

# **TOWN OF PORTSMOUTH, RHODE ISLAND**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

*Fiscal Year Ended June 30, 2023*



Richard A. Rainer Jr.  
Town Administrator

Ryan Kilpatrick  
Finance Director

**Town of Portsmouth, Rhode Island**  
**Annual Comprehensive Financial Report**

*June 30, 2023*

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# Introductory Section



# TOWN OF PORTSMOUTH

2200 East Main Road • Portsmouth, Rhode Island 02871 • [www.portsmouthri.com](http://www.portsmouthri.com)

Richard A. Rainer Jr.  
Town Administrator

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Fax (401) 683-6804  
[rainer@portsmouthri.com](mailto:rainer@portsmouthri.com)

December 19, 2023

To the Citizens of Portsmouth, Rhode Island and the Town Council:

The Annual Comprehensive Financial Report of the Town of Portsmouth, Rhode Island for the fiscal year ended June 30, 2023 is hereby submitted as mandated by state statute. State laws require that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of certified public accountants licensed to practice in the State of Rhode Island.

The Town of Portsmouth's financial statements have been audited by Hague, Sahady, & Co., P.C. a firm of licensed certified public accountants. The independent auditor concluded, based upon the audit, that there was a reasonable basis to render an unmodified "clean" opinion that the Town of Portsmouth's financial statements for the fiscal year ending June 30, 2023 are fairly presented in conformity with GAAP.

## **Profile of the Government**

### **General**

The Town of Portsmouth (the Town), established in 1638 and incorporated as a town in 1640, is the second oldest municipality in Rhode Island and had a population of 17,659 in 2022. The Town occupies the northern portion of Aquidneck Island and is bordered by the Town of Bristol on the north, the Town of Middletown on the south, the Town of Portsmouth on the east and Narragansett Bay on the west. The Town limits extend over an area of 59.3 miles, including a land area of 23.2 square miles and an inland water area of 36.1 square miles.

### **Government**

The Town is governed by a seven-member Town Council, elected biennially in even years, and an appointed Town Administrator. The Town operates a Home Rule Charter wherein all powers of government are vested in the elected Town Council. The Council may enact local legislation subject only to the limitations imposed by the Charter, the State Constitution and the General Laws. Under the Charter, the Council determines policy, enacts law and appoints the Town Administrator.

The Town provides a full range of municipal services as follows: public safety and protection, the construction and maintenance of highways, streets and other infrastructure; recreational facilities, planning and zoning, education and administrative services. In addition, the Town operates a solid waste facility.



The annual budget serves as the foundation for the Town's financial planning and control. All departments of the Town are required to submit requests for appropriation and revenue estimates to the Town Administrator each year. The School Committee submits the proposed school budget.

The Town Administrator uses these requests as the starting point for development of the proposed budget. It is the responsibility of the Town Administrator to submit proposed budget for the upcoming year to the Town Council on or before April 2<sup>nd</sup> of each year. The Town Council holds several budget work sessions to discuss the details of the proposed budget and shall revise and/or adopt a preliminary budget no later than 30 days after the submission of the Town Administrator's proposed budget. In June, at a regular Town Council meeting, the Council adopts the final Town budget by ordinance.

Within two (2) weeks of the adoption of the final Town budget, any qualified elector of the town may circulate a petition requesting that a referendum be held on the final budget as approved by the Town Council. If no petition is filed within the designated time frame, the budget is considered adopted. If there is a petition, a referendum must be held not less than thirty-five (35) nor more than forty-five (45) days from the certification of the signatures on the petition, provided that each such petition shall contain signatures of not less than ten percent (10%) of the duly qualified electors of the Town.

The appropriated budget is prepared by fund, major program function (e.g., public safety) and department (e.g., police). Department heads may make a transfer of appropriation within a department. Transfer of a major program function may be made by the Town Administrator, provided that proper notification is given to the Town Council.

### **Local Economy**

As of October 10, 2023, there were 616 businesses in Town which range from small home-based businesses to larger international companies including its' largest employer, the Integrated Defense Systems division of Raytheon Company. The tax assessed value of these businesses was \$65,942,294. The Town also has 126 companies that have leased equipment in Town with tax assessed values at \$76,278,862 and utility property and equipment with tax assessed value of nearly \$61,382,476.

Portsmouth has the longest continuous coastline of any municipality in the state and, due to its geography, has an impressive history as a leader in the marine trades industries. Excess Navy land in the Melville Marine District was approved for release to the Town to help continue to bolster the marine industry and the Town continues to work collaboratively with the Navy and the State to transfer a former Navy fueling facility on prime waterfront property to continue expansion of existing and new marine trades.

A new development initiative takes advantage of the Zoning Ordinance Marina District Planned Unit Development where a private developer has gained approval for a mixed use of public access, residential condominiums, marine and restaurant/retail development just south of the marine industry complex. This development will showcase unique concepts that can be a model to encourage investment in the adjacent Navy land.

The Town had an Enterprise Zone Exemption that sunset in 2019 and had credits remaining through fiscal year 2023. The Enterprise Zone was successful in providing incentives for job growth and encouraging new construction and/or renovation of existing properties. Efforts to extend the program were unsuccessful. The Town Farm Credit program is designed to help conserve and preserve farmland with 99 parcels receiving credits in fiscal year 2023.

### **Pension and Other Post-Employment Benefits**

The majority of active Fire and Police employees participate in the state administered RI Municipal Employees' Retirement System (MERS). However, there are several active employees grandfathered into the closed defined benefit plan. Other active Town employees are either grandfathered into the closed defined benefit plan or are in a defined contribution (401 type) plan.

The plan's funded ratio was 57.2% as of June 30, 2023, up from 55.1% at June 30, 2022. The Town assumes a 6.75% return on investments for purposes of determining the annual pension contribution.

Portsmouth has a net Other Post-Employment Benefits (OPEB) liability of \$15,451,393. The Town has established an OPEB Trust. As of June 30, 2023, the trust is funded 13.2%.

### **Other**

Portsmouth believes in transparency and the accountability it inspires. This is the seventh year the Town's annual audit has been presented in the form of an Annual Comprehensive Financial Report. Portsmouth presents monthly budget reports at the second Council meeting each month. Other financial data such as debt service schedules, monthly check registers and actuary reports are all published on the Town website.

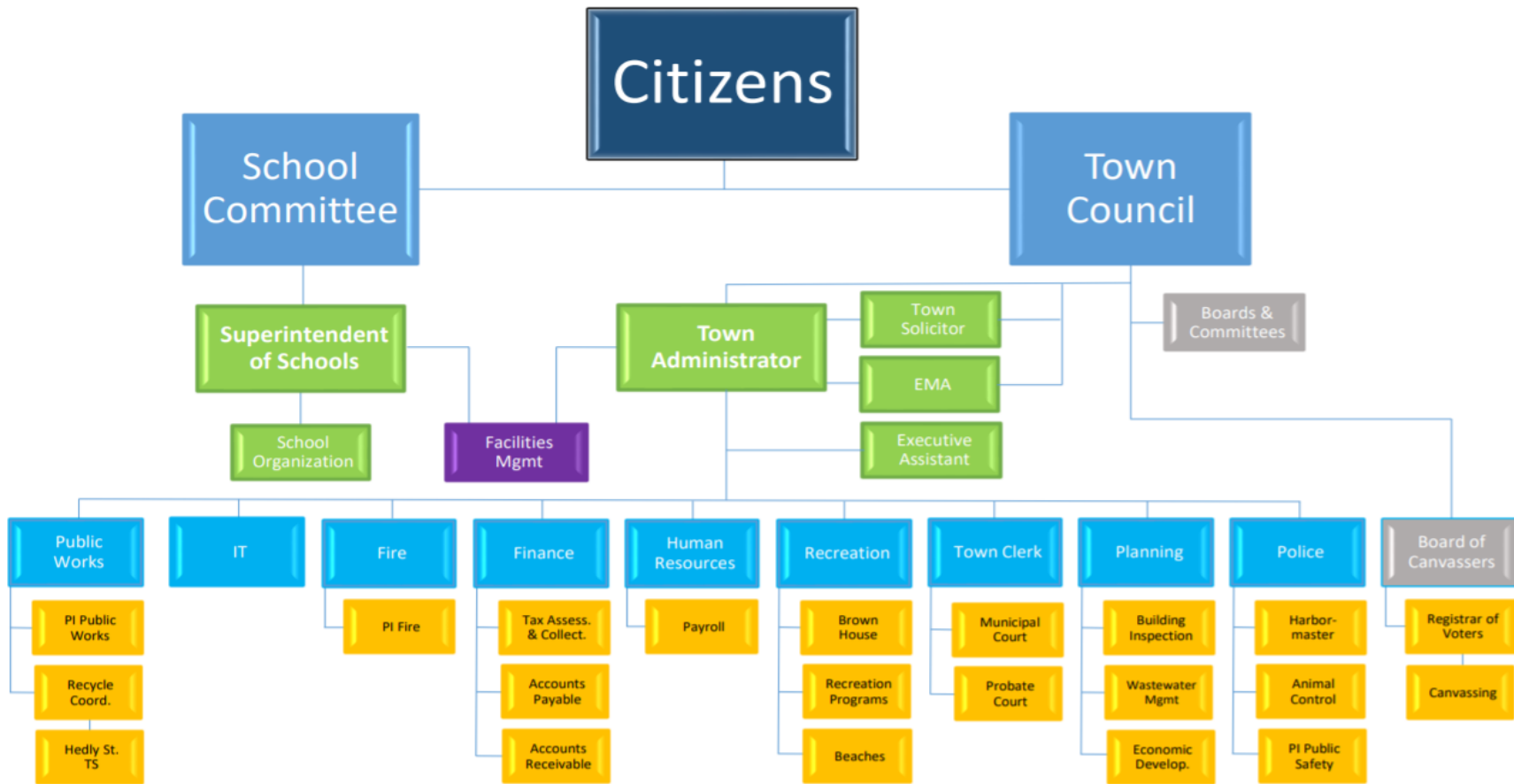
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Town and School finance departments. Credit must also be given to the Town Council and the School Committee for their unflinching support in achieving and maintaining the highest standards of professional management of the Town of Portsmouth's finances.

Respectfully submitted,

  
Richard A. Rainer  
Town Administrator

  
Ryan Kilpatrick  
Finance Director

# Organizational Chart





## Elected Town Officials

### **Portsmouth Town Council**

Kevin M. Aguiar, President

Len Katzman, Vice President

Daniela T. Abbott

David M. Gleason

Charles J. Levesque

Keith E. Hamilton

J. Mark Ryan



## *Portsmouth School Committee*

Emily Copeland, Chair

Juan Carlos Payero, Vice-Chair

Frederick Faerber III

Isabelle Kelly

Karen McDaid

Sondra Blank

Emily Skeehan



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Portsmouth  
Rhode Island**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# Financial Section

This Section contains the Following Subsections:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

## *Independent Auditors' Report*

The Honorable Members of the Town Council  
Town of Portsmouth, Rhode Island

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Portsmouth, Rhode Island (“the Town”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with 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 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 Town 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 Notes 14 to the financial statements, during fiscal year 2023 the Town adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. Our opinion is not modified with respect to 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 Town’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 generally accepted auditing standards 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 generally accepted auditing standards 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 Town'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 Town'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, budgetary comparison information, OPEB related disclosure, and Pension related disclosure, as listed in the table of contents, 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 Town's basic financial statements. The combining and individual nonmajor fund financial statements, tax collector's annual report, and annual supplemental transparency portal (MTP2) 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, tax collector's annual report, and annual supplemental transparency portal (MTP2) 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 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 December 19, 2023 on our consideration of the Town's internal control over financial reporting and on 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 Town'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 Town's internal control over financial reporting and compliance.

*Hague, Sahady & Co., CPAs, P.C.*

Fall River, Massachusetts  
December 19, 2023

## Management's Discussion and Analysis

# Town of Portsmouth, Rhode Island

## Management Discussion & Analysis (MD&A)

*For the Year Ended June 30, 2023*

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As management of the Town of Portsmouth, we offer the readers of the Town's financial statements this narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2023. We encourage the readers to consider the information presented here in conjunction with the letter of transmittal on pages i-iii of this report as well as the Town's basic financial statements that follow this section.

### **Financial Highlights**

#### ***Government-Wide Financial Statements:***

Net Position – The liabilities and deferred inflows of the Town’s governmental activities exceeded its assets and deferred outflows for the fiscal year ending June 30, 2023, by \$40,817,534 (presented as “total net position”). Of this amount, a negative of \$100,402,496 was reported as “unrestricted”. The net investment in capital assets was \$29,448,127. The assets and deferred outflows of the Town’s business-type activities exceed its liabilities and deferred inflows by \$206,669. Of this amount, \$277,974 represents the Town’s business-type activities net investment in capital assets.

Change in Net Position – The Town’s total net position increased by \$7,867,778 in fiscal year 2023. Net position of governmental activities increased by \$8,403,828 due mainly to an increase in State operating grants and contributions. In addition, net position of business-type activities decreased by \$536,050.

#### ***Fund Highlights:***

Governmental Funds – Fund Balances – As of June 30, 2023, the Town’s governmental funds reported a combined ending fund balance of \$34,528,956, a \$1,529,104 increase from the prior year. Of the total fund balance reported, \$8,629,473 represents “unassigned fund balance”.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town’s basic financial statements, which are comprised of three components:

- Government-wide financial statements
- Fund financial statements; and
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

***Government-wide financial statements.*** The *government-wide financial statements* are designed to provide readers with a broad overview of the Town’s finances in a manner similar to a private-sector business.

The *statement of net position* presents information on the entire Town’s assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

# Town of Portsmouth, Rhode Island

## Management Discussion & Analysis (MD&A)

*For the Year Ended June 30, 2023*

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The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of *the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (examples are, uncollected taxes and earned but unused vacation time).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, streets and highways, education, beach and recreation. The business-type activities of the Town include the Arthur Daniel House, Septic System Loan Program, Glen Farm Equestrian, Transfer Station fund, and Glen Manor House. The government-wide financial statements can be found on the pages indicated on the table of contents of this report.

In the statement of activities, the operations of the Town are presented in a format that reports the net of expenses and revenues of its individual functions – the objective being to report the relative burden of each of the Town's functions to the taxpayers. Revenue's offsetting related functional expenses are separated into three categories: charges for services, operating grants and contributions, and capital grants and contributions.

***Fund financial statements.*** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

***Governmental funds.*** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, School Unrestricted Fund, Town Capital Project Fund, and Debt Service Fund which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Fund data for each of these non-major governmental funds is provided in the form of combining statements included in the other supplementary information.

The Town adopts an annual appropriated budget for its General Fund and School Unrestricted Fund. Budgetary comparison statements have been provided for the General Fund and the School Unrestricted

# Town of Portsmouth, Rhode Island

## Management Discussion & Analysis (MD&A)

*For the Year Ended June 30, 2023*

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Fund to demonstrate compliance with this budget. These comparison statements can be found on the pages indicated on the table of contents of this report.

The basic governmental fund financial statements can be found on the pages indicated on the table of contents of this report.

**Proprietary funds.** Proprietary funds are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The Town has five proprietary funds. The Transfer Station accounts for the solid waste operations of the town. The main transfer station is located on Hedley Street. An additional transfer station is located on Prudence Island to serve the citizens living there. The other proprietary funds are the Arthur Daniel House, Septic System Loan Program Fund, Glen Farm Equestrian Fund, and Glen Manor House. The Town has no internal service funds.

The basic proprietary fund financial statements can be found on the pages indicated on the table of contents of this report.

**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 statements because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on the pages indicated on the table of contents of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on the pages indicated on the table of contents of this report.

**Required supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* which presents schedules relating to the Town's pension and other postemployment benefit plans, as well as budgetary comparison schedules for the General Fund to demonstrate compliance with their respective budgets. Required supplementary information can be found on the pages indicated on the table of contents of this report.

**Supplementary information.** In addition to the basic financial statements, accompanying notes, and required supplementary information this report also presents certain *supplementary information* which presents the budgetary comparison information for the school unrestricted fund, combining financial statement information, tax collector's annual report and the annual supplemental transparency report (MTP2). Supplementary information can be found on the pages indicated on the table of contents of this report.

