income</u> |
|--------------------------|-------------------------|-------------------------|-----------------------|--------------------------|-------------------------------|--------------------------|
| Top Ten                  | 10                      | 0.09%                   | \$278,179,760         | 43.24%                   | \$6,954,494                   | 43.24%                   |
| All Others               | 11,127                  | 99.91%                  | 365,195,400           | 56.76%                   | 9,129,885                     | 56.76%                   |
| Total                    | <u>11,137</u>           | <u>100.00%</u>          | <u>\$643,375,160</u>  | <u>100.00%</u>           | <u>\$16,084,379</u>           | <u>100.00%</u>           |

Calendar Year 2012

| <u>Income Tax Filers</u> | <u>Number of Filers</u> | <u>Percent of Total</u> | <u>Taxable Income</u> | <u>Percent of Income</u> | <u>Income Tax Collections</u> | <u>Percent of Income</u> |
|--------------------------|-------------------------|-------------------------|-----------------------|--------------------------|-------------------------------|--------------------------|
| Top Ten                  | 10                      | 0.10%                   | \$222,041,601         | 47.89%                   | \$4,440,832                   | 47.89%                   |
| All Others               | 9,909                   | 99.90%                  | 241,567,902           | 52.11%                   | 4,831,358                     | 52.11%                   |
| Total                    | <u>9,919</u>            | <u>100.00%</u>          | <u>\$463,609,503</u>  | <u>100.00%</u>           | <u>\$9,272,190</u>            | <u>100.00%</u>           |

Source: City Income Tax Department

## *City of Portsmouth, Ohio*

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

|  | 2012                | 2013                | 2014                | 2015                |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>Governmental Activities</b> <sup>(1)</sup>  |                     |                     |                     |                     |
| General Obligation Bonds Payable               | \$1,520,000         | \$1,450,000         | \$1,380,000         | \$1,305,000         |
| Capital Leases                                 | 840,435             | 662,384             | 477,053             | 313,974             |
| <b>Business-type Activities</b> <sup>(1)</sup> |                     |                     |                     |                     |
| OWDA Loan Payable                              | \$6,944,097         | \$6,974,518         | \$8,289,564         | \$9,933,465         |
| OPWC Loan Payable                              | 1,306,049           | 1,208,549           | 1,366,722           | 1,626,817           |
| Water Refunding Revenue Bonds Payable          | 1,605,000           | 1,090,000           | 555,000             | 0                   |
| Capital Leases                                 | 4,424,232           | 3,786,817           | 2,983,048           | 2,145,492           |
| Total Primary Government                       | <u>\$16,639,813</u> | <u>\$15,172,268</u> | <u>\$15,051,387</u> | <u>\$15,324,748</u> |
| <b>Population</b> <sup>(2)</sup>               |                     |                     |                     |                     |
| City of Portsmouth                             | 20,226              | 20,226              | 20,226              | 20,226              |
| Outstanding Debt Per Capita                    | \$823               | \$750               | \$744               | \$758               |
| <b>Income</b> <sup>(3)</sup>                   |                     |                     |                     |                     |
| Personal (in thousands)                        | 615,922             | 620,756             | 639,688             | 663,939             |
| Percentage of Personal Income                  | 2.70%               | 2.44%               | 2.35%               | 2.31%               |