# Town of Portsmouth, Rhode Island

## Management Discussion & Analysis (MD&A)

*For the Year Ended June 30, 2023*

### Government-wide Financial Analysis

#### Statement of Net Position

June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2023	2022	2023	2022	2023	2022	
<b>Assets</b>							
Current assets	\$ 41,505,219	\$ 37,887,538	\$ 277,079	\$ 763,499	\$ 41,782,298	\$ 38,651,037	8.1%
Other assets	11,629,935	13,882,118	-	-	11,629,935	13,882,118	-16.2%
Capital assets	47,490,960	46,016,141	386,316	425,349	47,877,276	46,441,490	3.1%
Total assets	<u>100,626,114</u>	<u>97,785,797</u>	<u>663,395</u>	<u>1,188,848</u>	<u>101,289,509</u>	<u>98,974,645</u>	<u>2.3%</u>
<b>Deferred outflows of resources</b>							
Pension related outflows	9,887,285	12,494,380	-	-	9,887,285	12,494,380	-20.9%
OPEB related outflows	2,347,202	3,635,941	-	-	2,347,202	3,635,941	-35.4%
Total deferred outflows of resources	<u>12,234,487</u>	<u>16,130,321</u>	<u>-</u>	<u>-</u>	<u>12,234,487</u>	<u>16,130,321</u>	<u>-24.2%</u>
<b>Liabilities</b>							
Current liabilities	4,246,607	4,619,368	219,158	217,787	4,465,765	4,837,155	-7.7%
Long-term liabilities	129,377,704	130,413,690	134,735	228,342	129,512,439	130,642,032	-0.9%
Total liabilities	<u>133,624,311</u>	<u>135,033,058</u>	<u>353,893</u>	<u>446,129</u>	<u>133,978,204</u>	<u>135,479,187</u>	<u>-1.1%</u>
<b>Deferred inflows of resources</b>							
Pension related inflows	5,159,581	15,203,829	-	-	5,159,581	15,203,829	-66.1%
OPEB related inflows	6,669,015	6,319,641	-	-	6,669,015	6,319,641	5.5%
Unearned revenue - other	8,225,228	6,580,952	102,833	-	8,328,061	6,580,952	26.5%
Total deferred inflows of resources	<u>20,053,824</u>	<u>28,104,422</u>	<u>102,833</u>	<u>-</u>	<u>20,156,657</u>	<u>28,104,422</u>	<u>-28.3%</u>
<b>Net Position</b>							
Net investment in capital assets	29,448,127	7,834,573	277,974	265,547	29,726,101	8,100,120	267.0%
Restricted	30,136,835	23,911,226	69,231	201,775	30,206,066	24,113,001	25.3%
Unrestricted	(100,402,496)	(80,967,161)	(140,536)	275,397	(100,543,032)	(80,691,764)	24.6%
Total net position	<u>\$ (40,817,534)</u>	<u>\$ (49,221,362)</u>	<u>\$ 206,669</u>	<u>\$ 742,719</u>	<u>\$ (40,610,865)</u>	<u>\$ (48,478,643)</u>	<u>-16.2%</u>

# Town of Portsmouth, Rhode Island

## Management Discussion & Analysis (MD&A)

*For the Year Ended June 30, 2023*

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### **Government-wide Financial Analysis (continued)**

#### **Net Position**

As noted earlier, net position may serve as a useful indicator of the government's financial position over time. The Town's combined net position (government and business-type activities) totaled a deficit of \$40,610,865 at the end of 2023, compared to a deficit of \$48,478,643 at the end of the prior year.

Of the Town's net position, \$29,726,101, reflects its investment in capital assets, like land, buildings, equipment, and infrastructure less any outstanding related debt used to acquire that asset. The Town uses these capital assets to provide services to citizens; consequentially, these assets are not available for future spending. Although the Town's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

The restricted net position of \$30,206,066 primarily represents the issuance of a new bond to be used to finance construction, additions, renovations and improvements of schools and school facilities. Internally imposed designations of resources are not presented as restricted net position.

#### **Changes in Net Position**

The Town's net position increased by \$8,403,828 for governmental activities and decreased by \$536,050 for business-type activities for a combined increase in net position of \$7,867,778.

General fund revenues increased due to an increase in property tax revenue, departmental revenue, and federal and state grants and reimbursements. Approximately 68.70% of the Town's total governmental revenues were generated from taxes and payments in lieu of taxes, which is a slight decrease from the prior year. Grants and contributions resulted for 17.85% of revenues. There were slight changes in charges for various goods and services, which provided 6.13% of total revenues, while other revenues and investment and lease income accounted for 7.32% of total revenues, respectively.

The Town's expenses cover a range of services. The most significant expenses were for education, and public safety.

#### **Business-Type Activities**

The business-type activities reported a decrease in revenue of 25.87%, while expenses increased by 31.46% from the prior year.

The business-type activities decreased the Town's net position by \$536,050. This resulted primarily from a \$185,236 decrease in net position of the Septic System Loan Program. There was also a decrease in net position of \$435,538 by the Glen Manor House, a decrease of \$21,918 by the Glen Farm Equestrian, and an increase of \$106,642 from the Transfer Station; each of which contributed to the overall decrease.



# Town of Portsmouth, Rhode Island

## Management Discussion & Analysis (MD&A)

*For the Year Ended June 30, 2023*

### Government-wide Financial Analysis (continued)

Changes in Net Position for the period ending June 30, 2023 and June 30, 2022 (Government-wide level)

	Statement of Activities						Total Percentage Change
	Governmental Activities		Business-Type Activities		Total		
	2023	2022	2023	2022	2023	2022	
<b>Revenues</b>							
Program Revenues:							
Charges for service	\$ 4,120,799	\$ 5,571,079	\$ 1,121,130	\$ 1,604,932	\$ 5,241,929	\$ 7,176,011	-27.0%
Operating grants & contributions	15,465,475	11,139,603	-	-	15,465,475	11,139,603	38.8%
Capital grants & contributions	-	11,900	-	-	-	11,900	-100.0%
General Revenues:							
Property taxes	59,478,590	59,957,332	-	-	59,478,590	59,957,332	-0.8%
State aid to town	4,116,199	4,118,859	-	-	4,116,199	4,118,859	-0.1%
Other revenue	1,941,428	1,055,475	-	-	1,941,428	1,055,475	83.9%
Unrealized loss	-	(12,080)	-	(3,983)	-	(16,063)	-100.0%
Earnings on investments	292,707	11,517	-	-	292,707	11,517	2441.5%
Total revenues	<u>85,415,198</u>	<u>81,853,685</u>	<u>1,121,130</u>	<u>1,600,949</u>	<u>86,536,328</u>	<u>83,454,634</u>	<u>3.7%</u>
<b>Expenses</b>							
General government	7,223,743	7,089,033	-	-	7,223,743	7,089,033	1.9%
Public safety	16,676,200	14,857,010	-	-	16,676,200	14,857,010	12.2%
Public services	4,648,119	6,156,263	-	-	4,648,119	6,156,263	-24.5%
Education	46,766,851	45,423,850	-	-	46,766,851	45,423,850	3.0%
Community services	1,204,681	1,363,894	-	-	1,204,681	1,363,894	-11.7%
Interest on debt	556,103	572,010	-	-	556,103	572,010	-2.8%
Transfer station	-	-	750,383	701,077	750,383	701,077	7.0%
Septic system loan program	-	-	351,061	-	351,061	-	100.0%
Glen farm equestrian	-	-	2,333	10,463	2,333	10,463	-77.7%
Arthur Daniel house	-	-	30,000	30,000	30,000	30,000	0.0%
Glen Manor house	-	-	370,258	374,216	370,258	374,216	-1.1%
Total expenses	<u>77,075,697</u>	<u>75,462,060</u>	<u>1,504,035</u>	<u>1,115,756</u>	<u>78,579,732</u>	<u>76,577,816</u>	<u>2.6%</u>
<b>Excess(deficiency) in net assets before transfers</b>							
	8,339,501	6,391,625	(382,905)	485,193	7,956,596	6,876,818	15.7%
Net gain (loss) on sale of investment	(88,818)	-	-	-	(88,818)	-	0.0%
Transfers in (out)	153,145	(40,000)	(153,145)	40,000	-	-	0.0%
Change in net position	8,403,828	6,351,625	(536,050)	525,193	7,867,778	6,876,818	14.4%
Net position, July 1,	<u>(49,221,362)</u>	<u>(55,572,987)</u>	<u>742,719</u>	<u>217,526</u>	<u>(48,478,643)</u>	<u>(55,355,461)</u>	<u>-12.4%</u>
Net position, June 30	<u>\$ (40,817,534)</u>	<u>\$ (49,221,362)</u>	<u>\$ 206,669</u>	<u>\$ 742,719</u>	<u>\$ (40,610,865)</u>	<u>\$ (48,478,643)</u>	<u>-16.2%</u>

# Town of Portsmouth, Rhode Island

## Management Discussion & Analysis (MD&A)

*For the Year Ended June 30, 2023*

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### **Financial Analysis of the Town of Portsmouth's Funds**

As noted earlier, the Town of Portsmouth uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### ***Governmental Funds***

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$34,528,956. Approximately 24.98% or \$8,629,473 is available from the Town's fund balance for spending at the government's discretion. The remaining fund balance of \$25,899,483 includes \$1,075,657 non-spendable for prepaid items, inventory and permanent funds, \$23,079,253 restricted to specific programs and \$1,744,573 committed.

The General Fund is the chief operation fund of the Town of Portsmouth. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,668,628, while the total fund balance of the General Fund was \$10,869,882. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to the total General Fund budgeted expenditures. Unassigned fund balance represents 14.90% of the FY 2023 Adopted General Fund Expenditure Budget. Total fund balance represents 16.37% of the same budget.

The School Unrestricted fund ending fund balance of \$1,382,672, which includes a committed fund balance of \$874,618 and \$508,054 non-spendable fund balance for prepaid items at June 30, 2023. The committed fund balance represents 2.03% of total School Department expenditures of \$43,653,232. The School Unrestricted fund balance decreased by \$78,147 during the fiscal year ended June 30, 2023.

The Town is reporting one of its capital projects funds as a major fund in fiscal year 2023. This fund began in the fiscal year 2019. This fund expended \$1,324,636 for capital outlay and had revenue of \$364,126 and a transfer in of \$2,011,025 resulting in a net change of \$1,050,515. This fund reported a fund balance at year-end of \$126,125.

The Town is reporting Debt Service Fund as a major fund in fiscal year 2023. The Town issued Series E bonds in FY22 for \$19,510,000, the proceeds of this bond will be used to finance construction, additions, renovation, improvement, alteration, repair furnishing and equipping of schools and school facilities. This fund expended \$2,270,492 for capital outlay. At the end of the fiscal year fund balance for the debt service fund was \$18,651,399.

The Non-Major Governmental Funds had a total fund balance of \$3,498,878, which represents a \$1,293,824 increase in fund balance during the fiscal year ended June 30, 2023.

# Town of Portsmouth, Rhode Island

## Management Discussion & Analysis (MD&A)

*For the Year Ended June 30, 2023*

### ***Proprietary Funds***

The Town's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As discussed in the business-type activities above, the Town's proprietary net position decreased by \$536,050 as a result of operations in the individual enterprise funds. This decrease is due to a \$435,538 decrease in net position of the Glen Manor House, a decrease in net position of \$185,236 by the Septic System Loan Program, an decrease in net position of \$21,918 by the Glen Farm Equestrian, and a \$106,642 increase in the Transfer Station for fiscal year 2023.

### **General Fund Budgetary Highlights**

The general fund incurred a surplus in FY 2023 of \$999,910. Total general fund revenues for the fiscal year were \$66,962,466 and total general fund expenditures and net transfers for the fiscal year were \$65,962,556. Further details of favorable and unfavorable variances of revenue and expense items can be found in the Required Supplementary Information on pages 103 to 104 of the fiscal year 2023 Annual Comprehensive Financial Report.

### **Capital Assets and Debt Administration**

**Capital Assets** -The Town of Portsmouth's capital assets for its governmental activities and business-type activities as of June 30, 2023 amount to \$47,877,276 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, improvements, machinery and equipment, park and recreation facilities, infrastructure and construction in progress. Additional information on the Town of Portsmouth's capital assets can be found in Note 5 (pages 49-50) to the financial statements.

#### **TOWN OF PORTSMOUTH'S CAPITAL ASSETS AT YEAR END NET OF ACCUMULATED DEPRECIATION**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and land easements	\$ 6,175,279	\$ 6,175,279	\$ 37,251	\$ 37,251	\$ 6,212,530	\$ 6,212,530
Construction in progress	1,868,151	48,546	-	-	1,868,151	48,546
Land improvements, net	1,010,733	1,105,039	-	-	1,010,733	1,105,039
Building & improvements, net	21,841,974	21,521,401	271,862	304,038	22,113,836	21,825,439
Machinery and equipment, net	3,226,872	3,312,027	77,203	84,060	3,304,075	3,396,087
Infrastructure, net	10,169,409	10,987,291	-	-	10,169,409	10,987,291
Vehicles, net	2,422,045	1,426,134	-	-	2,422,045	1,426,134
Right to use-equipment	776,497	1,440,424	-	-	776,497	1,440,424
Total	\$ 47,490,960	\$ 46,016,141	\$ 386,316	\$ 425,349	\$ 47,877,276	\$ 46,441,490

# Town of Portsmouth, Rhode Island

## Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2023

### Capital Assets and Debt Administration (continued)

**Debt Administration** - At the end of the current fiscal year, the Town of Portsmouth had total bonded debt outstanding of \$35,315,351 and leases outstanding of \$844,973, entirely backed by the full faith and credit of the Town. Additional information on the Town of Portsmouth's debt obligations can be found in Note 7 (pages 51-53) to the financial statements.

#### TOWN OF PORTSMOUTH'S OUTSTANDING DEBT AT YEAR END BONDS, LOANS AND CAPITALIZED LEASES PAYABLE

	Governmental Activities		Debt Administration Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Bonds and notes payable	\$ 35,155,485	\$ 36,741,144	\$ 159,866	\$ 219,800	\$ 35,315,351	\$ 36,960,944
Leases	776,497	1,440,424	68,476	100,002	844,973	1,540,426
Total	<u>\$ 35,931,982</u>	<u>\$ 38,181,568</u>	<u>\$ 228,342</u>	<u>\$ 319,802</u>	<u>\$ 36,160,324</u>	<u>\$ 38,501,370</u>

State statutes limit the amount of general obligation bonded debt a town can issue to 3 percent of net assessed property values. The Town of Portsmouth has a policy that places the limit at 2 percent of net assessed property values and the ratio of annual debt service payments shall not exceed 15% of the operating budget's expenditures. Bonds approved by the State enabling legislation and voter referendums are exempt from the limit. As of June 30, 2023, the Town had a debt limit of \$144,381,914 at the State level and \$80,699,043 at a local level.

In October of 2015 the Town of Portsmouth was rated "AAA" by S&P Global Ratings as part of a bond offering, their highest rating. S&P Global Ratings affirmed the Town's "AAA" rating on January 5, 2023. Moody's Investors Service rates the Town "Aa2." Moody's affirmed the Town's rating on January 12, 2023.

### Economic Factors

The Town of Portsmouth's total proposed General Fund budget for fiscal year 2024 amounts to \$71,527,874, which reflects an increase of 2.06% over the fiscal 2023 budget. Of the Town's \$71,527,874 budget, \$40,784,044 or 57.02% is budgeted for the Portsmouth Public Schools. The Town is budgeted to receive \$3,592,615 or 5.00% from the State of Rhode Island for aid for Education.

The Town's tax rate for fiscal year 2024 is \$12.865 per thousand vs \$15.65 per thousand in fiscal year 2023.

### Requests for Information

This financial report is designed to provide a general overview of the Town of Portsmouth's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 2200 East Main Road, Portsmouth, RI 02871.

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# Town of Portsmouth, Rhode Island

## Statement of Net Position

June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<i>Current Assets:</i>			
Cash and cash equivalents	\$ 10,938,585	\$ -	\$ 10,938,585
Restricted cash	19,187,434	3,052	19,190,486
Investments	6,697,954	-	6,697,954
<b>Receivables, net</b>			
Personal property taxes	1,104,230	-	1,104,230
Ambulance receivables, net	710,603	-	710,603
Intergovernmental	738,382	-	738,382
Departmental and other	1,279,014	147,649	1,426,663
Lease receivable-current	136,042	-	136,042
Internal balances	(126,378)	126,378	-
Prepaid items	782,126	-	782,126
Inventory	57,227	-	57,227
<b>Noncurrent Assets:</b>			
Lease receivable long-term	4,808,657	-	4,808,657
Net pension asset	6,821,278	-	6,821,278
<b>Capital assets:</b>			
Nondepreciable assets	8,043,430	37,251	8,080,681
Depreciable assets, net	38,671,033	349,065	39,020,098
Right-to-use lease asset, net	776,497	-	776,497
<b>Total capital assets</b>	47,490,960	386,316	47,877,276
Total assets	100,626,114	663,395	101,289,509
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related outflows	9,887,285	-	9,887,285
OPEB related outflows	2,347,202	-	2,347,202
Total deferred outflows of resources	12,234,487	-	12,234,487
<b>Total assets and deferred outflows of resources</b>	\$ 112,860,601	\$ 663,395	\$ 113,523,996

*The accompanying notes are an integral part of this statement*

# Town of Portsmouth, Rhode Island

## Statement of Net Position

June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
<i>Current liabilities:</i>			
Accounts payable and accrued expenses	\$ 1,809,395	\$ 120,051	\$ 1,929,446
Other liabilities	43,015	-	43,015
Accrued interest	268,624	5,500	274,124
Payables to external parties	353,537	-	353,537
Current position of lease payable	285,047	33,674	318,721
Current portion of bonds and notes payable	1,390,563	59,933	1,450,496
Current portion of compensated absences	96,426	-	96,426
<i>Noncurrent liabilities</i>			
Leases payable	491,450	34,802	526,252
Bonds and notes payable	33,764,922	99,933	33,864,855
Compensated absences	1,832,088	-	1,832,088
Net other post-employment benefit liability	18,310,475	-	18,310,475
Net pension liability	74,978,769	-	74,978,769
<b>Total liabilities</b>	<b>133,624,311</b>	<b>353,893</b>	<b>133,978,204</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related inflows	5,159,581	-	5,159,581
OPEB related inflows	6,669,015	-	6,669,015
Deferred leases	4,944,699	-	4,944,699
Deferred prepaid tax in advance	59,517	-	59,517
Deferred Melville Campground rent	54,579	-	54,579
Deferred Glen Manor rent	717,939	-	717,939
Deferred America Rescue Plan Act	2,355,858	-	2,355,858
Deferred revenue - other	92,636	102,833	195,469
<b>Total deferred inflows of resources</b>	<b>20,053,824</b>	<b>102,833</b>	<b>20,156,657</b>
<b>NET POSITION</b>			
Net investment in capital assets	29,448,127	277,974	29,726,101
Restricted for:			
Nonexpendable:			
Corpus of endowment fund	236,304	-	236,304
Expendable:			
Septic system loan program	-	69,231	69,231
General government	451,139	-	451,139
Public safety programs	1,139,002	-	1,139,002
Educational purposes	772,268	-	772,268
Public works and social services	849,142	-	849,142
Community services	30,414	-	30,414
Capital projects	1,174,762	-	1,174,762
Debt service fund	18,651,399	-	18,651,399
Permanent fund expendable	11,127	-	11,127
Pension Asset:			
Teacher's survivor benefit	6,395,225	-	6,395,225
MERS - Fire	6,209	-	6,209
MERS - Police	419,844	-	419,844
Unrestricted	(100,402,496)	(140,536)	(100,543,032)
<b>Total net position</b>	<b>(40,817,534)</b>	<b>206,669</b>	<b>(40,610,865)</b>
<b>Total liabilities, deferred inflows or resources and net position</b>	<b>\$ 112,860,601</b>	<b>\$ 663,395</b>	<b>\$ 113,523,996</b>