**Sources:**

(1) City Auditor's Office

(2) US Bureau of Census, Population Division

(3) US Department of Commerce, Bureau of Economic Analysis

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

*City of Portsmouth, Ohio*

| 2016                | 2017                | 2018                | 2019                | 2020                | 2021                |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$1,140,000         | \$1,025,000         | \$905,000           | \$785,000           | \$665,000           | \$540,000           |
| 145,193             | 43,575              | 0                   | 483,425             | 251,327             | 128,164             |
| \$9,764,232         | \$9,433,247         | \$9,445,440         | \$9,488,183         | \$9,225,620         | \$9,627,865         |
| 1,626,256           | 1,561,256           | 2,071,959           | 2,782,452           | 2,724,421           | 2,561,847           |
| 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| 1,272,725           | 363,255             | 0                   | 0                   | 285,708             | 192,171             |
| <u>\$13,948,406</u> | <u>\$12,426,333</u> | <u>\$12,422,399</u> | <u>\$13,539,060</u> | <u>\$13,152,076</u> | <u>\$13,050,047</u> |
| 20,226              | 20,226              | 20,226              | 20,226              | 20,226              | 18,252              |
| \$690               | \$614               | \$614               | \$669               | \$650               | \$715               |
| 674,315             | 737,561             | 790,432             | 811,953             | 886,303             | 799,803             |
| 2.07%               | 1.68%               | 1.57%               | 1.67%               | 1.48%               | 1.63%               |

**City of Portsmouth, Ohio**

*Ratios of General Bonded Debt Outstanding  
Last Ten Years*

| Year  | 2012          | 2013          | 2014          | 2015          |
|---|---------------|---------------|---------------|---------------|
| <b>Population</b> (1)                                 | 20,226        | 20,226        | 20,226        | 20,226        |
| <b>Assessed Value</b> (2)                             | \$215,298,860 | \$213,252,580 | \$216,860,000 | \$215,872,520 |
| <b>General Bonded Debt</b> (3)                        |               |               |               |               |
| General Obligation Bonds-Governmental                 | \$1,520,000   | \$1,450,000   | \$1,380,000   | \$1,305,000   |
| <b>Resources Available to Pay Principal</b> (4)       | \$80,553      | \$97,815      | \$124,831     | \$123,719     |
| <b>Net General Bonded Debt</b>                        | \$1,439,447   | \$1,352,185   | \$1,255,169   | \$1,181,281   |
| <b>Ratio of Net Bonded Debt<br/>to Assessed Value</b> | 0.67%         | 0.63%         | 0.58%         | 0.55%         |
| <b>Net Bonded Debt per Capita</b>                     | \$71.17       | \$66.85       | \$62.06       | \$58.40       |

**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*

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| <u>2016</u>   | <u>2017</u>   | <u>2018</u>   | <u>2019</u>   | <u>2020</u>   | <u>2021</u>   |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 20,226        | 20,226        | 20,226        | 20,226        | 20,226        | 18,252        |
| \$224,323,360 | \$233,969,550 | \$232,591,780 | \$232,837,810 | \$235,397,690 | \$236,499,440 |
| \$1,140,000   | \$1,025,000   | \$905,000     | \$785,000     | \$665,000     | \$540,000     |
| \$60,382      | \$78,413      | \$95,381      | \$118,040     | \$148,415     | \$175,549     |
| \$1,079,618   | \$946,587     | \$809,619     | \$666,960     | \$516,585     | \$364,451     |
| 0.48%         | 0.40%         | 0.35%         | 0.29%         | 0.22%         | 0.15%         |
| \$53.38       | \$46.80       | \$40.03       | \$32.98       | \$25.54       | \$19.97       |