*The accompanying notes are an integral part of this statement*

**Town of Portsmouth, Rhode Island**

Statement of Activities

*For the Year Ended June 30, 2023*

	<u>Net (Expense) Revenue and Changes in Net</u>						
	<u>Program Revenues</u>			<u>Primary Government</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Governmental Activities</b>							
General government	\$ 7,223,743	\$ 1,521,334	\$ 2,604,479	\$ -	\$ (3,097,930)	\$ -	\$ (3,097,930)
Public safety	16,676,200	1,097,712	2,569,839	-	(13,008,649)	-	(13,008,649)
Public services	4,648,119	912,647	788,907	-	(2,946,565)	-	(2,946,565)
Education	46,766,851	589,106	9,256,015	-	(36,921,730)	-	(36,921,730)
Community services	1,204,681	-	246,235	-	(958,446)	-	(958,446)
Interest on debt	556,103	-	-	-	(556,103)	-	(556,103)
Total governmental activities	<u>77,075,697</u>	<u>4,120,799</u>	<u>15,465,475</u>	<u>-</u>	<u>(57,489,423)</u>	<u>-</u>	<u>(57,489,423)</u>
<b>Business-Type Activities</b>							
Portsmouth transfer station	750,383	857,025	-	-	-	106,642	106,642
Septic system loan program	351,061	-	-	-	-	(351,061)	(351,061)
Glen farm equestrian	2,333	28,309	-	-	-	25,976	25,976
Arthur Daniel house	30,000	30,000	-	-	-	-	-
Glen Manor house	370,258	205,796	-	-	-	(164,462)	(164,462)
Total business-type activities	<u>1,504,035</u>	<u>1,121,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(382,905)</u>	<u>(382,905)</u>
Total Town of Portsmouth	<u>\$78,579,732</u>	<u>\$5,241,929</u>	<u>\$ 15,465,475</u>	<u>\$ -</u>	<u>\$(57,489,423)</u>	<u>\$ (382,905)</u>	<u>\$(57,872,328)</u>

*The accompanying notes are an integral part of this statement*



# Town of Portsmouth, Rhode Island

## Statement of Activities

*For the Year Ended June 30, 2023*

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Town of Portsmouth, Rhode Island	\$ (57,489,423)	\$ (382,905)	\$ (57,872,328)
<b>General revenues</b>			
Real estate and personal property, net of reserve for abatements	59,478,590	-	59,478,590
Hotels and meals tax	458,035	-	458,035
Telephone tax	214,714	-	214,714
Earnings on investments	292,707	-	292,707
State aid to town	2,737,298	-	2,737,298
Group home aid	473,573	-	473,573
Medicaid	232,579	-	232,579
Miscellaneous	1,941,428	-	1,941,428
	<u>65,828,924</u>	<u>-</u>	<u>65,828,924</u>
<b>Total general revenues</b>			
	<u>65,828,924</u>	<u>-</u>	<u>65,828,924</u>
<b>Transfers</b>			
Net gain (loss) on sale of investment	(88,818)	-	(88,818)
Transfers in (out)	153,145	(153,145)	-
	<u>64,327</u>	<u>(153,145)</u>	<u>(88,818)</u>
<b>Total transfers</b>			
	<u>64,327</u>	<u>(153,145)</u>	<u>(88,818)</u>
<b>Total general revenues and transfers</b>			
	<u>65,893,251</u>	<u>(153,145)</u>	<u>65,740,106</u>
Changes in net position	8,403,828	(536,050)	7,867,778
Net position - July 1, 2022	(49,221,362)	742,719	(48,478,643)
Net position - June 30, 2023	<u>\$ (40,817,534)</u>	<u>\$ 206,669</u>	<u>\$ (40,610,865)</u>

*The accompanying notes are an integral part of this statement*

# Town of Portsmouth, Rhode Island

## Governmental Funds

### Balance Sheet

*June 30, 2023*

	Major Fund				Non-Major	Total
	General Fund	School Unrestricted Fund	Town Capital Project Fund	Debt Service Fund	Governmental Funds	Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 8,385,338	\$ 1,596,915	\$ 6,275	\$ -	\$ 950,057	\$ 10,938,585
Restricted cash	-	-	-	19,187,434	-	19,187,434
Investments	6,631,797	-	-	-	66,157	6,697,954
Receivables:						
Property taxes, net	1,104,230	-	-	-	-	1,104,230
Intergovernmental	-	-	-	-	738,382	738,382
Ambulance receivable, net	710,603	-	-	-	-	710,603
Lease receivable	4,944,699	-	-	-	-	4,944,699
Other	1,223,490	54,564	-	-	960	1,279,014
Due from other funds	3,504	-	168,084	-	6,207,563	6,379,151
Inventory	57,227	-	-	-	-	57,227
Prepaid items	274,072	508,054	-	-	-	782,126
<b>Total assets</b>	<b>23,334,960</b>	<b>2,159,533</b>	<b>174,359</b>	<b>19,187,434</b>	<b>7,963,119</b>	<b>52,819,405</b>
<b>Deferred outflows of resources</b>						
Deferred outflows	-	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>23,334,960</b>	<b>2,159,533</b>	<b>174,359</b>	<b>19,187,434</b>	<b>7,963,119</b>	<b>52,819,405</b>
<b>Liabilities</b>						
Accounts payable and accrued expenses	602,742	295,399	48,234	536,035	326,985	1,809,395
Other liabilities	43,015	-	-	-	-	43,015
Payable to external parties	353,537	-	-	-	-	353,537
Due to other funds	4,312,557	411,574	-	-	1,781,398	6,505,529
<b>Total liabilities</b>	<b>5,311,851</b>	<b>706,973</b>	<b>48,234</b>	<b>536,035</b>	<b>2,108,383</b>	<b>8,711,476</b>
<b>Deferred inflows of resources</b>						
Deferred ambulance revenue	710,691	-	-	-	-	710,691
Deferred leases	4,944,699	-	-	-	-	4,944,699
Deferred prepaid taxes in advance	59,517	-	-	-	-	59,517
Deferred property tax revenue	643,054	-	-	-	-	643,054
Deferred Melville Campground rent	54,579	-	-	-	-	54,579
Deferred Glen Manor rent	717,939	-	-	-	-	717,939
Deferred America Rescue Plan Act	-	-	-	-	2,355,858	2,355,858
Deferred revenue - other	22,748	69,888	-	-	-	92,636
<b>Total deferred inflows of resources</b>	<b>7,153,227</b>	<b>69,888</b>	<b>-</b>	<b>-</b>	<b>2,355,858</b>	<b>9,578,973</b>
<b>Fund balance</b>						
Nonspendable	331,299	508,054	-	-	236,304	1,075,657
Restricted	-	-	126,125	18,651,399	4,301,729	23,079,253
Committed	869,955	874,618	-	-	-	1,744,573
Unassigned	9,668,628	-	-	-	(1,039,155)	8,629,473
<b>Total fund balance</b>	<b>10,869,882</b>	<b>1,382,672</b>	<b>126,125</b>	<b>18,651,399</b>	<b>3,498,878</b>	<b>34,528,956</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 23,334,960</b>	<b>\$ 2,159,533</b>	<b>\$ 174,359</b>	<b>\$ 19,187,434</b>	<b>\$ 7,963,119</b>	<b>\$ 52,819,405</b>

*The accompanying notes are an integral part of this statement*

## Town of Portsmouth, Rhode Island

### Reconciliation of the Governmental Funds Balance Sheet Total

#### Fund Balances to the Statement of Net Position

June 30, 2023

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Total governmental fund balances	\$ 34,528,956
Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, net	47,490,960
TSB and MERS net pension asset	6,821,278
Other deferred taxes and ambulance receivables are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the funds.	
Deferred property taxes revenue	643,054
Deferred ambulance revenue	710,691
Other long-term assets related to net pension and OPEB activity and therefore, are deferred inflows of resources in the funds.	
Pension related inflows	(5,159,581)
OPEB related inflows	(6,669,015)
Other long-term liabilities related to net pension and OPEB activity and therefore, are deferred outflows of resources in the funds.	
Pension related outflows	9,887,285
OPEB related outflows	2,347,202
In the statement of activities, interest is accrued on outstanding long-term debt whereas in governmental funds interest is not reported until due.	(268,624)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds.	
Bonds and notes payable	(35,155,485)
Leases	(776,497)
Compensated absences	(1,928,514)
Other postemployment benefits	(18,310,475)
Town net pension liability	(48,808,414)
ERS net pension liability	(26,170,355)
Net position (deficit) of governmental activities	<u>\$ (40,817,534)</u>

*The accompanying notes are an integral part of this statement*

# Town of Portsmouth, Rhode Island

## Governmental Funds

### Statement of Revenues, Expenditures and Changes in Fund Balances

*For the Year Ended June 30, 2023*

	Major Fund			Debt Service Fund	Non-Major	Total
	General Fund	School Unrestricted Fund	Town Capital Project Fund		Governmental Funds	Governmental Funds
<b>Revenues</b>						
General property taxes and interest	\$ 59,695,882	\$ -	\$ -	\$ -	\$ -	\$ 59,695,882
State aid and grants	3,198,870	4,121,227	296,809	622,312	5,870,867	14,110,085
Licenses, permits, and fees	2,980,615	-	-	-	-	2,980,615
Charges for services	483,628	1,819,402	-	-	818,595	3,121,625
Investment income (loss)	281,580	-	-	-	11,127	292,707
Other revenue	321,891	28,951	67,317	-	1,352,171	1,770,330
State contribution to pension plan	-	2,122,895	-	-	-	2,122,895
<b>Total revenues</b>	<b>66,962,466</b>	<b>8,092,475</b>	<b>364,126</b>	<b>622,312</b>	<b>8,052,760</b>	<b>84,094,139</b>
<b>Expenditures</b>						
General government	6,295,151	-	-	-	542,752	6,837,903
Public safety	14,496,809	-	-	-	1,951,659	16,448,468
Public works	3,694,868	-	-	-	9,348	3,704,216
Public and social services	938,963	-	-	-	6,636	945,599
Parks and recreation	249,239	-	-	-	-	249,239
Education	-	43,123,813	-	-	3,848,548	46,972,361
Capital outlay	176,516	529,419	1,324,636	2,270,492	1,228,158	5,529,221
Debt service						
Principal	1,473,866	-	-	-	-	1,473,866
Interest	468,489	-	-	-	-	468,489
<b>Total expenditures</b>	<b>27,793,901</b>	<b>43,653,232</b>	<b>1,324,636</b>	<b>2,270,492</b>	<b>7,587,101</b>	<b>82,629,362</b>
Excess (deficiency) of revenues over expenditures	39,168,565	(35,560,757)	(960,510)	(1,648,180)	465,659	1,464,777
<b>Other financing sources (uses)</b>						
Net gain (loss) on sale of investment	-	-	-	(88,818)	-	(88,818)
Transfers in	196,756	35,970,214	2,011,025	-	2,056,692	40,234,687
Transfers out	(38,365,411)	(487,604)	-	-	(1,228,527)	(40,081,542)
<b>Total other financing sources (uses)</b>	<b>(38,168,655)</b>	<b>35,482,610</b>	<b>2,011,025</b>	<b>(88,818)</b>	<b>828,165</b>	<b>64,327</b>
<b>Net change in fund balance</b>	<b>999,910</b>	<b>(78,147)</b>	<b>1,050,515</b>	<b>(1,736,998)</b>	<b>1,293,824</b>	<b>1,529,104</b>
Fund balance, July 1, 2022	9,869,972	1,460,819	(924,390)	20,388,397	2,205,054	32,999,852
Fund balance, June 30, 2023	<u>\$ 10,869,882</u>	<u>\$ 1,382,672</u>	<u>\$ 126,125</u>	<u>\$ 18,651,399</u>	<u>\$ 3,498,878</u>	<u>\$ 34,528,956</u>

*The accompanying notes are an integral part of this statement*

## Town of Portsmouth, Rhode Island

### Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

*For the Year Ended June 30, 2023*

Net change in fund balances - total governmental funds	\$ 1,529,104
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>	
Cost basis, acquisition of assets	5,537,696
Depreciation expense	(4,062,877)
	1,474,819
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources.</p>	
Deferred taxes	(217,292)
Deferred ambulance revenue	319,806
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Principal paid on bonds	1,473,866
Bond premium amortized	111,793
Lease payments	663,927
<p>In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest, is not reported until due.</p>	
	(87,614)
<p>Some expenses reported in the Statement of Activities, such as compensated absences, do not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds.</p>	
	196,671
<p>The other postemployment benefit expense reported in the Statement of Activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds.</p>	
Change in OPEB related outflows	(1,288,739)
Change in OPEB related inflows	(349,374)
Change in net OPEB liability	2,032,103
<p>The net pension asset / liability expense reported in the Statement of Activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds.</p>	
Change in net pension asset	(2,114,715)
Change in pension related outflows	(2,607,095)
Change in pension related inflows	10,044,248
Change in net pension liability	(2,777,680)
	8,403,827
Change in net position of governmental activities	\$ 8,403,827

*The accompanying notes are an integral part of this statement*

**Town of Portsmouth, Rhode Island**

Proprietary Funds

Statement of Net Position

*June 30, 2023*

	<u>Arthur Daniel House</u>	<u>Septic System Loan Program</u>	<u>Glen Farm Equestrian</u>	<u>Transfer Station</u>	<u>Glen Manor House</u>	<u>Total</u>
<b>Assets</b>						
Current assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash	-	3,052	-	-	-	3,052
Receivables, net:						
Other	29,934	19,841	72,833	25,041	-	147,649
Due from other funds	7,566	114,605	52,692	-	53,425	228,288
Total current assets	<u>37,500</u>	<u>137,498</u>	<u>125,525</u>	<u>25,041</u>	<u>53,425</u>	<u>378,989</u>
Non-current assets						
Nondepreciable	-	-	-	37,251	-	37,251
Depreciable, net	-	-	-	349,065	-	349,065
Total non-current assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>386,316</u>	<u>-</u>	<u>386,316</u>
Total assets	<u><u>37,500</u></u>	<u><u>137,498</u></u>	<u><u>125,525</u></u>	<u><u>411,357</u></u>	<u><u>53,425</u></u>	<u><u>765,305</u></u>
<b>Deferred outflows of resources</b>						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u><u>\$ 37,500</u></u>	<u><u>\$ 137,498</u></u>	<u><u>\$ 125,525</u></u>	<u><u>\$ 411,357</u></u>	<u><u>\$ 53,425</u></u>	<u><u>\$ 765,305</u></u>

*The accompanying notes are an integral part of this statement*

**Town of Portsmouth, Rhode Island**

Proprietary Funds

Statement of Net Position

*June 30, 2023*

	<u>Arthur Daniel House</u>	<u>Septic System Loan Program</u>	<u>Glen Farm Equestrian</u>	<u>Transfer Station</u>	<u>Glen Manor House</u>	<u>Total</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable and accrued expenses	\$ 7,500	\$ 959	\$ -	\$ 58,167	\$ 53,425	\$ 120,051
Accrued interest payable	-	-	-	5,500	-	5,500
Due to other funds	-	-	-	101,910	-	101,910
Current portion of lease payable	-	-	-	33,674	-	33,674
Current portion of bonds payable	-	40,000	-	19,933	-	59,933
Total current liabilities	<u>7,500</u>	<u>40,959</u>	<u>-</u>	<u>219,184</u>	<u>53,425</u>	<u>321,068</u>
Non-current liabilities:						
Lease payable	-	-	-	34,802	-	34,802
Bonds payable	-	80,000	-	19,933	-	99,933
Total non-current liabilities	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>54,735</u>	<u>-</u>	<u>134,735</u>
Total liabilities	<u>7,500</u>	<u>120,959</u>	<u>-</u>	<u>273,919</u>	<u>53,425</u>	<u>455,803</u>
<b>Deferred inflows of resources</b>						
Deferred revenue	<u>30,000</u>	<u>-</u>	<u>72,833</u>	<u>-</u>	<u>-</u>	<u>102,833</u>
Total liability and deferred inflows of resources	<u>37,500</u>	<u>120,959</u>	<u>72,833</u>	<u>273,919</u>	<u>53,425</u>	<u>558,636</u>
<b>Net position</b>						
Net investment in capital assets	-	-	-	277,974	-	277,974
Restricted	-	16,539	52,692	-	-	69,231
Unrestricted	-	-	-	(140,536)	-	(140,536)
Total net position	<u>\$ -</u>	<u>\$ 16,539</u>	<u>\$ 52,692</u>	<u>\$ 137,438</u>	<u>\$ -</u>	<u>\$ 206,669</u>

*The accompanying notes are an integral part of this statement*

**Town of Portsmouth, Rhode Island**

Proprietary Funds

Statement Revenues, Expenses and Changes in Net Position

*For the Year Ended June 30, 2023*

	<b>Arthur Daniel House</b>	<b>Septic System Loan Program</b>	<b>Glen Farm Equestrian</b>	<b>Transfer Station</b>	<b>Glen Manor House</b>	<b>Total</b>
<b>Operating revenues</b>						
Charges for sales and services	\$ 30,000	\$ -	\$ 28,309	\$ 857,025	\$ 205,796	\$ 1,121,130
Total operating revenues	30,000	-	28,309	857,025	205,796	1,121,130
<b>Operating expenses</b>						
Glen farm equestrian	-	-	2,333	-	-	2,333
Transfer station expenses	-	-	-	710,353	-	710,353
Septic system loan program	-	347,171	-	-	-	347,171
Arthur D. House	30,000	-	-	-	-	30,000
Glen Manor House	-	-	-	-	370,258	370,258
Depreciation and amortization	-	-	-	39,033	-	39,033
Total operating expenses	30,000	347,171	2,333	749,386	370,258	1,499,148
Operating income (loss)	-	(347,171)	25,976	107,639	(164,462)	(378,018)
<b>Nonoperating revenues (expenses)</b>						
Interest income (expense)	-	(3,890)	-	(997)	-	(4,887)
Income (loss) before transfers	-	(351,061)	25,976	106,642	(164,462)	(382,905)
<b>Transfers</b>						
Transfers in (out)	-	165,825	(47,894)	-	(271,076)	(153,145)
Total transfers	-	165,825	(47,894)	-	(271,076)	(153,145)
Change in net position	-	(185,236)	(21,918)	106,642	(435,538)	(536,050)
Net position, July 1, 2022	-	201,775	74,610	30,796	435,538	742,719
Net position, June 30, 2023	\$ -	\$ 16,539	\$ 52,692	\$ 137,438	\$ -	\$ 206,669

*The accompanying notes are an integral part of this statement*



# Town of Portsmouth, Rhode Island

## Proprietary Funds

### Statement of Cash Flows

*For the Year Ended June 30, 2023*

	Arthur Daniel House	Septic System Loan Program	Glen Farm Equestrian	Transfer Station	Glen Manor House	Total
<b>Cash flows from operating activities:</b>						
Receipts from customers and users	\$ 550	\$ 13,161	\$ 28,309	\$ 857,025	\$ 205,796	\$ 1,104,841
Payments to suppliers of goods and services	(49)	(347,812)	(4,513)	(737,558)	(341,709)	(1,431,641)
Net cash provided (used) by operating activities	501	(334,651)	23,796	119,467	(135,913)	(326,800)
<b>Cash flows from noncapital financing activities:</b>						
Tranfers To/From other funds	-	165,825	(47,894)	-	(271,076)	(153,145)
Due to/from other funds	(501)	(81,294)	24,098	(67,760)	406,989	281,532
Net cash provided (used) by noncapital financing activities	(501)	84,531	(23,796)	(67,760)	135,913	128,387
<b>Cash flows from capital and related financing activities:</b>						
Bond and lease principal payments	-	(40,000)	-	(51,459)	-	(91,459)
Bond interest payments	-	(3,890)	-	(248)	-	(4,138)
Net cash provided (used) by capital and related financing activities	-	(43,890)	-	(51,707)	-	(95,597)
<b>Cash flows from investing activities:</b>						
Interest received	-	-	-	-	-	-
Net cash provided by investing activities	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	-	(294,010)	-	-	-	(294,010)
Balances-beginning of the year	-	297,062	-	-	-	297,062
Balances-end of the year	\$ -	\$ 3,052	\$ -	\$ -	\$ -	\$ 3,052
Displayed as:						
Cash and cash equivalents	-	-	-	-	-	-
Restricted cash	-	3,052	-	-	-	3,052
Total	\$ -	\$ 3,052	\$ -	\$ -	\$ -	\$ 3,052

*The accompanying notes are an integral part of this statement*

**Town of Portsmouth, Rhode Island**

Proprietary Funds

Statement of Cash Flows

*For the Year Ended June 30, 2023*

<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	<b>Arthur Daniel House</b>	<b>Septic System Loan Program</b>	<b>Glen Farm Equestrian</b>	<b>Transfer Station</b>	<b>Glen Manor House</b>	<b>Total</b>
Operating income (loss)	\$ -	\$ (347,171)	\$ 25,976	\$ 107,639	\$ (164,462)	\$ (378,018)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	-	-	-	39,033	-	39,033
Change in assets and liabilities:						
(Increase) decrease in user charges receivables, net	-	13,161	-	-	-	13,161
(Increase) decrease in intergovernmental receivable	550	-	-	-	-	550
Increase (decrease) in accounts payable	(49)	(641)	(2,180)	(27,205)	28,549	(1,526)
Net cash provided (used) by operating activities	\$ 501	\$ (334,651)	\$ 23,796	\$ 119,467	\$ (135,913)	\$ (326,800)

*The accompanying notes are an integral part of this statement*

# Town of Portsmouth, Rhode Island

## Fiduciary Funds

### Statement of Fiduciary Net Position

June 30, 2023

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	<b>Employee Benefit Trust Funds</b>	<b>Custodial Funds</b>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 807,687
Investments, at fair value		
Mutual funds	65,241,964	-
Fixed income securities	2,351,627	-
Receivables	-	353,537
	<hr/>	<hr/>
Total assets	67,593,591	1,161,224
	<hr/>	<hr/>
<b>Deferred outflows of resources</b>		
Deferred outflows	-	-
	<hr/>	<hr/>
Total assets and deferred outflows of resources	\$ 67,593,591	\$ 1,161,224
	<hr/>	<hr/>
<b>Liabilities</b>		
Accounts payable	-	5
	<hr/>	<hr/>
Total liabilities	-	5
	<hr/>	<hr/>
<b>Deferred inflows of resources</b>		
Unearned revenue	-	-
	<hr/>	<hr/>
Total deferred inflows of resources	-	-
	<hr/>	<hr/>
<b>Net Position</b>		
Restricted for pension	65,241,964	-
Restricted for OPEB	2,351,627	-
Restricted for Custodial Funds	-	1,161,219
	<hr/>	<hr/>
Total net position	67,593,591	1,161,219
	<hr/>	<hr/>
Total liabilities and net position	\$ 67,593,591	\$ 1,161,224
	<hr/>	<hr/>

*The accompanying notes are an integral part of this statement*

# Town of Portsmouth, Rhode Island

## Fiduciary Funds

### Statement of Changes in Fiduciary Net Position

*For the Year Ended June 30, 2023*

	<b>Employee Benefit Trust Funds</b>	<b>Custodial Funds</b>
<b>Additions</b>		
<b>Contributions:</b>		
Employer contributions	\$ 5,505,235	\$ -
Plan member contributions	387,511	-
Other adjustments	25,558	-
Funds received on behalf of others	-	395,505
<i>Total contributions</i>	5,918,304	395,505
<b>Investment Income:</b>		
Net appreciation in the fair value	6,634,613	63,918
<i>Total investment income</i>	6,634,613	63,918
Less: Investment expense	(31,678)	-
Total additions	12,521,239	459,423
<b>Deductions</b>		
Benefits paid	7,067,385	-
Administrative expenses	140,068	-
Funds distributed on behalf of others	-	420,485
<i>Total deductions</i>	7,207,453	420,485
Changes in net position held in trust for individuals, organizations, and other governments	5,313,786	38,938
Net position, July 1, 2022	62,279,805	1,122,281
Net position, June 30, 2023	\$ 67,593,591	\$ 1,161,219

*The accompanying notes are an integral part of this statement*

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

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### 1. Summary of significant accounting policies

The basic financial statements of the Town of Portsmouth, Rhode Island (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental entities (U.S. GAAP). In certain instances, summaries of the Town's significant accounting policies have been presented throughout the notes to the basic financial statements in conjunction with other disclosures to which they relate. Certain immaterial differences in the accompanying financial statements may exist due to rounding.

#### **Financial reporting entity:**

Portsmouth was established in 1638 and incorporated as a Town in 1640. The Town of Portsmouth (the Town) is governed largely under the 1958 Home Rule Charter, which provides for a Council- Administrator form of government. The Town provides various services including education, solid waste disposal, public safety (police and fire), public works, (engineering, highway, recycling, public buildings, parks and recreation), social services and general government services.

As a general rule, the effect of inter-fund activity has been eliminated from the Government-wide financial statements. However, inter-fund services provided and used are not eliminated in the process of consolidation.

#### **Reporting Entity**

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 61, The Financial Reporting entity: Omnibus an amendment of GASB Statements No. 14 and No. 34. Under GASB Statement No. 61, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example, any one of the following conditions exists:

- a) The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
- b) The primary government is obligated in some manner for the debt of the organization.

The following entity was considered for classification as a component unit for fiscal year 2023:

- \* Portsmouth Water and Fire District

The Portsmouth Water and Fire District is a separate legal entity that appoints its own board members, sets its own billing rates and is not fiscally dependent upon the Town of Portsmouth. As a result, the Portsmouth Water and Fire District has not been included as a component unit.

The Town of Portsmouth does not have any component units.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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### 1. Summary of significant accounting policies (continued)

#### **Basis of presentation:**

##### *Government-wide financial statements:*

The statement of net position and statement of activities display information about the Town as a whole and distinguish between governmental and business-type activities. They include all funds of the Town except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between expenses and program revenue for each function of the Town's governmental activities. Program revenues include a) fees, fines and charges paid by the recipients of goods or services offered by the programs and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenue.

##### *Fund financial statements:*

Fund financial statements of the Town are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets both of the following criteria:

- a) Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent (10%) of the corresponding total for all funds of that category or type; and
- b) Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least five percent (5%) of the corresponding total for all governmental and enterprise funds combined.

All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Fund types used by the Town and a description of the funds comprising each are as follows:

##### *Governmental funds:*

Governmental funds are used to account for operations that supply basic government services.

The Town uses the following governmental funds:

##### *General Fund:*

The General Fund is the primary operating fund of the Town and is always classified as a major fund. It is used to account for and report all activities except those legally or administratively required to be accounted for in other funds.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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### 1. Summary of significant accounting policies (continued)

#### **Basis of presentation (continued):**

##### ***Fund financial statements (continued)***

###### *Special revenue funds:*

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Town's major special revenue fund is the School Unrestricted Fund, which provides primary education to the Town's children. Revenues for the School Unrestricted Fund derived primarily from State and Federal Aid and transfers from the Town.

###### *Debt Service fund:*

Accounts for the activities to funds received from the issuance of debt for the Schools' remodeling and improvement.

###### *Capital projects funds:*

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned for the acquisition or construction of specific capital projects or items. The Town's Capital Projects Fund is a major fund.

###### *Permanent funds:*

Permanent funds account for and report assets held by the Town where the principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund. The Town's permanent funds are all non-major funds.

###### *Proprietary funds:*

Proprietary funds are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Of the Town's five enterprise funds, the Glen Manor House and the Transfer Station Funds are major funds. The Town's management has elected to present the remaining non-major enterprise funds as major funds. The Town has no internal service funds.

###### *Fiduciary funds:*

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the Government-wide Financial Statements because the resources of these funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. They use the economic resources measurement focus and accrual basis of accounting.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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### 1. Summary of significant accounting policies (continued)

#### **Basis of presentation (continued):**

#### ***Fund financial statements – Governmental Funds (continued):***

##### *Pension trusts:*

Pension trust funds account for contributions made by the Town and its participating employees to provide retirement benefits to participating employees.

##### *Other postemployment benefits (OPEB) trust:*

The OPEB Trust fund accounts for contributions made by the Town and its participating employees to provide postemployment benefits (health insurance) to participating employees.

The following fiduciary funds are used by the Town:

##### *Custodial funds:*

Custodial funds are established when the Town holds assets in custody for others in a custodial capacity. The reporting entity includes ten custodial funds (Soil Erosion Fund, Glen Manor House Deposit Fund, New Development Road Bond, Glen Park Damage Deposit Fund, Probate Court Fund, Prescott Point Fund, and four Student Activities funds).

#### **Measurement focus and basis of accounting:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are susceptible to accrual. Susceptibility occurs when revenues are both measurable and available for liquidating liabilities of the current period. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (sixty days). Expenditures, including capital outlays, are recognized when a liability has been incurred, except for those involving debt service and other long-term obligations that are recognized when paid.

Those revenues susceptible to accrual are property taxes, special assessments, federal impact aid, state aid, meals and hotel taxes collected by the State of Rhode Island (the State) on behalf of the Town, interest and charges for services. Fines, licenses and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash; therefore, they are recognized when received.



# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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### 1. Summary of significant accounting policies (continued)

#### **Basis of presentation (continued):**

##### ***Fund financial statements – Governmental Funds (continued):***

Recognition of grant revenues is based on the susceptibility of accrual as determined by the legal and contractual requirements established by each grantor. For grants not restrictive as to specific purposes and revocable only for failure to comply with general prescribed requirements, revenues are recognized when actually received. Where expenditure is the prime factor in determining eligibility, grant revenue is recognized as allowable expenditures are made provided, they are collected during the year or within 60 days subsequent to year-end. Prior to expenditure, proceeds are recorded as unearned revenues.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The Town currently maintains five enterprise funds (Transfer Station Fund, Septic System Loan Program, Arthur Daniel House, Glen Manor House and Glen Farm Equestrian). The Town currently does not have Internal Service Funds. Operating expenses for the proprietary funds include the cost of programs and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, and then unrestricted resources as they are needed.

#### **Cash and Cash Equivalents:**

Cash and cash equivalents consist of cash on hand, time and demand deposits and short-term investments maturing within three months from the date of acquisition.

Cash and cash equivalents consist of cash on hand, time and demand deposits and all highly liquid investments with a maturity of three months or less when purchased. Under Rhode Island laws, depository institutions holding deposits of the State, its agencies or governmental subdivision of the State, must insure or pledge eligible collateral equal to 100% of the deposits maturing in greater than sixty days. Any institutions not meeting certain federally prescribed minimum capital standards must insure deposits or pledged collateral equal to 100% of the deposits, regardless of maturity. The Town complied with these requirements.

The Town does not have a deposit policy for custodial credit risk or other risks.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

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### 1. Summary of significant accounting policies (continued)

#### **Basis of presentation (continued):**

#### **Measurement focus and basis of accounting (continued)**

#### **Investments:**

Investments are reported at fair value, based on quotations from applicable national securities exchanges. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Unrealized gains and losses from changes in fair value are recognized as investment income. The State does not have pertinent laws regarding investments that apply to cities and towns. The Town does not have an investment policy for custodial credit risk or other risks other than those relating to its pension trust fund and OPEB trust fund (Managed Funds). The Town's Pension/OPEB Trust Fund Investment Advisory Committee is responsible for the supervision of the investment of the Town's Managed Funds investments with the objective of preserving capital and investing with care to minimize the risk of large losses.

#### **Receivables:**

Accounts receivables are recorded in the General, Special Revenue and Enterprise funds. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

#### **Real Estate and Personal Property Taxes:**

For the Government-wide financial statements, property taxes are recognized as revenue in the fiscal year they are levied. For the fund financial statements, property taxes are recognized as revenue in the fiscal year they are levied and become available. To be considered available, property taxes must be due and collected during the year or within 60 days subsequent to year-end. Property taxes not considered available are reported as deferred inflows. Taxes are levied in July on (a) one hundred percent of the full and fair value of real and tangible personal property owned within the Town the previous December 31; and, (b) the value, as determined by the Rhode Island Vehicle Valuation Commission, of vehicles registered within the Town the previous calendar year, prorated for the actual number of days so registered.

Taxes levied in July are payable quarterly on September 1, December 1, March 1 and June 1. Failure to make payments on the prior year's assessment by mid-March will result in a lien on the taxpayer's property. Real estate and personal property tax are shown net of an allowance for uncollectible accounts. The allowance is calculated based on the age of the individual receivables and amounted to \$515,121 at June 30, 2023 in the governmental statement and statement of net position, respectively.

Rhode Island general laws restrict the Town's ability to increase its total tax levy by more than 4.00% over that of the preceding fiscal year.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

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### 1. Summary of significant accounting policies (continued)

#### **Basis of presentation (continued):**

#### **Measurement focus and basis of accounting (continued):**

#### **Due from Federal and State Government:**

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred, and all other grant requirements are met.

These receivables are considered 100% collectible and, therefore, do not report an allowance for uncollectible amounts.

#### **Short Term Interfund Receivables and Payables:**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the governmental funds balance sheet. These internal balances are eliminated in the Government-wide statement of net position.

#### **Inventory and Prepaid Items:**

Inventory reported in the Town's general fund is maintained on a perpetual system and is stated at cost (first in, first out method of inventory valuation). Inventory is generally recorded as expenditures/expenses when consumed. Prepaid items are expenditures paid prior to year-end that relate directly to a future period and therefore are not considered current year expenditures / expenses. The consumption method is utilized by the Town for accounting for prepaid expenses.

#### **Capital Assets and Depreciation:**

Capital assets are reported in the statement of net position in the Government-wide financial statements. Capital assets acquired by governmental funds are reported as capital outlay expenditures.

Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value rather than fair. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend assets' lives are not included in capital assets. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Government-wide statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight line method.

The Town is reporting an intangible right to use assets related to leased equipment and vehicles. These intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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### 1. Summary of significant accounting policies (continued)

The estimated useful lives by type of capital asset are as follows:

Land improvements	20
Buildings and improvements	10-50
Machinery & equipment	4-20
Construction equipment	10
Infrastructure	10-50
Motor vehicles	6-20

#### **Leases:**

A lease is a contract that conveys the control of the right to use another entity's nonfinancial asset (the Underlying asset) for a period of time in an exchange or exchange like transaction. The Town has contracts in which it is a lessee and a lessor. Lessors recognize a lease receivable and a deferred inflow of resources. Lessees recognize an intangible right to use asset and a lease liability. These transactions are measured at the present value of payments expected to be made during the lease term using the discount rate in the lease. If the lease discount rate cannot be readily determined from the lease, the Town uses its incremental borrowing rate.