**City of Portsmouth, Ohio**

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
December 31, 2021*

| <u>Jurisdiction</u>             | <u>Gross Debt<br/>Outstanding</u> | <u>Percentage<br/>Applicable to<br/>the City of<br/>Portsmouth</u> | <u>Amount<br/>Applicable to<br/>the City of<br/>Portsmouth</u> |
|---------------------------------|-----------------------------------|--|--|
| <b>Direct:</b>                  |                                   |  |  |
| City of Portsmouth              | \$668,164                         | 100.00%  | \$668,164  |
| <b>Overlapping:</b>             |                                   |  |  |
| Scioto County                   | 3,834,852                         | 19.60%   | 751,631  |
| Portsmouth City School District | 6,730,000                         | 92.11%   | <u>6,199,003</u>   |
|                                 |                                   | Subtotal   | <u>6,950,634</u>   |
|                                 |                                   | Total  | <u><u>\$7,618,798</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                            | 2012                | 2013                | 2014                | 2015                |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>Total Debt</b>                          |                     |                     |                     |                     |
| Net Assessed Valuation                     | \$215,298,860       | \$213,252,580       | \$216,860,000       | \$215,872,520       |
| Legal Debt Limitation (%) (1)              | 10.50%              | 10.50%              | 10.50%              | 10.50%              |
| Legal Debt Limitation (\$) (1)             | 22,606,380          | 22,391,521          | 22,770,300          | 22,666,615          |
| City Debt Outstanding (2)                  | 1,520,000           | 1,450,000           | 1,380,000           | 1,305,000           |
| Less: Applicable Debt Service Fund Amounts | (80,553)            | (97,815)            | (124,831)           | (123,719)           |
| Net Indebtedness Subject to Limitation     | <u>1,439,447</u>    | <u>1,352,185</u>    | <u>1,255,169</u>    | <u>1,181,281</u>    |
| Overall Legal Debt Margin                  | <u>\$21,166,933</u> | <u>\$21,039,336</u> | <u>\$21,515,131</u> | <u>\$21,485,334</u> |
| <b>Unvoted Debt</b>                        |                     |                     |                     |                     |
| Net Assessed Valuation                     | \$215,298,860       | \$213,252,580       | \$216,860,000       | \$215,872,520       |
| Legal Debt Limitation (%) (1)              | 5.50%               | 5.50%               | 5.50%               | 5.50%               |
| Legal Debt Limitation (\$) (1)             | 11,841,437          | 11,728,892          | 11,927,300          | 11,872,989          |
| City Debt Outstanding (2)                  | 1,520,000           | 1,450,000           | 1,380,000           | 1,305,000           |
| Less: Applicable Debt Service Fund Amounts | (80,553)            | (97,815)            | (124,831)           | (123,719)           |
| Net Indebtedness Subject to Limitation     | <u>1,439,447</u>    | <u>1,352,185</u>    | <u>1,255,169</u>    | <u>1,181,281</u>    |
| Overall Legal Debt Margin                  | <u>\$10,401,990</u> | <u>\$10,376,707</u> | <u>\$10,672,131</u> | <u>\$10,691,708</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*

| 2016                | 2017                | 2018                | 2019                | 2020                | 2021                |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$224,323,360       | \$233,969,550       | \$232,591,780       | \$232,837,810       | \$235,397,690       | \$236,499,440       |
| 10.50%              | 10.50%              | 10.50%              | 10.50%              | 10.50%              | 10.50%              |
| 23,553,953          | 24,566,803          | 24,422,137          | 24,447,970          | 24,716,757          | 24,832,441          |
| 1,140,000           | 1,025,000           | 905,000             | 785,000             | 665,000             | 540,000             |
| (60,382)            | (78,413)            | (95,381)            | (118,040)           | (148,415)           | (175,549)           |
| <u>1,079,618</u>    | <u>946,587</u>      | <u>809,619</u>      | <u>666,960</u>      | <u>516,585</u>      | <u>364,451</u>      |
| <u>\$22,474,335</u> | <u>\$23,620,216</u> | <u>\$23,612,518</u> | <u>\$23,781,010</u> | <u>\$24,200,172</u> | <u>\$24,467,990</u> |
| <br>                |                     |                     |                     |                     |                     |
| \$224,323,360       | \$233,969,550       | \$232,591,780       | \$232,837,810       | \$235,397,690       | \$236,499,440       |
| 5.50%               | 5.50%               | 5.50%               | 5.50%               | 5.50%               | 5.50%               |
| 12,337,785          | 12,868,325          | 12,792,548          | 12,806,080          | 12,946,873          | 13,007,469          |
| 1,140,000           | 1,025,000           | 905,000             | 785,000             | 665,000             | 540,000             |
| (60,382)            | (78,413)            | (95,381)            | (118,040)           | (148,415)           | (175,549)           |
| <u>1,079,618</u>    | <u>946,587</u>      | <u>809,619</u>      | <u>666,960</u>      | <u>516,585</u>      | <u>364,451</u>      |
| <u>\$11,258,167</u> | <u>\$11,921,738</u> | <u>\$11,982,929</u> | <u>\$12,139,120</u> | <u>\$12,430,288</u> | <u>\$12,643,018</u> |

**City of Portsmouth, Ohio**

*Pledged Revenue Coverage  
Last Ten Years*

|  | 2012        | 2013        | 2014        | 2015        |
|--|-------------|-------------|-------------|-------------|
| <b>Water Mortgage Bonds</b> (1)        |             |             |             |             |
| Gross Revenues (2)                     | \$6,332,121 | \$6,348,951 | \$6,260,916 | \$5,693,192 |
| Direct Operating Expenses (3)          | 4,484,572   | 4,361,713   | 4,509,207   | 4,276,206   |
| Net Revenue Available for Debt Service | 1,847,549   | 1,987,238   | 1,751,709   | 1,416,986   |
| Annual Debt Service Requirement        | 571,631     | 570,921     | 569,134     | 566,516     |
| Coverage                               | 3.23        | 3.48        | 3.08        | 2.50        |

N/A - Not Applicable

- (1) Water Mortgage Revenue Bonds were paid off in 2015.
- (2) Gross revenues include operating revenues plus interest income.
- (3) Direct operating expenses include operating expenses less depreciation.

Source: City Auditor's Office

*City of Portsmouth, Ohio*

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| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------|------|------|------|------|------|
| N/A  | N/A  | N/A  | N/A  | N/A  | N/A  |
| N/A  | N/A  | N/A  | N/A  | N/A  | N/A  |
| N/A  | N/A  | N/A  | N/A  | N/A  | N/A  |
| N/A  | N/A  | N/A  | N/A  | N/A  | N/A  |
| N/A  | N/A  | N/A  | N/A  | N/A  | N/A  |

# *City of Portsmouth, Ohio*

## *Demographic and Economic Statistics Last Ten Years*

| Calendar Year                                       | 2012      | 2013      | 2014      | 2015      | 2016      |
|---|-----------|-----------|-----------|-----------|-----------|
| <b>Population</b> <sup>(1)</sup>                    |           |           |           |           |           |
| City of Portsmouth                                  | 20,226    | 20,226    | 20,226    | 20,226    | 20,226    |
| Scioto County                                       | 78,477    | 78,153    | 77,258    | 76,825    | 76,088    |
| <b>Income</b> <sup>(2) (a)</sup>                    |           |           |           |           |           |
| Total Personal (in thousands)                       | 615,922   | 620,756   | 639,688   | 663,939   | 674,315   |
| Per Capita  | 30,452    | 30,691    | 31,627    | 32,826    | 33,339    |
| <b>Unemployment Rate</b> <sup>(3)</sup>             |           |           |           |           |           |
| Federal   | 8.1%      | 7.4%      | 6.2%      | 5.3%      | 4.9%      |
| State   | 7.2%      | 7.4%      | 5.7%      | 4.9%      | 4.9%      |
| Scioto County                                       | 10.7%     | 11.5%     | 8.7%      | 7.7%      | 7.6%      |
| <b>Civilian Work Force Estimates</b> <sup>(3)</sup> |           |           |           |           |           |
| State   | 5,747,900 | 5,765,700 | 5,719,500 | 5,700,300 | 5,713,100 |
| Scioto County                                       | 31,900    | 31,200    | 29,900    | 29,600    | 29,900    |

**Sources:**

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis information is only available through 2020.  
For the presentation of 2021 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*

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| 2017      | 2018      | 2019      | 2020      | 2021      |
|-----------|-----------|-----------|-----------|-----------|
| 20,226    | 20,226    | 20,226    | 20,226    | 18,252    |
| 75,929    | 75,502    | 75,314    | 74,347    | 74,347    |
| 737,561   | 790,432   | 811,953   | 886,303   | 799,803   |
| 36,466    | 39,080    | 40,144    | 43,820    | 43,820    |
| 4.4%      | 3.9%      | 3.7%      | 8.1%      | 5.3%      |
| 5.0%      | 4.6%      | 4.1%      | 8.1%      | 5.1%      |
| 7.1%      | 6.8%      | 6.3%      | 8.7%      | 6.2%      |
| 5,780,000 | 5,754,900 | 5,802,300 | 5,754,300 | 5,736,900 |
| 29,700    | 29,000    | 28,900    | 29,400    | 29,300    |