A right to use lease assets with a lease term greater than 1 year and an initial present value over \$60,000 are recorded as intangible assets. Right to use lease assets are amortized over the contract term of the lease. Leases that do not meet these criteria are recognized as current period revenues and expenses.

#### **Bond Premiums and Issuance Costs:**

In the governmental funds, bond premiums and issuance costs are treated as period costs in the year the bonds are issued. Bond issuance costs are included in debt service expenditures and bond premiums are reflected as other financing sources in the governmental fund's financial statements. Bond premiums are reported as other financing sources while discounts are reported as other financing uses.

In the Government-wide statement of net position, bond premiums are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an addition to the face amount of the bonds payable.

#### **Deferred Inflows and Outflows of Resources:**

Deferred inflows of resources represent the acquisition of net assets that is applicable to a future reporting period. Deferred outflows of resources represent the consumption of net assets that is applicable to a future reporting period.

In addition to assets, the statement of net position and/or balance sheet can report deferred outflows of resources. Deferred outflow of resources represents a consumption of net assets that applies to future periods, and which will not be recognized as an outflow of resources (expense/expenditure) until that later date. At June 30, 2023 the Town of Portsmouth, Rhode Island reports deferred outflows related to pension, OPEB, and deferred charges on refunding in the Government-wide statement of net position. The deferred outflow of resources related to pension totaling \$9,887,285 results from differences between expected and actual experience, changes in assumptions or other inputs, the net differences between projected and actual earnings on pension plan investments, changes in proportionate share and system contributions and

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

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### 1. Summary of significant accounting policies (continued)

#### **Deferred Inflows and Outflows of Resources (continued):**

contributions subsequent to the measurement date. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

The deferred outflow of resources related to OPEB totaling \$2,347,202 results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate section represents an acquisition of net assets that applies to future periods and, therefore, will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2023, the Town had five items that qualified as a deferred inflow of resources in the governmental funds balance sheet. The unavailable tax revenue represents property taxes receivables which are assessed on December 31, 2022, and prior and are not collected within 60 days of June 30, 2023. Net unavailable property tax revenue included in the fund financial statements was \$643,054 at June 30, 2023. Prepaid taxes revenue as of June 30 was \$59,517. The unavailable ambulance revenue represents ambulance rescue fee receivables that are not collected as of June 30, 2023. Net unavailable ambulance rescue fee revenue included in the fund financial statements was \$710,691 at June 30, 2023. Deferred lease was \$4,944,699, deferred Glen Manor House rent was \$717,939, deferred Melville Campground rent was \$54,579, deferred America Rescue Plan Act of \$2,355,858, and deferred revenues-other totaled \$92,636 as of June 30, 2023. These amounts are deferred and will be recognized as an inflow of resources in the year in which the amounts become available.

At June 30, 2023 the Town of Portsmouth, Rhode Island reports deferred inflows related to pension and OPEB in the Government-wide statement of net position. The deferred inflow of resources related to pension totaling \$5,159,581 results from differences between expected and actual experience, changes in assumptions or other inputs and changes in proportion and differences between system contributions and proportionate share contributions.

These amounts are deferred and included as a reduction in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). The deferred inflow of resources related to OPEB totaling \$6,669,015 results from differences between expected and actual experience, changes in assumptions or other inputs and net differences between projected and actual earnings on OPEB plan investments. These amounts are deferred and included as a reduction in OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees).

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

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### 1. Summary of significant accounting policies (continued)

#### **Compensated Absences:**

Under the terms of various contracts and agreements, Town employees are granted vacation and sick leave in varying amounts based on length of service. Vacation benefits are accrued as a liability based on the accumulated benefits earned at June 30. Sick leave benefits are based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The liability is calculated at the rate of pay in effect at June 30, 2023.

The entire compensated absence liability is reported in the statement of net position. For the governmental fund financial statements, accumulated vacation and sick leave has been recorded as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources. The balance of the liability not paid with expendable available financial resources is not recorded in the governmental fund financial statements.

#### **Accrued Liabilities and Long-Term Debt:**

All accrued liabilities and long-term debt are reported in the Government-wide financial statements.

For the governmental fund financial statements, the accrued liabilities are generally reported as a fund liability if due for payment as of the balance sheet date, regardless of whether they will be liquidated with current financial resources. However, claims and judgments and compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources. Long-term debt paid from governmental funds is not recognized as a liability in the fund financial statements until due. For other long-term obligations, only that portion expected to be financed from expendable available financial sources is reported as a fund liability of the governmental fund. The face amount of debt issued is reported as other financing source in the governmental fund's financial statements.

#### **Interfund Activities:**

Transactions between funds have been eliminated in the Government-wide financial statements but fully presented within the governmental fund financial statements with no elimination made between or within funds. Transfers between fiduciary funds and governmental or business-type activities do not get eliminated. Interfund activity within and among the funds of the Town have been classified and reported as follows:

#### **Reciprocal Interfund Activities:**

Interfund loans are reported as interfund receivables in the lending fund and interfund payables in borrower funds.

Interfund services are reported as revenues in the provider fund and as expenditures or expenses in the purchasing fund.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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### 1. Summary of significant accounting policies (continued)

#### **Reciprocal Interfund Activities (continued):**

Interfund transfers are reported in governmental funds as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after non-operating revenues and expenses.

#### **Non-Reciprocal Interfund Activities:**

Interfund reimbursements are repayments from the fund responsible for particular expenditures or expenses to other funds that initially paid for them. Reimbursements are not displayed separately within the financial statements.

#### **Encumbrances:**

Encumbrance accounting, under which purchase orders, contracts and other commitments for fund expenditures and/or expense are recorded in order to reserve portions of applicable appropriations, is employed in the governmental and business-type funds.

#### **Fund equity:**

##### ***Government-Wide Financial Statements – Net Position***

The Town's net position has been segregated into the following three components:

Net investment in capital assets - represents the net book value of all capital assets less the outstanding balances of bonds and other debt, and deferred inflows of resources, if any, used to acquire, construct or improve these assets, increased by deferred outflows of resources related to those assets, if any.

Restricted – assets that have been limited to uses specified either externally by creditors, contributors, laws or regulations of other governments or internally by enabling legislation or law; reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted – a residual category for the balance of net position.

##### ***Governmental Fund Financial Statements:***

The Town's fund balance is reported in the following categories:

Non-spendable – amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted – amounts that have been restricted to specific purposes either by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed – amounts constrained to specific purposes by the Town, using its highest level of decision-making authority. Commitments will only be used for specific purposes pursuant to a formal action of the Town Council. Town Council Resolution is required to approve, modify, or rescind a fund balance commitment.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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### 1. Summary of significant accounting policies (continued)

#### ***Governmental Fund Financial Statements(continued):***

Assigned – amounts that are intended by the Town to be used for specific purposes but are neither restricted nor committed. The Town Council delegates to the Town Administrator or designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

Unassigned – amounts available for any purpose. Only the general fund can report a positive fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Expenditures may be incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Composition of the ending fund balance will be determined by applying the following: In those instances where both restricted and unrestricted amounts are available, restricted amounts will be considered to have been spent first (as allowed and in compliance with stated and specified terms or requirements), followed by committed amounts, followed by assigned amounts, and then unassigned amounts.

#### **Pensions**

##### ***Private Pension***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension and the pension expense, information about the fiduciary net position of the Town's Retirement Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

##### ***Employees' Retirement System plan (ERS)***

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

##### ***Teachers' Survivors Benefit plan (TSB)***

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



# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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### 1. Summary of significant accounting policies (continued)

#### **Pensions (continued):**

##### ***Municipal Employee's Retirement System (MERS)***

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System (MERS) of Rhode Island and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### ***Other Post-Employment Benefits (OPEB)***

For purposes of measuring the net OPEB liability, deferred outflows and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Town's plan and additions to/deductions from Town's fiduciary net position have been determined on the same basis as they are reported by the Town. For this purpose, the Town recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

The Town's general fund has typically been used to liquidate the pension and OPEB liabilities historically.

#### **Intergovernmental Revenues:**

State aid is recognized as revenue in the year in which funds are appropriated by the Rhode Island General Assembly, provided they are collected during the fiscal year.

#### **Enterprise Revenue:**

Program income in enterprise funds is recorded as charges for sales and services and is considered revenue when it is both measurable and available. In the current year, only charges for sales and services were considered to be operating revenue. Whereas revenue generated as investment income was considered to be non-operating revenue.

#### **Claims and Judgements:**

The Town is exposed with respect to risks including, but not limited to, property damages, personal injury and workers' compensation. In the governmental fund financial statements, expenditures for claims and judgments are recorded on the basis of whether the liability has matured in the current period. The Town and the School Department are members of the Rhode Island Interlocal Risk Management Trust (the Trust). The Trust was established to offer a viable alternative to commercial insurance for public entities through intergovernmental pooling of risk. The Trust is a protected, self-insurance plan. The Town pays annual premiums for its liability, property and worker's compensation coverage. The membership participation agreement provides that, in return for the payment of the annual premium, the Trust member transfers the financial responsibility for loss, but only according to the conditions of coverage and up to the stated maximum amount of insurance purchased by the Town or School Department. In the Government-wide financial statements, the estimated liability for all claims and judgments is recorded as a liability and as an expense.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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### 1. Summary of significant accounting policies (continued)

#### **Use of Estimates:**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

#### **Reconciliation of Government-Wide Net Position and Fund Financial Statements Fund Balance:**

The governmental fund Balance Sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the Government-wide Statement of Net Position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements".

#### **Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-Wide Statement of Activities:**

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the Government-wide Statement of Activities. One element of the reconciliation states that "the governmental funds report principal repayments on debt obligations as an expenditure."

Another element of that reconciliation states that, "Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in governmental funds." Also, the allowance adjustment on the ambulance receivables affects the revenue recorded in the Statement of Activities.

#### **Accounting pronouncements implemented in the current year:**

During the fiscal year June 30, 2023, the Town of Portsmouth has adopted the following new accounting standards issued by GASB:

For the year ending June 30, 2023, the Town implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The effects of the implementation of this statement were material to these financial statements. Please see Note 14 for more information. During fiscal year 2023, the Town also evaluated GASB Statement Nos. 91, and 96, which had no reporting impact on these financial statements.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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### 1. Summary of significant accounting policies (continued)

#### Recent issued accounting pronouncements not yet effective:

The Town of Portsmouth is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- GASB Statement No. 99, Omnibus 2022, which is required to be implemented during fiscal years 2023 and 2024. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62, which is required to be implemented during fiscal year 2024. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 101, Compensated Absences, which is required to be implemented during fiscal year 2025. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.

These pronouncements will be implemented by their respective implementation dates.

### 2. Cash Deposits and Investments

The State of Rhode Island requires that certain uninsured deposits be collateralized. Section 35-10.1-7 of the General Laws of the State of Rhode Island, dealing with the collateralization of public deposits, requires that all time deposits with maturities of greater than 60 days and all deposits in institutions that do not meet the minimum capital requirements of its Federal regulator must be collateralized.

#### Deposits

As of June 30, 2023, the carrying amount of the Town's cash, cash equivalents and investments was \$105,228,303 (including Fiduciary Funds and cash held in escrow) while the bank balance was \$106,697,671. Of the bank balance, \$1,323,590 was covered by federal depository insurance, \$37,642,846 was covered by collateralization agreements and \$137,643 was uninsured. The remaining investments of \$67,593,591 is uninsured. The carrying amount of the deposits as of June 30, 2023, was \$105,228,304 and is reported in the financial statement as follows:

<b><i>Government-wide Statement of Net Position</i></b>	
Governmental activities	\$ 36,823,973
Business-type activities	3,052
<b><i>Fiduciary Funds Statement of Net Position</i></b>	
Pension Trust Fund	65,241,964
OPEB Trust Fund	2,351,627
Custodial Funds	807,687
<b><i>Total carrying amount of deposits</i></b>	<b><u><u>\$ 105,228,303</u></u></b>

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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### 2. Cash Deposits and Investments (continued)

#### Deposits (continued)

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town has a formal deposit policy for custodial credit risk, which follows State Laws as described below.

#### Restricted Cash Held in Escrow

Restricted cash held in escrow of \$3,052 reported in the Statement of Net Position at June 30, 2023 consists of funds reported in the Business-Type Activities (Proprietary Fund) representing cash held in escrow by Rhode Island Housing for administration of the Town's Septic System Loan Program.

#### Investments

Investments are stated at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town follows the guidance for fair value measurements and disclosures in accordance with GASB Statement No. 72, "Fair Value Measurement and Application".

In determining fair value, the Town uses various valuation approaches, as appropriate in the circumstances. GASB Statement No. 72 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Unadjusted quoted priced in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 - Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 - Unobservable inputs for the asset or liability (supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Town are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Town are deemed to be actively traded.

*Fixed income securities:* Valued using market quotations or prices obtained from independent pricing sources which may employ various pricing methods to value the investments, including matrix pricing based on quoted prices for securities with similar coupons, ratings and maturities.

**Town of Portsmouth, Rhode Island**

Notes to Financial Statements

For the Year Ended June 30, 2023

2. Cash Deposits and Investments (continued):

**Investments (continued)**

The following table summarizes the assets and liabilities of the Town for which fair values are determined on a recurring basis as of June 30, 2023:

Description	Fair Value	Level 1	Level 2	Level 3
<b>Private Pension:</b>				
Fixed income	\$19,102,559	\$19,102,559	\$ -	\$ -
Large U.S. Equity	24,774,505	24,774,505	-	-
Global/International Equity	12,297,564	12,297,564	-	-
Other	4,614,530	4,614,530	-	-
Small/Mid U.S. Equity	4,452,807	4,452,807	-	-
<b>OPEB:</b>				
Mutual Funds	2,351,627	2,351,627	-	-
<b>Non-major funds:</b>				
Stocks	66,157	66,157	-	-
	<u>\$67,659,749</u>	<u>\$67,659,749</u>	<u>\$ -</u>	<u>\$ -</u>

The following are maturities of the Town's debt related securities:

Description	Fair Value	0-3 Years	3-5 Years	Over 5 Years
Fixed Income Securities	\$19,102,559	\$ 6,685,896	\$4,775,640	\$7,641,024

Average ratings of the investments comprising the debt related securities above, as determined by Standards & Poor's are as follows:

	<b>Fixed Income Securities</b>
<b>AAA</b>	\$ 8,204,549
<b>AA</b>	5,463,332
<b>A</b>	2,617,051
<b>BBB</b>	<u>2,817,627</u>
<b>Total</b>	<u>\$19,102,559</u>

**Concentration of Credit Risk**

At June 30, 2023, the Town had a diversified portfolio in its General Fund and Pension and OPEB Trust Funds were invested in various mutual funds and fixed income securities, as detailed above.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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### 2. Cash Deposits and Investments (continued):

#### Investments (continued)

##### Interest Rate Risk

The Town's investments are held in mutual funds which do not bear specified interest rates. The rate of return on these investments is dependent on the operating results of the entities included in the portfolio of the mutual funds as well as overall economic conditions.

##### Custodial Credit Risk

Custodial credit risk is the risk that, in the event of financial institution failure, the Town's deposits and/or investments may not be returned. The Town does not believe that it has a significant custodial credit risk as all the investments are registered and held in the name of the Town. Additionally, the Town's deposit policy requires that deposits be placed in financial institutions that are FDIC insured. The Town deposits are maintained in highly rated financial institutions and the ratings of these institutions is reviewed by management on a periodic basis.

##### Credit Risk Policies

The Town does not currently have a specific policy relating to the credit risks of investments.

As of June 30, 2023, the following pension investments represent 5% or more of the Town Plan's net position:

<b>Asset Class</b>	
<b>Investment Sub-Advisor</b>	
<b>Fixed Income</b>	
Insight/Polen/Post	\$ 741,155
Principal Global Investors	\$ 4,131,649
Principal Global Investors	\$ 14,229,755
<b>Large U.S. Equity</b>	
Principal Global Investors	\$ 24,774,505
Global/International Equity	\$ 12,297,564
<b>Other</b>	
Principal Real Estate Inv	\$ 4,614,530
<b>Small/Mid U.S. Equity</b>	
LA Capital Mgmt/Victory	\$ 1,482,276
Robert Baird/Eagle Asset Mgmt	\$ 1,492,763
Vaughan Nelson/H&W	\$ 738,087
AB/Brown/Emerald	\$ 739,681

### 3. Budgetary and Legal Compliance

The General Fund and the Public-School Operations Fund are subject to an annual operating budget. The annual operating budgets' appropriation amounts are supported by revenue estimates and can be amended by either a special financial voter referendum or by the Town Council.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

### 3. Budgetary and Legal Compliance (continued)

Actual revenue and expenditures in the Budgetary Basis Statements of Revenues and Expenditures for the General Fund and the Public-School Operations Fund are presented on the budgetary basis which includes the net effect of non-budgeting for certain other items. Thus, the actual revenues and expenditures differ from those in the Governmental Fund financial statements which are presented in accordance with accounting principles generally accepted in the United States of America.

The following individual funds reported deficits in the unreserved fund balances in the fund financial statements at June 30, 2023.