**City of Portsmouth, Ohio**

*Principal Employers  
Current Year and Nine Years Ago*

| Employer                        | Nature of Business   | 2021                |      |
|---------------------------------|----------------------|---------------------|------|
|                                 |                      | Number of Employees | Rank |
| Southern Ohio Medical Center    | Health Care Services | 2,578               | 1    |
| Shawnee State University        | Education            | 1,119               | 2    |
| Scioto County Offices           | Government           | 535                 | 3    |
| Scioto County Counseling Center | Health Care Services | 399                 | 4    |
| Portsmouth City Schools         | Education            | 374                 | 5    |
| City of Portsmouth              | Government           | 273                 | 6    |
| OSCO Industries                 | Manufacturing        | 233                 | 7    |
| State of Ohio                   | Government           | 171                 | 8    |
| SOMC Medical Care Foundation    | Medical              | 140                 | 9    |
| Apogee Medical Group            | Medical              | 32                  | 10   |
| Total                           |                      | <u>5,854</u>        |      |

| Employer                      | Nature of Business           | 2012                |      |
|-------------------------------|------------------------------|---------------------|------|
|                               |                              | Number of Employees | Rank |
| Southern Ohio Medical Center  | Health Care Services         | 2,509               | 1    |
| Shawnee State University      | Education                    | 1,526               | 2    |
| Scioto County Offices         | Government                   | 694                 | 3    |
| Community Action Organization | Government / Social Services | 409                 | 4    |
| Portsmouth City Schools       | Education                    | 404                 | 5    |
| State of Ohio                 | Government                   | 312                 | 6    |
| Norfolk and Southern Railway  | Railroad                     | 301                 | 7    |
| City of Portsmouth            | Government                   | 263                 | 8    |
| OSCO Industries               | Manufacturing                | 231                 | 9    |
| SOMC Medical Care Foundation  | Medical                      | 89                  | 10   |
| Total                         |                              | <u>6,738</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*

|                                    | <u>2012</u>  | <u>2013</u>  | <u>2014</u>  | <u>2015</u>  |
|------------------------------------|--------------|--------------|--------------|--------------|
| <b>Governmental Activities</b>     |              |              |              |              |
| Security of Persons and Property   |              |              |              |              |
| Police                             | 44.0         | 47.0         | 47.0         | 50.0         |
| Fire                               | 37.0         | 36.0         | 38.0         | 39.0         |
| Public Health and Welfare Services |              |              |              |              |
| Health                             | 28.0         | 28.5         | 25.5         | 26.0         |
| General Government                 |              |              |              |              |
| Legislative                        | 7.0          | 7.0          | 7.0          | 7.0          |
| Mayor                              | 3.0          | 2.0          | 2.0          | 2.0          |
| Finance                            | 5.0          | 5.0          | 5.0          | 5.0          |
| Legal                              | 5.0          | 5.0          | 5.0          | 5.0          |
| Court                              | 25.0         | 25.0         | 26.0         | 26.5         |
| Income Tax                         | 2.0          | 2.0          | 2.0          | 2.0          |
| Engineering                        | 2.0          | 4.0          | 3.0          | 1.0          |
| Administration                     | 3.0          | 3.0          | 3.0          | 3.0          |
| Garage                             | 3.0          | 3.0          | 3.0          | 3.0          |
| Transportation                     |              |              |              |              |
| Streets                            | 14.0         | 13.0         | 11.0         | 9.0          |
| Cemetery Grounds                   | 3.0          | 2.0          | 2.0          | 2.0          |
| Recreational Grounds               | 2.0          | 0.0          | 0.0          | 0.0          |
| Community Environment              |              |              |              |              |
| Building Inspection                | 1.0          | 1.0          | 1.0          | 1.0          |
| Community Development              | 1.0          | 1.0          | 1.0          | 1.0          |
| <b>Business-Type Activities</b>    |              |              |              |              |
| Utilities                          |              |              |              |              |
| Water                              | 38.0         | 38.0         | 38.0         | 35.0         |
| Sewer                              | 24.0         | 22.0         | 24.0         | 24.0         |
| Sanitation                         | 13.0         | 15.0         | 12.0         | 13.0         |
| <i>Total Employees</i>             | <u>260.0</u> | <u>259.5</u> | <u>255.5</u> | <u>254.5</u> |