<u><b>Town Special Revenue Funds</b></u>	
Body Worn Camera	\$ (55,372)
SAFER Grant	(73,758)
Commercial Vehicle Enforcement	(1,786)
RIIB Grant	(9,348)
Marshall Service	(6,080)
<u><b>Town Capital Projects Funds</b></u>	
08-09 Warrants	(19,027)
09-10 Warrants	(5,743)
12-13 Warrants	(868,041)
<b>Total</b>	<u><u>\$ (1,039,155)</u></u>

Management will derive an administrative plan to fund the deficits noted above.

### 4. Lease Revenue

During the current fiscal year, the Town leased cell towers to various third parties. The lease terms were initially 5 years with lessee option to extend until 2049 if all renewal options are exercised.

The Town recognized \$128,475 in lease revenue in the current year. As of June 30, 2023, the Town's lease receivable was \$4,944,699. Also, the Town has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease terms. As of June 30, 2023, the balance of the deferred inflow of resources was \$4,944,699.

<b>Lease Revenue</b>	
<u>Year Ended June 30,</u>	<u>Governmental Activities</u>
2024	136,042
2025	139,940
2026	144,033
2027	148,331
2028-2032	837,258
2033-2037	1,013,290
2038-2042	923,209
2043-2047	1,088,581
2048-2049	514,015
<b>Total</b>	<u><u>\$ 4,944,699</u></u>

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

### 5. Capital Assets

Capital asset activity for the year ended June 30, 2023 is as follows:

	<i>Balance July 1, 2022</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance June 30, 2023</i>
<b>Governmental Activities:</b>				
Nondepreciable assets:				
Land	\$ 4,755,279	\$ -	\$ -	\$ 4,755,279
Land easements	1,420,000	-	-	1,420,000
Construction in progress	48,546	2,536,545	716,940	1,868,151
Total capital assets not being depreciated	6,223,825	2,536,545	716,940	8,043,430
<b>Capital assets being depreciated:</b>				
Land improvements	1,863,932	5,100	-	1,869,032
Buildings	32,344,285	36,735	-	32,381,020
Buildings and improvements	14,689,540	1,719,542	-	16,409,082
Machinery and equipment	9,737,320	503,693	-	10,241,013
Construction equipment	534,327	-	-	534,327
Infrastructure	31,908,913	119,942	-	32,028,855
Vehicles	5,419,330	1,333,079	-	6,752,409
Total Capital assets being depreciated	96,497,647	3,718,091	-	100,215,738
<b>Capital assets being amortized:</b>				
<i>Righ-to-use</i>				
Machinery and equipment	2,496,541	-	-	2,496,541
Vehicles	2,277,725	-	-	2,277,725
Total Capital assets being amortized:	4,774,266	-	-	4,774,266
<b>Total Capital Assets</b>	107,495,738	6,254,636	716,940	113,033,434
Less accumulated depreciation for:				
Land improvements	758,893	99,406	-	858,299
Buildings	18,481,128	398,337	-	18,879,465
Buildings and improvements	7,031,296	1,037,367	-	8,068,663
Machinery and equipment	6,548,970	575,106	-	7,124,076
Construction equipment	410,650	13,742	-	424,392
Infrastructure	20,921,622	937,824	-	21,859,446
Vehicles	3,993,196	337,168	-	4,330,364
Total Accumulated Depreciation	58,145,755	3,398,950	-	61,544,705
<b>Less: accumulated amortization:</b>				
Machinery and equipment	1,888,348	309,008	-	2,197,356
Vehicles	1,445,494	354,919	-	1,800,413
Total accumulated amortization	3,333,842	663,927	-	3,997,769
<b>Governmental Activities Capital Assets, Net</b>	\$ 46,016,141	\$ 2,191,759	\$ 716,940	\$ 47,490,960

Depreciation expense was charged to governmental functions as follows:

General government	\$ 586,114
Public safety	1,116,797
Public works	1,056,347
Community service	8,866
Education	1,294,753
<b>Total Depreciation and amortization expense</b>	<b>\$ 4,062,877</b>



# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

5. Capital Assets (continued):

	<i>Balance</i> <i>July 1, 2022</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance</i> <i>June 30, 2023</i>
<b><i>Business-Type Activities</i></b>				
Nondepreciable assets:				
Land	\$ 37,251	\$ -	\$ -	\$ 37,251
Total Capital assets not being depreciated	37,251	-	-	37,251
Depreciable assets:				
Buildings and improvements	458,111	-	-	458,111
Machinery and equipment	171,434	-	-	171,434
Total Capital assets being depreciated	629,545	-	-	629,545
<b><i>Total Capital Assets</i></b>	<b>666,796</b>	<b>-</b>	<b>-</b>	<b>666,796</b>
Less accumulated depreciation for:				
Buildings and improvements	154,073	32,176	-	186,249
Machinery and equipment	87,374	6,857	-	94,231
<b><i>Total Accumulated Depreciation</i></b>	<b>241,447</b>	<b>39,033</b>	<b>-</b>	<b>280,480</b>
<b><i>Business-Type Activities Capital Assets, Net</i></b>	<b>\$ 425,349</b>	<b>\$ (39,033)</b>	<b>\$ -</b>	<b>\$ 386,316</b>

Depreciation expense was charged to business-type activities as follows:

Transfer Station	39,033
<b><i>Total Depreciation and amortization expense</i></b>	<b>\$ 39,033</b>

The Town entered into a lease agreement for the Compactor that commenced on June 29, 2019, and an initial liability and capital asset was recorded. As of June 30, 2023, remaining payments for the lease total \$68,476.

6. Stewardship, Compliance and Accountability

The Town issues general obligation bonds to provide funds for the acquisition of equipment, as well as construction and improvements to capital facilities. General obligation bonds have been issued for both general governmental and school department activities. In addition, general obligation bonds have been issued to refund previously outstanding general obligation bonds. The Town's legal debt margin as set forth by State statute is limited to three percent of the total taxable assessed value and approximates \$144,381,914 at the State level and \$80,699,043 at a local level. Exceptions apply to bonds financed from non-tax revenues and special exemptions are granted for other purposes as well. At June 30, 2023, the Town's bonds outstanding totaled \$33,663,000.

7. Long-Term Obligations

On June 28, 2022, the Town issued Series 2022E Bond in the amount of \$19,510,000 to finance the construction, addition, renovation, improvement, alteration, repair furnishing and equipping of schools and school facilities in the Town. The 2022E Bond bear interest from 3.875% to 5.000% with annual maturities from May 15, 2026 through May 2045.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

### 7. Long-Term Obligations (continued)

The following is a summary of changes in long-term debt for the year ended June 30, 2023:

Description of Purpose	Amount of Original Issue	Date of Issue	Interest Rates	Date of Maturity	Balance 6/30/2022	Transfers in & Additions	Transfers Out & Retirements	Balance 6/30/2023	Amounts Due Within One Year
<b>Governmental Activities issued through public sale:</b>									
<i>General obligation, revenue bonds, and loans:</i>									
Open Space/Recreation Bond	\$ 1,980,000	6/15/2010	2.00-4.00%	6/15/2025	\$ 355,000	\$ -	\$ 125,000	\$ 230,000	\$ 125,000
Open Space/Recreation Bond	250,000	5/23/2013	2.35%	2/15/2028	104,342	-	12,960	91,382	12,960
Town Improvements	562,000	5/23/2013	2.35%	2/15/2028	222,658	-	41,040	181,618	41,040
Town Projects	1,305,000	10/23/2014	1.75%-4%	10/15/2024	450,000	-	189,867	260,133	130,065
Open Space	600,000	11/18/2015	2.00-4.00%	10/1/2035	417,825	-	30,375	387,450	30,930
School Projects	471,500	11/18/2015	2.00-4.00%	10/1/2035	328,379	-	23,873	304,506	22,763
Town Projects	3,373,500	11/18/2015	2.00-4.00%	10/1/2035	2,348,796	-	170,753	2,178,043	171,308
School Projects	1,575,000	12/22/2015	3.00-5.00%	5/15/2026	491,000	-	78,000	413,000	78,000
School Projects	605,000	12/22/2015	3.00-5.00%	5/15/2022	129,000	-	77,000	52,000	52,000
Town Projects-Police Station	10,000,000	2/9/2017	3.00-5.00%	2/1/2038	8,509,476	-	406,160	8,103,316	418,959
Town Projects-Recreational	520,000	2/9/2017	3.00-5.00%	2/1/2038	442,543	-	21,125	421,418	21,786
Town Projects	648,861	2/9/2017	3.00-5.00%	2/1/2038	552,306	-	26,462	525,844	27,185
School Improvements	646,139	2/9/2017	3.00-5.00%	2/1/2038	550,675	-	26,251	524,424	27,071
Town Legal Settlement	600,000	2/9/2017	2.25-2.65%	2/1/2023	125,000	-	125,000	-	-
School Projects-Series 2022E	19,510,000	6/28/2022	3.87-5.00%	5/15/2045	19,510,000	-	-	19,510,000	-
<b>Total General Obligation Bonds, Revenue Bonds, and Loans issued through public sale</b>					<u>\$ 34,537,000</u>	<u>\$ -</u>	<u>\$ 1,353,866</u>	<u>\$ 33,183,134</u>	<u>\$ 1,159,067</u>
<b>Governmental Activities issued through direct placements:</b>									
<i>General obligation, revenue bonds, and loans:</i>									
Portsmouth High School Sprinklers	\$ 1,100,000	8/7/2008	3.75-6.00%	5/15/2024	\$ 140,000	\$ -	\$ 70,000	\$ 70,000	\$ 70,000
<b>General Obligation Refunding Bond - Series A</b>									
School Projects	1,100,000	8/28/2013	3.06%	6/30/2028	300,000	-	50,000	250,000	50,000
<b>Total General Obligation Bonds, Revenue Bonds, and Loans issued through direct placements</b>					<u>440,000</u>	<u>-</u>	<u>120,000</u>	<u>320,000</u>	<u>120,000</u>
<b>Total General Obligation Bonds, Revenue Bonds, and Loans</b>					<u>\$ 34,977,000</u>	<u>\$ -</u>	<u>\$ 1,473,866</u>	<u>\$ 33,503,134</u>	<u>\$ 1,279,067</u>

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

### 7. Long-Term Obligations (continued)

Description of Purpose	Amount of Original Issue	Date of Issue	Interest Rates	Date of Maturity	Balance 6/30/2022	Transfers in & Additions	Transfers Out & Retirements	Balance 6/30/2023	Amounts Due Within One Year
<b>Governmental Activities (continued):</b>									
<i>Lease obligations:</i>									
Town Vehicles	\$ 393,991	8/12/2016	4.01%	8/15/2022	\$ 60,836	\$ -	\$ 60,836	\$ -	\$ -
DPW Vehicle	148,638	8/18/2017	2.87%	8/18/2023	43,634	-	21,808	21,826	21,826
Town Vehicles & Equipment	328,495	8/6/2018	3.26%	8/6/2024	87,394	-	62,450	24,944	12,267
School IT	315,251	6/25/2018	3.14%	7/1/2022	49,630	-	49,630	-	-
Ambulance	253,845	9/27/2018	3.34%	9/27/2024	111,053	-	36,185	74,868	37,394
Town Vehicles & Equipment	483,548	8/28/2019	2.39%	8/16/2022	131,395	-	131,395	-	-
School IT	261,810	7/15/2020	2.16%	7/15/2024	157,227	-	51,293	105,934	52,401
Town Fire Boat	450,000	9/29/2020	1.97%	9/29/2029	359,795	-	41,964	317,831	42,791
Town Vehicles & Equipment	581,363	9/24/2020	1.648%	9/24/2024	257,581	-	161,074	96,507	71,076
School IT	229,171	7/1/2021	1.590%	7/1/2025	181,879	-	47,292	134,587	47,292
<b>Total lease obligations</b>					<u>1,440,424</u>	<u>-</u>	<u>663,927</u>	<u>776,497</u>	<u>285,047</u>
Deferred amount for issuance premiums					1,764,144	-	111,793	1,652,351	111,496
Compensated absences					2,125,185	120,683	317,354	1,928,514	96,426
Net pension liability					72,201,089	2,777,680	-	74,978,769	-
Net OPEB Liability					20,342,578	-	2,032,103	18,310,475	-
<b>Total governmental funds long-term debt</b>					<u>\$ 132,410,420</u>	<u>\$ 2,898,363</u>	<u>\$ 4,479,043</u>	<u>\$ 130,829,740</u>	<u>\$ 1,652,036</u>
<b>Business-Type Activities:</b>									
<i>General obligation bonds and loans (issued through public sale):</i>									
Transfer Station Renovation Project	200,000	10/23/2014	1.75%-4%	10/15/2024	59,800	-	19,934	39,866	19,933
Septic Loan Program	415,000	11/18/2015	2.34-3.236%	10/1/2025	160,000	-	40,000	120,000	40,000
<b>Total general obligation bonds and loans issued through public sale</b>					<u>219,800</u>	<u>-</u>	<u>59,934</u>	<u>159,866</u>	<u>59,933</u>
<i>Lease obligations:</i>									
TS Compactor	228,509	6/29/2018	3.31%	7/2/2024	100,002	-	31,526	68,476	33,674
<b>Total lease obligations</b>					<u>100,002</u>	<u>-</u>	<u>31,526</u>	<u>68,476</u>	<u>33,674</u>
<b>Total business type long-term debt</b>					<u>319,802</u>	<u>-</u>	<u>91,460</u>	<u>228,342</u>	<u>93,607</u>
<b>Total long-term obligations</b>					<u>\$ 132,730,222</u>	<u>\$ 2,898,363</u>	<u>\$ 4,570,503</u>	<u>\$ 131,058,082</u>	<u>\$ 1,745,643</u>

The payment of long-term obligations of the governmental activities is the responsibility of the Town's General Fund and School Unrestricted Fund. As of June 30, 2023, the Town General Fund paid \$180,398 and the School Unrestricted Fund paid \$136,956 in compensated absences.

**Town of Portsmouth, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2023*

7. Long-Term Obligations (continued):

The debt service requirements for long-term debt at June 30, 2023 were as follows:

	<u><b>Issued Through Public Sale</b></u>					
	<b>Governmental Activities</b>			<b>Business-Type Activities</b>		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,159,068	\$ 1,275,592	\$ 2,434,660	\$ 59,933	\$ 3,834	\$ 63,767
2025	1,184,066	1,235,123	2,419,189	59,934	2,140	62,074
2026	1,575,001	1,191,663	2,766,664	39,999	647	40,646
2027	1,420,000	1,129,520	2,549,520	-	-	-
2028	1,575,000	1,029,248	2,604,248	-	-	-
2029-2033	8,200,000	4,344,950	12,544,950	-	-	-
2034-2038	9,390,000	2,594,675	11,984,675	-	-	-
Thereafter	8,679,999	1,388,050	10,068,049	-	-	-
	<u>\$ 33,183,134</u>	<u>\$ 14,188,821</u>	<u>\$ 47,371,955</u>	<u>\$ 159,866</u>	<u>\$ 6,621</u>	<u>\$ 166,487</u>

	<b>Governmental Activities (Direct Placements)</b>			<b>Governmental Activities Capital Leases</b>			<b>Business-Type Activities Capital Leases</b>		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2024	\$ 120,000	\$ 11,150	\$ 131,150	\$ 285,047	\$ 17,994	\$ 303,041	\$ 33,674	\$ 3,386
2025	50,000	6,120	56,120	173,904	10,308	184,212	34,802	2,494	37,296
2026	50,000	9,180	59,180	44,493	5,837	50,330	-	-	-
2027	100,000	-	100,000	45,370	4,559	49,929	-	-	-
2028	-	-	-	227,683	9,295	236,978	-	-	-
	<u>\$ 320,000</u>	<u>\$ 26,450</u>	<u>\$ 346,450</u>	<u>\$ 776,497</u>	<u>\$ 47,993</u>	<u>\$ 824,490</u>	<u>\$ 68,476</u>	<u>\$ 5,880</u>	<u>\$ 74,356</u>

Events of default include failure to make principal and interest payments when due, defaults related to the performance or observance of any other covenants, agreements or conditions that have not been remedied, or the Town's inability to pay its debts. Upon notice of any events of default, all principal and accrued interest may be declared due and payable immediately. In addition to the principal above for the governmental activities also includes \$1,652,351 of deferred amount for issuance premiums totaling \$35,155,485.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

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### 8. Risk Management

Through their operations, the Town and the School Department are exposed to various risks of loss related, but not limited to, torts, general liability, errors and omissions, property losses due to theft, damage, or destruction, and employee injuries, each of which is insured through a public entity risk pool. The Town and the School Department are also exposed to risk loss related to claims for unemployment, for which the Town and the School Department retain the risk of loss.

The Town and the School Department are members of the Rhode Island Interlocal Risk Management Trust (the Trust), a nonprofit public entity risk pool which provides insurance coverage to participants in exchange for an annual premium and a pro-rata share of certain administrative expenses. Coverage is provided in accordance with each member's policy, subject to maximum insurable limits and deductibles, through a pooling of risks among participants, supplemented by commercial reinsurance for excess losses. Management believes the Trust's reserves to be adequate to meet all reported claims, as well as an estimate of potential claims for losses incurred but not reported. Accordingly, no accrual has been made for potential liabilities arising from risks once they have been transferred to the Trust. The Town and the School Department are members of the Trust, a joint purchasing group which provides health and dental insurance coverage to participants in exchange for a premium. There have been no significant reductions in insurance coverage during the year ended June 30, 2023 and no settlements exceeding the insurance coverage in the past three years.

Upon joining the Trust, members execute a member agreement. That document, pursuant to which the Trust was established and operates, outlines the rights and responsibilities of both the members and the Trust. Members of the Trust participated in the Trust's health insurance plan administered by Blue Cross Blue Shield of Rhode Island (BCBSRI).

Using the rate calculations prepared by BCBSRI for individually rated entities, the Trust sets annual contribution rates for the subscribers of each member for each program offered. The Trust agreement requires that those contribution rates be set at a level sufficient, in the aggregate, to satisfy the funding requirements of the Trust. The contributions of each member are deposited in the Trust's general fund, and are used to pay for claims, reinsurance and all administrative expenses. The Trust agreement provides for an annual independent audit of its financial statements.

The Group agreement provides the Trust's Board of Directors a discretionary, fully allocable assessment feature with respect to specified circumstances. After it has been a member of the Trust for an initial three-year period, a member may withdraw from the Trust by providing the Trust's Board of Directors with 90 days' notice.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

### 9. Interfund Balances

The Town reports interfund balances between many of its funds. The totals of all balances agree with the sum of interfund balances presented in the fund statements.

Interfund receivables and payables are as follows:

	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>	<b>Other Financing Sources</b>	<b>Other Financing Uses</b>
<b><u>Major Governmental Funds</u></b>				
General fund	\$ 3,504	\$ 4,312,557	\$ 196,756	\$ 38,365,411
School unrestricted fund	-	411,574	35,970,214	487,604
Town capital projects	168,084	-	2,011,025	-
Debt Service Fund	-	-	-	-
<b><u>Non-Major Governmental Funds</u></b>				
Town special revenue	4,731,447	128,553	1,184,897	1,228,184
School special revenue	374,801	760,034	-	343
Town capital projects	283,845	24,770	69,970	-
School capital projects	802,486	-	487,604	-
Warrant 12-13	-	868,041	314,221	-
Permanent funds	14,984	-	-	-
<b><u>Proprietary Funds</u></b>				
Septic system loan program	114,605	-	165,825	-
Glen farm equestrian	52,692	-	-	47,894
Arthur Daniel house	7,566	-	-	-
Transfer station	-	101,910	-	-
Glen Manor house	53,425	-	-	271,076
Totals	\$ 6,607,439	\$ 6,607,439	\$ 40,400,512	\$ 40,400,512

## Town of Portsmouth, Rhode Island

### Notes to Financial Statements

*For the Year Ended June 30, 2023*

#### 10. Fund Balances

The Town has classified governmental fund balances at June 30, 2023 as follows:

	Major Funds				Non-Major Funds					Total
	General Fund	School Unrestricted	Town Capital Project Fund	Debt Service Fund	Town Special Revenue	School Special Revenue	Town Capital Projects	School Capital Projects	Permanent Funds	
<b>Fund Balances</b>										
<b>Nonspendable</b>										
Corpus of endowmnet funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 236,304	\$ 236,304
Inventory	57,227	-	-	-	-	-	-	-	-	57,227
Prepaid	274,072	508,054	-	-	-	-	-	-	-	782,126
<b>Restricted for</b>										
General government	-	-	-	-	451,139	-	-	-	-	451,139
Public safety programs	-	-	-	-	1,139,002	-	-	-	-	1,139,002
Educational purposes	-	-	-	-	-	772,268	-	-	-	772,268
Public works and social services	-	-	-	-	849,142	-	-	-	-	849,142
Community services	-	-	-	-	30,414	-	-	-	-	30,414
Capital projects	-	-	126,125	18,651,399	-	-	246,151	802,486	-	19,826,161
Expendable	-	-	-	-	-	-	-	-	11,127	11,127
<b>Committed to</b>										
Educational purposes	-	874,618	-	-	-	-	-	-	-	874,618
Police retention plan fund	370,000	-	-	-	-	-	-	-	-	370,000
Warrant 12-13 paydown	499,955	-	-	-	-	-	-	-	-	499,955
<b>Unassigned</b>	9,668,628	-	-	-	(146,344)	-	(892,811)	-	-	8,629,473
<b>Total</b>	<u>\$ 10,869,882</u>	<u>\$ 1,382,672</u>	<u>\$ 126,125</u>	<u>\$ 18,651,399</u>	<u>\$ 2,323,353</u>	<u>\$ 772,268</u>	<u>\$ (646,660)</u>	<u>\$ 802,486</u>	<u>\$ 247,431</u>	<u>\$ 34,528,956</u>

# Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2023

## 11. Post-Employment Health Care Benefits

### Other Post-Employment Benefits (OPEB) – Town Employees

#### Plan Description

Through its single employer defined benefit plan (OPEB Plan), the Town provides postretirement healthcare benefits to all Town employees who meet years of service and age requirements. For police and fire employees, upon death of the retiree, health care coverage continues to the unmarried surviving spouse and dependent children up to age 10. For general employees, retiree health care coverage is discontinued upon death of the retiree. The plan's provisions may be amended by the Town and the Trustees of the plan. The trust is accounted for as an OPEB trust fund in the Town's financial statements. The Plan does not issue a standalone financial report.

The most recent actuarial valuation for the OPEB Plan was performed as of June 30, 2023.

#### Summary of Significant Accounting Policies and Plan Asset Matters

##### Basis of Accounting

The OPEB activity is accounted for on the accrual basis of accounting. Contributions are recognized when they are due, pursuant to formal commitments and contractual requirements. Investment income is recognized when earned. Expenses (benefits and administration) are recognized when they are due and payable in accordance with terms of the plan. Administration costs are generally financed through the Town's General Fund.

##### Benefits and Employee Contributions:

The Trust paid 100% of the amount for medical and dental costs incurred by eligible retirees, which totaled \$1,056,226 for the year ended June 30, 2023.

Public Works, Fire and Police contributed 0.25%, 1.0% and 1.0% of salary respectively, to the OPEB Trust which amounted to \$60,014 in employee contributions and \$1,081,226 in employer contributions for the year ended June 30, 2023.

The Town pays 100% of the cost of the individual health care and dental insurance for all retired eligible employees until Medicare eligibility, except for Public Works employees who contribute 20% of the medical and dental premiums.

As of June 30, 2023, the plan membership data is as follows:

<u>Description</u>	<u>Inactive or Beneficiaries Receiving Benefits</u>	<u>Inactive Employees Entitled but not yet Receiving Benefits</u>	<u>Active Employees</u>	<u>Total</u>
Number	55	0	132	187



# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

### 11. Post-Employment Health Care Benefits (continued):

#### **Other Post-Employment Benefits (OPEB) – Town Employees (continued):**

##### *Investment policy:*

The Town’s policy in regard to the allocation of invested assets is established and may be amended by the committee by a majority vote of its members. It is the policy of the Town to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Town’s adopted asset allocation policy as of June 30, 2023.

<b>Asset Class</b>	<b>Target Allocation</b>
US Large Cap	43.88%
US Small/Mid Cap	2.95%
International Equity	10.18%
Emerging Market Equity	3.03%
US Bonds*	24.45%
US High Yield Bonds	4.78%
TIPS	3.25%
US Long-Duration Treasuries	0.48%
Diversifying Strategies	7.00%
Total	100.00%

\*Includes US Aggregate Bonds (19.80%) and US Short Gov/Credit (4.65%)

##### *Concentrations:*

There were no concentrations noted as of June 30, 2023.

##### *Rate of return:*

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense was 10.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### **Net OPEB Liability of the Town:**

The components of the net OPEB liability of the Town at June 30, 2023 were as follows:

<b>Description</b>	<b>Amounts</b>
Total OPEB Liability (TOL)	\$ 17,803,020
Fiduciary Net Position	2,351,627
Net OPEB Liability (NOL)	15,451,393
Funded ratio (Fiduciary Net Position / NOL)	13.21%
Covered payroll (active plan members)	\$ 9,771,419
NOL as a percentage of covered payroll	158.13%

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

### 11. Post-Employment Health Care Benefits (continued):

#### Other Post-Employment Benefits (OPEB) – Town Employees (continued):

##### Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

##### Key assumptions

<u>Description</u>	<u>Assumption</u>
Single Equivalent Discount Rate	4.85%, net of OPEB plan investment expense.
Inflation	2.50%
Investment rate of return	6.00%, net of OPEB plan investment expense.
Salary increases	3.50% annually as of June 30, 2020 and for future periods

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
US Large Cap Equity	7.30%
US Mid Cap Equity	9.30%
US Small Cap Equity	5.90%
International Equity	8.40%
EM Equity	1.86%
US Aggregate Bonds	4.20%
U.S. Short Duration	1.30%
US Long-Duration Treasuries	0.70%
US High Yield Bonds	5.14%

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

### 11. Post-Employment Health Care Benefits (continued):

#### *Changes in the Net OPEB Liability*

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2022	\$ 19,376,308	\$ 2,023,212	\$ 17,353,096
Service cost	766,605	-	766,605
Interest on net OPEB liability and service cost	847,601	-	847,601
Changes of benefit terms	(61,671)	-	(61,671)
Differences between actual and expected experience	(1,170,682)	-	(1,170,682)
Changes in assumptions	(898,915)	-	(898,915)
Benefit payments, including refunds	(1,056,226)	(1,056,226)	-
Trust administrative expenses	-	(2,117)	2,117
Contributions - employer	-	1,081,226	(1,081,226)
Contributions - active employees	-	60,014	(60,014)
Net investment income	-	219,960	(219,960)
Other Adjustments	-	25,558	(25,558)
Net changes	<u>(1,573,288)</u>	<u>328,415</u>	<u>(1,901,703)</u>
Balances at June 30, 2023	<u>\$ 17,803,020</u>	<u>\$ 2,351,627</u>	<u>\$ 15,451,393</u>

#### *Discount rate*

The discount rate used to measure the total OPEB liability was 4.85 percent. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

#### *Sensitivity of the net OPEB liability to changes in the discount rate*

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.85 percent) or 1- percentage-point higher (5.85 percent) than the current discount rate:

	<u>Impact of 1% Change in Discount Rate</u>		
	<u>1% Decrease (3.85%)</u>	<u>Current discount rate (4.85%)</u>	<u>1% Increase (5.85%)</u>
Total OPEB liability	\$ 17,202,862	\$ 15,451,393	\$ 13,617,965

#### *Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates*

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0 percent decreasing to 3.94 percent) or 1-percentage-point higher (8.0 percent decreasing to 4.94 percent) than the current healthcare cost trend rates:

	<u>Impact of 1% Change in Healthcare Trend Rate</u>		
	<u>1% Decrease (6.00% decreasing to 2.94%)</u>	<u>Current trend rate (7.00% decreasing to 3.94%)</u>	<u>1% Increase (8.00% decreasing to 4.94%)</u>
Total OPEB liability	\$ 13,609,190	\$ 15,451,393	\$ 17,617,965

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

### 11. Post-Employment Health Care Benefits (continued):

#### *Other Post-Employment Benefits (OPEB) - Town Employees (continued):*

##### *OPEB expense and deferred outflows and inflows of resources related to OPEB*

For the year ended June 30, 2023 the Town recognized OPEB expense of \$696,665. At June 30, 2023, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

<b>Deferred outflows of resources</b>	
Differences between actual and expected experience	\$ 238,701
Changes in assumptions	1,493,309
Net difference between projected and actual earnings on OPEB plan investments	-
<b>Deferred inflows of resources</b>	
Differences between actual and expected experience	(2,720,396)
Changes in assumptions	(2,757,608)
Net difference between projected and actual earnings on OPEB plan investments	<u>(6,896)</u>
<b>Total</b>	<b><u>\$ (3,752,890)</u></b>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ (1,048,183)
2025	(651,978)
2026	(491,233)
2027	(970,179)
2028	(295,656)
Thereafter	<u>(295,661)</u>
Total	<b><u>\$ (3,752,890)</u></b>

#### **Other Post-Employment Benefits (OPEB) - School Department Employees**

##### *Plan Description*

The School Department maintains and administers a single-employer OPEB benefit plan that covers all School Department employees with fifteen years of service. The plan provides health benefits and dental insurance benefits to eligible retired employees and their beneficiaries. The plan's provisions may be amended by the Portsmouth School Committee and the Trustees of the plan. The School Department has not yet established a Trust to pre-fund OPEB liabilities. Accordingly, the OPEB activity is accounted for in the School Unrestricted Fund in the Town's financial statements. The Plan does not issue a standalone financial report.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

11. Post-Employment Health Care Benefits (continued):

**Other Post-Employment Benefits (OPEB) – School Department Employees (continued):**

**Summary of Significant Accounting Policies and Plan Asset Matters**

*Basis of Accounting*

The OPEB activity is accounted for on the accrual basis of accounting. Contributions are recognized when they are due, pursuant to formal commitments and contractual requirements. Investment income is recognized when earned. Expenses (benefits and administration) are recognized when they are due and payable in accordance with terms of the plan. Administrative costs are generally financed through the School Unrestricted Fund.

*Benefits and Employee Contributions:*

For the year ended June 30, 2023 the School Department has a new labor contract for NEA (Teachers) bargaining unit with the following benefit changes:

- The lump sum cash incentive at retirement for employees meeting the Early Notification Incentive and all other retiree health benefits eligibility requirements has increased from \$4,500 to \$5,000.
- In the pre-2022 labor contract, Teachers have the option of declining the lump sum cash incentive and receiving an additional three years of subsidized individual coverage. This option to decline the lump sum cash incentive has been eliminated. All Teachers are now eligible for six years of subsidized individual coverage only.

Additionally, for AFSCME, the School District will pay for a one-year Medicare Plan 65 supplement if it occurs during the post-employment benefit period. The School District subsidy for all retiree health benefits will be locked in at the premium rate less the employee co-pay in effect at the time of retirement. In the fiscal year ending June 30, 2022 GASB 75 report, the employee co-pay used was 14%. In this roll-forward report, the employee co-pays have been updated to 14% through 2023 followed by 15% in 2024 and 16% on/after 2025.

The net impact of the above benefit changes is an increase in the liability.

The School Department funds post-retirement benefits on a pay-as-you go basis, which totaled \$83,591 for the year ended June 30, 2023.

As of June 30, 2023, the plan membership data is as follows:

<u>Description</u>	<u>Inactive or Beneficiaries Receiving Benefits</u>	<u>Inactive Employees Entitled but not yet Receiving Benefits</u>	<u>Active Employees</u>	<u>Total</u>
Number	16	1	283	300

*Net OPEB Liability of the School:*

The components of the net OPEB liability of the School at June 30, 2023 were as follows:

<u>Description</u>	<u>Amounts</u>
Total OPEB Liability (TOL)	\$ 2,859,082
Fiduciary Net Position	-
Net OPEB Liability (NOL)	2,859,082
Funded ratio (Fiduciary Net Position / NOL)	0.00%
Covered payroll (active plan members)	\$ 20,724,130
NOL as a percentage of covered payroll	13.80%

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

### 11. Post-Employment Health Care Benefits (continued):

#### **Other Post-Employment Benefits (OPEB) – School Department Employees (continued):**

##### **Actuarial Methods and Assumptions**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

##### **Key assumptions**

<u>Description</u>	<u>Assumption</u>
Single Equivalent Discount Rate	4.13%, net of OPEB plan investment expense, including inflation.
Inflation	2.30% as of June 30, 2023 and for future periods
Salary increases	3.00% annually as of June 30, 2020 and for future periods

##### *Changes in the Net OPEB Liability*

	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Balance at June 30, 2022	\$ 2,989,482	\$ -	\$ 2,989,482
Service cost	62,121	-	62,121
Interest on net OPEB liability and service cost	123,118	-	123,118
Differences between actual and expected experience	(257,535)	-	(257,535)
Changes in benefit terms	34,119	-	34,119
Changes in assumptions	(8,632)	-	(8,632)
Benefit payments, including refunds	(83,591)	(83,591)	-
Contributions - employer	-	83,591	(83,591)
Net changes	(130,400)	-	(130,400)
Balances at June 30, 2023	<u>\$ 2,859,082</u>	<u>\$ -</u>	<u>\$ 2,859,082</u>

##### *Discount rate*

The discount rate used to measure the total OPEB liability was 4.13 percent. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

### 11. Post-Employment Health Care Benefits (continued):

#### **Other Post-Employment Benefits (OPEB) - School Employees (continued):**

##### *Sensitivity of the net OPEB liability to changes in the discount rate*

The following presents the net OPEB liability of the School, as well as what the School's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current discount rate:

	<b>Impact of 1% Change in Discount Rate</b>		
	<b>1% Decrease (3.13%)</b>	<b>Current discount rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
Total OPEB liability	\$ 3,058,567	\$ 2,859,082	\$ 2,677,932

##### *Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates*

The following presents the net OPEB liability of the School, as well as what the School's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0 percent decreasing to 3.94 percent) or 1-percentage-point higher (8.0 percent decreasing to 4.94 percent) than the current healthcare cost trend rates:

	<b>Impact of 1% Change in Healthcare Trend Rate</b>		
	<b>1% Decrease (5.50% decreasing to 2.94%)</b>	<b>Current trend rate (6.50% decreasing to 3.94%)</b>	<b>1% Increase (7.50% decreasing to 4.94%)</b>
Total OPEB liability	\$ 2,652,225	\$ 2,859,082	\$ 3,091,850

##### *OPEB expense and deferred outflows and inflows of resources related to OPEB*

For the year ended June 30, 2023 the School recognized OPEB expense of \$105,278. At June 30, 2023, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

Deferred outflows of resources	
Change in assumptions	\$ 331,564
Differences between actual and expected experience	283,628
Deferred inflows of resources	
Change in assumptions	(368,066)
Differences between actual and expected experience	<u>(816,049)</u>
Total	<u>\$ (568,923)</u>

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

### 11. Post-Employment Health Care Benefits (continued):

#### **Other Post-Employment Benefits (OPEB) - School Employees (continued):**

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ (114,080)
2025	(124,490)
2026	(69,943)
2027	(69,943)
2028	(28,924)
Thereafter	(161,543)
Total	<u>\$ (568,923)</u>

#### **Aggregate OPEB Amounts Reported in the Financial Statements:**

As required by GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* the table below presents the aggregate amount of OPEB expense, OPEB liabilities, and deferred inflows and outflows for other post-employment benefit plans of the Town of Portsmouth, Rhode Island.