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

Source: City Auditor's Office

*City of Portsmouth, Ohio*

| 2016         | 2017         | 2018         | 2019         | 2020         | 2021         |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 51.0         | 52.0         | 53.0         | 52.0         | 53.0         | 55.0         |
| 39.0         | 39.0         | 39.0         | 39.0         | 39.0         | 38.0         |
| 27.0         | 27.0         | 29.5         | 29.5         | 27.0         | 32.0         |
| 7.0          | 7.0          | 7.0          | 7.0          | 7.0          | 7.0          |
| 2.0          | 3.0          | 1.5          | 2.0          | 2.0          | 3.0          |
| 5.0          | 5.0          | 5.0          | 5.0          | 5.0          | 5.0          |
| 5.0          | 5.0          | 5.0          | 5.0          | 5.0          | 5.0          |
| 24.5         | 27.5         | 27.0         | 27.5         | 27.0         | 24.0         |
| 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| 2.0          | 1.0          | 1.0          | 1.0          | 2.0          | 2.0          |
| 3.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| 3.0          | 2.0          | 2.0          | 3.0          | 3.0          | 3.0          |
| 9.0          | 9.0          | 9.0          | 7.5          | 11.0         | 9.0          |
| 2.0          | 2.0          | 2.0          | 3.0          | 5.0          | 3.0          |
| 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 1.0          |
| 1.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          |
| 29.0         | 32.0         | 32.5         | 32.0         | 32.0         | 34.0         |
| 24.0         | 23.0         | 24.0         | 22.0         | 23.0         | 23.0         |
| 13.0         | 13.0         | 14.0         | 14.0         | 15.0         | 15.0         |
| <u>249.5</u> | <u>254.5</u> | <u>258.5</u> | <u>256.5</u> | <u>263.0</u> | <u>266.0</u> |

**City of Portsmouth, Ohio**

*Operating Indicators by Function  
Last Ten Years*

|   | 2012   | 2013   | 2014   | 2015   |
|---|--------|--------|--------|--------|
| <b>Governmental Activities</b>                        |        |        |        |        |
| General Government                                    |        |        |        |        |
| Licenses and Permits                                  |        |        |        |        |
| Number of Building Permits                            | 352    | 516    | 463    | 404    |
| Security of Persons and Property                      |        |        |        |        |
| Police  |        |        |        |        |
| Number of Patrol Units                                | 27     | 29     | 29     | 29     |
| Criminal/Juvenile Citations and Charges               | 1,332  | 1,482  | 1,795  | 2,024  |
| Traffice Citations Issued                             | 738    | 3,537  | 619    | 637    |
| Parking Tickets Written                               | 495    | 233    | 325    | 410    |
| Fire  |        |        |        |        |
| Number of Calls Answered                              | 861    | 792    | 962    | 1,235  |
| Number of Fire Inspections                            | 79     | 84     | 99     | 98     |
| Number of Investigations                              | 83     | 86     | 61     | 104    |
| Number of EMS Transports                              | 0      | 0      | 0      | 0      |
| <b>Business-Type Activities</b>                       |        |        |        |        |
| Water   |        |        |        |        |
| Number of Service Connections                         | 13,600 | 13,493 | 13,398 | 13,400 |
| 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                         | 8,200  | 8,119  | 7,843  | 7,850  |
| 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  | 7,440  | 6,371  | 6,375  |

Source: City Auditor's Office

*City of Portsmouth, Ohio*

| 2016   | 2017   | 2018   | 2019   | 2020   | 2021   |
|--------|--------|--------|--------|--------|--------|
| 377    | 458    | 352    | 351    | 312    | 364    |
| 29     | 34     | 33     | 26     | 26     | 26     |
| 1,647  | 1,809  | 1,620  | 1,914  | 1,441  | 1,412  |
| 640    | 561    | 960    | 772    | 467    | 991    |
| 416    | 308    | 223    | 311    | 301    | 778    |
| 2,230  | 2,851  | 3,579  | 3,919  | 2,375  | 3,939  |
| 128    | 77     | 72     | 69     | 62     | 86     |
| 5      | 10     | 32     | 55     | 62     | 74     |
| 0      | 152    | 1,594  | 1,698  | 1,363  | 1,687  |
| 13,400 | 13,288 | 13,236 | 13,216 | 13,215 | 13,168 |
| 6M     | 6M     | 6M     | 6M     | 6M     | 6M     |
| 12M    | 12M    | 12M    | 12M    | 12M    | 12M    |
| 7,850  | 7,695  | 7,664  | 7,633  | 7,639  | 7,595  |
| 5      | 5      | 5      | 5      | 5      | 5      |
| 10     | 10     | 10     | 10     | 10     | 10     |
| 6,375  | 6,179  | 6,148  | 6,136  | 6,156  | 6,134  |

**City of Portsmouth, Ohio**

*Capital Asset Statistics by Function  
Last Ten Years*

|  | 2012  | 2013  | 2014  | 2015  |
|--|-------|-------|-------|-------|
| <b>Governmental Activities</b>           |       |       |       |       |
| General Government                       |       |       |       |       |
| Public Land and Buildings                |       |       |       |       |
| Land (acres)                             | 7,680 | 7,680 | 7,680 | 7,680 |
| Security of Persons and Property         |       |       |       |       |
| Police                                   |       |       |       |       |
| Stations                                 | 1     | 1     | 1     | 1     |
| Vehicles                                 | 27    | 29    | 29    | 29    |
| 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    |
| Number of Pickleball Courts (Unlighted)  | 0     | 0     | 0     | 0     |
| Public Health and Welfare                |       |       |       |       |
| Cemeteries                               |       |       |       |       |
| Cemeteries                               | 1     | 1     | 1     | 1     |
| Land (acres)                             | 40    | 40    | 40    | 40    |
| <b>Business-Type Activities</b>          |       |       |       |       |
| Utilities                                |       |       |       |       |
| Water                                    |       |       |       |       |
| Number of Filtration/Purification Plants | 1     | 1     | 1     | 1     |
| Waterlines (Miles)                       | 400   | 400   | 400   | 400   |
| Number of Hydrants                       | 865   | 865   | 865   | 865   |
| Sewer                                    |       |       |       |       |
| Number of Sewage Treatment Plants        | 2     | 2     | 2     | 2     |
| Sewerlines (Miles)                       | 30    | 30    | 30    | 30    |
| Storm Water Drainage                     |       |       |       |       |
| Storm Drains (Miles)                     | 30    | 30    | 30    | 30    |



*City of Portsmouth, Ohio*

| 2016  | 2017  | 2018  | 2019  | 2020  | 2021  |
|-------|-------|-------|-------|-------|-------|
| 7,680 | 7,680 | 7,680 | 7,680 | 7,680 | 7,680 |
| 1     | 1     | 1     | 1     | 1     | 1     |
| 29    | 34    | 33    | 51    | 50    | 51    |
| 3     | 3     | 3     | 3     | 3     | 3     |
| 17    | 19    | 17    | 17    | 16    | 16    |
| 220   | 220   | 220   | 220   | 220   | 220   |
| 1,476 | 1,476 | 1,476 | 1,476 | 1,476 | 1,476 |
| 223   | 223   | 223   | 233   | 233   | 233   |
| 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    | 7     | 7     | 7     | 7     | 7     |
| 0     | 0     | 8     | 8     | 8     | 8     |
| 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**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 8/2/2022**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)