	<b>Town Plan</b>	<b>School Plan</b>	<b>Total</b>
Deferred Outflows of Resources - OPEB	\$ 1,732,010	\$ 615,192	\$ 2,347,202
Deferred Inflows of Resources - OPEB	5,484,900	1,184,115	6,669,015
Net OPEB Liability	15,451,393	2,859,082	18,310,475
OPEB Expense	696,665	105,278	801,943
Total	\$ 23,364,968	\$ 4,763,667	\$ 28,128,635

### 12. Pension Plans

#### ***Plan Description:***

The Town administers a single-employer pension plan (the Plan). This plan includes benefits for surviving spouses, alternate payees and other beneficiaries.

#### ***(a) Town of Portsmouth Retirement Plan***

##### ***Benefits Provided***

Retirees are eligible for pension benefits if they terminate or retire from the town with 10+ years of service. They are also eligible for disability retirement if they become disabled with any amount of service. The Town pays varying amounts depending on bargaining unit and service as described later in this report. Full participation for all groups has been frozen, however, some new hires still qualify for disability retirement benefits under certain conditions.



# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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### 12. Pension Plans

#### (a) *Town of Portsmouth Retirement Plan (continued):*

##### *Employees Covered by Benefit Terms*

At June 30, 2023 (the census date), the benefit terms covered the following employees:

Inactive employees, spouses, or beneficiaries currently receiving benefits payments	203
Inactive employees entitled to but not yet receiving benefits payment	11
Active employess	<u>83</u>
Subtotal	<u>297</u>

##### *Contributions*

The Town makes contributions based on an actuarially determined rate.

Contribution rate: 105.02% for 17 years,

25.77% thereafter.

Reporting period contributions: \$4,424,009

##### *Financial Report*

The Town issues a stand-alone financial report that is available to the public. The report is available at: [www.portsmouthri.gov](http://www.portsmouthri.gov).

##### *Net Pension Liability*

The Town's total Pension liability was valued as of June 30, 2023 and was used to calculate the net pension liability measured as of June 30, 2023.

##### *Actuarial Assumptions*

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00 percent
Salary increases	3.50 percent, average, including inflation
Investment rate of return	6.75 percent, net of pension plan investment expense, including inflation

##### *Discount Rate*

The discount rate used to measure the total pension liability is 6.75%. This is the expected long-term rate of return on assets using the asset allocation provided by Principal. The projection of cash flows used to determine the discount rate assumed that the Town contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position is projected to cover all future Pension payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

### 12. Pension Plans (continued)

**(a) Town of Portsmouth Retirement Plan (continued):**

*Long-Term Expected Real Rate of Return*

The long-term expected rate of return is determined using the long-term rates of return developed by Principal.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>	<b>Total Expected Return (Real + Inflation)</b>
Domestic Equity	40.35%	6.28%	8.28%
International Developed Equity	13.91%	7.00%	9.00%
International Emerging Equity	9.74%	8.82%	10.82%
Core Fixed Income	24.00%	0.38%	2.38%
High-Yield Fixed Income	6.00%	2.97%	4.97%
Real estate	6.00%	3.50%	5.50%
Total/Average	100%		

Expected compound return (before netting expense) 6.85%

Uses and expected long-term inflation rate of 2.75%

The Town chose to use a more conservative discount rate and investment rate of return of 6.75%. We believe that this is a reasonable rate to use.

Total pension liability	\$ 114,050,378
Plan fiduciary net position	(65,241,964)
Town's net pension liability	\$ 48,808,414
Plan fiduciary net position as a percentage of the total pension liability	57.20%

*Expected Average Remaining Service Lives (EARSL)*

The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), beginning in the current period. The expected average remaining service lives (EARSL) for the current period follows. Note, however, that for calculation purposes, we use 1.0 when calculating amortizations if the EARSL is less than 1 year.

EARSL: 2.0 years

## Town of Portsmouth, Rhode Island

### Notes to Financial Statements

*For the Year Ended June 30, 2023*

#### 12. Pension Plans (continued)

##### *(a) Town of Portsmouth Retirement Plan (continued):*

##### *Changes in Net Pension Liability*

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balance as of 6/30/2022</b>	\$ 109,278,531	\$ 60,256,593	\$ 49,021,938
<b>Changes for the year:</b>			
Service cost	908,903	-	908,903
Interest on total pension liability	7,234,775	-	7,234,775
Change of benefit terms	985,123	-	985,123
Differences between expected and actual experien	688,109	-	688,109
Changes in assumptions	966,096	-	966,096
Contributions - employer	-	4,424,009	(4,424,009)
Contributions - employee	-	327,498	(327,498)
Net investment income	-	6,414,653	(6,414,653)
Benefit payments	(6,011,159)	(6,011,159)	-
Administrative expense	-	(137,952)	137,952
Other miscellaneous income/(expense)	-	(31,678)	31,678
<b>Net changes</b>	<b>4,771,847</b>	<b>4,985,371</b>	<b>(213,524)</b>
<b>Balance as of 6/30/2023</b>	<b>\$ 114,050,378</b>	<b>\$ 65,241,964</b>	<b>\$ 48,808,414</b>

##### *Sensitivity of Liabilities to Changes in the Discount Rate*

Sensitivity of the total and net pension liability to changes in the discount rate. The total and net pension liability of the Town, as well as what the Town's total and net pension liability would be if they were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) follows:

	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
Plan's Net Pension Liability	\$ 63,372,393	\$ 48,808,414	\$ 36,841,138

##### *Pension Expense and Deferred Inflows and Outflows of Resources Related to Pension*

For the report ended June 30, 2023, the Town recognizes a pension expense of \$4,530,936. The Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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### 12. Pension Plans (continued)

#### (a) Town of Portsmouth Retirement Plan (continued):

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 826,295	\$ -
Changes of assumptions	483,048	(886,616)
Net difference between projected and actual earnings on plan investments	<u>3,455,939</u>	<u>-</u>
Total deferred outflows / (inflows)	<u>\$ 4,765,282</u>	<u>\$ (886,616)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension as follows:

#### Year ended June 30:

2024	\$ 1,658,486
2025	43,116
2026	2,656,389
2027	<u>(479,325)</u>
	<u>\$ 3,878,666</u>

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

### 12. Pension Plans (continued)

#### **Basis of Valuation**

A summary of the substantive plan used as the basis of the valuation follows:

<b>Retiree Benefits - Police</b>	
Eligibility	Police Officers hired prior to July 1, 2010 are eligible for full participation in this plan. Police Officers hired on or after July 1, 2010 are only eligible for the disability retirement provisions listed below.
Vesting Requirement	Ten years of service.
Normal Retirement Date	The first day after the completion of 20 years of service.
Final Earnings	The highest annual salary paid in the previous 36 months including the \$5,000 retirement bonus.
Normal Retirement Benefit	The annual benefit shall be 3% of Final Earnings for each year of service up to 20 years, plus 2% of Final Earnings for each year of service after 20 years. The maximum benefit payable is 70% of Final Earnings.
Vested Retirement Benefit	The annual benefit shall be calculated the same as the Normal Retirement Benefit.
Accidental Disability Benefit	The annual benefit shall be 67% of Final Earnings. There is no service requirement for this benefit.
Ordinary Disability Benefit	The annual benefit shall be 50% of two-year average earnings. This benefit ends when the participant reaches their normal retirement date.
Pre-Retirement Death Benefit	The annual benefit shall be 30% of five-year final average earnings to the surviving spouse, plus 10% of five-year final average earnings to each minor child. The maximum benefit payable is 50% of five-year final average earnings.
Cost of Living Adjustments	For Police Officers retired prior to July 1, 2003, the benefits are indexed at 50% of the salary increase received by active Police Officers. For Police Officers retired on or after July 1, 2003, the benefits shall be indexed with 3% annual cost of living adjustments. Effective July 1, 2010, adjustments begin on the second anniversary of the benefit commencement. There is no adjustment for deferred vested or pre-retirement death benefits.
Employee Contributions	Police Officers shall contribute 9% of compensation. Police Officers hired on or after July 1, 2010 have no contribution requirement.
Normal Form of Payment	Benefits shall be paid as a 67.5% Joint and Survivor Benefit in accordance with Section 45-21.3-1 of the State of Rhode Island General Laws.

## Town of Portsmouth, Rhode Island

### Notes to Financial Statements

*For the Year Ended June 30, 2023*

#### 12. Pension Plans (continued)

*(a) Town of Portsmouth Retirement Plan (continued):*

*Basis of Valuation (continued):*

<b>Retiree Benefits - Fire</b>	
Eligibility	Firefighters hired prior to July 1, 2013 are eligible for full participation in this plan. Firefighters hired on or after July 1, 2013 are only eligible for the disability retirement provisions listed below.
Vesting Requirement	Ten years of service.
Normal Retirement Date	The first day after the completion of 20 years of service.
Final Earnings	The highest annual salary paid in the previous 36 months including the \$5,000 retirement bonus.
Normal Retirement Benefit	For service earned prior to July 1, 2013, the annual benefit shall be 3% of Final Earnings for each year of service up to 20 years, plus 2% of Final Earnings for each year of service after 20 years. For service earned on or after July 1, 2013, the annual benefit shall be 1% of Final Earnings for each year of service. The maximum benefit payable is 74% of Final Earnings.
Vested Retirement Benefit	The annual benefit shall be calculated the same as the Normal Retirement Benefit.
Accidental Disability Benefit	The annual benefit shall be 66-2/3% of Final Earnings. There is no service requirement for this benefit.
Ordinary Disability Benefit	The annual benefit shall be 50% of three-year average earnings. This benefit ends when the participant reaches their normal retirement date.
Pre-Retirement Death Benefit	The annual benefit shall be 30% of five-year final average earnings to the surviving spouse, plus 10% of five-year final average earnings to each minor child. The maximum benefit payable is 50% of five-year final average earnings.
Cost of Living Adjustments	For Firefighters retired prior to July 1, 2007, the benefits are indexed at 50% of the salary increase received by active Firefighters. For Firefighters retired on or after July 1, 2007 and before July 1, 2013, the benefits shall be indexed with 3% annual cost of living adjustments. For Firefighters retired on or after July 1, 2013, the benefits shall be indexed with 1.7% annual cost of living adjustments. Effective July 1, 2013, adjustments begin on the fifth anniversary of the benefit commencement. There is no adjustment for deferred vested or pre-retirement death benefits.
Employee Contributions	Firefighters shall contribute 4% of compensation. Firefighters hired on or after July 1, 2013 have no contribution requirement.
Normal Form of Payment	Benefits shall be paid as a 67.5% Joint and Survivor Benefit in accordance with Section 45-21.3-1 of the State of Rhode Island General Laws.

**Town of Portsmouth, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2023*

12. Pension Plans (continued):

*(a) Town of Portsmouth Retirement Plan (continued):*

*Basis of Valuation (continued):*

<b>Retiree Benefits - School Management</b>	
Eligibility	School Management employees hired prior to September 9, 2020 are eligible for full participation in this plan.
Vesting Requirement	Ten years of service.
Normal Retirement Date	The first day after attaining at least age 60 and the completion of 10 years of service.
Early Retirement Date	The first day after attaining at least age 55 and the completion of 20 years of service.
Final Earnings	The highest annual salary paid in the previous 36 months.
Normal Retirement Benefit	The annual benefit shall be 2.5% of Final Earnings for each year of service.
Early Retirement Benefit	The annual benefit shall be calculated the same as the Normal Retirement Benefit except that it shall be multiplied by a fraction where the numerator is service at the Early Retirement Date and the denominator is projected service at the Normal Retirement Date.
Vested Retirement Benefit	The annual benefit shall be calculated the same as the Normal Retirement Benefit.
Ordinary Disability Benefit	The annual benefit shall be calculated the same as the Early Retirement Benefit.
Pre-Retirement Death Benefit	The annual benefit shall be calculated the same as the Early Retirement Benefit and paid as a 100% contingent annuitant benefit without reduction.
Cost of Living Adjustments	For School Management employees who retire after age 60 with 20 years of service or after age 55 with 25 years of service, the benefits are indexed with 1.7% annual cost of living adjustments. There is no adjustment for deferred vested or pre-retirement death benefits.
Employee Contributions	School Management employees shall contribute 6% of compensation.
Normal Form of Payment	Benefits shall be paid as a single life annuity.

## Town of Portsmouth, Rhode Island

### Notes to Financial Statements

*For the Year Ended June 30, 2023*

12. Pension Plans (continued):

*(a) Town of Portsmouth Retirement Plan (continued):*

*Basis of Valuation (continued):*

<b>Retiree Benefits - School Non-Management</b>	
Eligibility	School Non-Management employees hired prior to July 1, 2012 are eligible for full participation in this plan.
Vesting Requirement	Ten years of service.
Normal Retirement Date	The first day after attaining at least age 60 and the completion of 10 years of service.
Early Retirement Date	The first day after attaining at least age 55 and the completion of 20 years of service.
Final Earnings	The highest annual salary paid in the previous 36 months.
Normal Retirement Benefit	For service earned prior to October 1, 2013, the annual benefit shall be 2.5% of Final Earnings for each year of service. For service earned on or after October 1, 2013, the annual benefit shall be 1% of Final Earnings for each year of service.
Early Retirement Benefit	The annual benefit shall be calculated the same as the Normal Retirement Benefit except that it shall be multiplied by a fraction where the numerator is service at the Early Retirement Date and the denominator is projected service at the Normal Retirement Date.
Vested Retirement Benefit	The annual benefit shall be calculated the same as the Normal Retirement Benefit.
Ordinary Disability Benefit	The annual benefit shall be calculated the same as the Early Retirement Benefit.
Pre-Retirement Death Benefit	The annual benefit shall be calculated the same as the Early Retirement Benefit and paid as a 100% contingent annuitant benefit without reduction.
Cost of Living Adjustments	For School Non-Management employees who retire after age 55 with 20 years of service, the benefits are indexed with 1.7% annual cost of living adjustments beginning on the fifth anniversary of the benefit commencement. There is no adjustment for deferred vested or pre-retirement death benefits.
Employee Contributions	School Non-Management employees shall contribute 4% of compensation.
Normal Form of Payment	Benefits shall be paid as a single life annuity.



## Town of Portsmouth, Rhode Island

### Notes to Financial Statements

*For the Year Ended June 30, 2023*

12. Pension Plans (continued):

*(a) Town of Portsmouth Retirement Plan (continued):*

*Basis of Valuation (continued):*

<b>Retiree Benefits - Town Management</b>	
Eligibility	Town Management employees hired prior to July 1, 2012 are eligible for full participation in this plan.
Vesting Requirement	Ten years of service.
Normal Retirement Date	The first day after attaining at least age 60 and the completion of 10 years of service.
Early Retirement Date	The first day after attaining at least age 55 and the completion of 25 years of service.
Final Earnings	The highest annual salary paid in the previous 36 months.
Normal Retirement Benefit	The annual benefit shall be 3% of Final Earnings for each year of service up to 20 years, plus 2% of Final Earnings for each year of service after 20 years. Service is frozen as of July 1, 2014. The maximum benefit payable is 74% of Final Earnings.
Early Retirement Benefit	The annual benefit shall be calculated the same as the Normal Retirement Benefit except that it shall be multiplied by a fraction where the numerator is service at the Early Retirement Date and the denominator is projected service at the Normal Retirement Date.
Vested Retirement Benefit	The annual benefit shall be calculated the same as the Normal Retirement Benefit.
Ordinary Disability Benefit	The annual benefit shall be calculated the same as the Early Retirement Benefit.
Pre-Retirement Death Benefit	The annual benefit shall be 30% of five-year final average earnings to the surviving spouse, plus 10% of five-year final average earnings to each minor child. The maximum benefit payable is 50% of five-year final average earnings.
Cost of Living Adjustments	For Town Management employees retired on or after July 1, 2002 who have attained age 60 with 20 years of service or age 55 with 25 years of service, the benefits shall be indexed with 2% annual cost of living adjustments. For Town Management employees retired on or after July 1, 2004 who have attained age 60 with 20 years of service or age 55 with 25 years of service, the benefits shall be indexed with 3% annual cost of living adjustments. For Town Management employees retired on or after July 1, 2013 who have attained age 60 with 20 years of service or age 55 with 25 years of service, the benefits shall be indexed with 1.7% annual cost of living adjustments. Effective July 1, 2013, adjustments begin on the fifth anniversary of the benefit commencement. There is no adjustment for deferred vested or pre-retirement death benefits.
Employee Contributions	Town Management employees hired prior to July 1, 2004 shall contribute 5% of compensation. Town Management employees hired on or after July 1, 2004 no longer make contributions.
Normal Form of Payment	Benefits shall be paid as a single life annuity.

## Town of Portsmouth, Rhode Island

### Notes to Financial Statements

*For the Year Ended June 30, 2023*

12. Pension Plans (continued):

*(a) Town of Portsmouth Retirement Plan (continued):*

*Basis of Valuation (continued):*

<b>Retiree Benefits - Town Non-Management</b>	
Eligibility	Town Non-Management employees hired prior to July 1, 2012 are eligible for full participation in this plan.
Vesting Requirement	Ten years of service.
Normal Retirement Date	The first day after attaining at least age 60 and the completion of 10 years of service.
Final Earnings	The highest annual salary paid in the previous 36 months.
Normal Retirement Benefit	For service earned prior to July 1, 2013, the annual benefit shall be 2.5% of Final Earnings for each year of service. For service earned on or after July 1, 2013, the annual benefit shall be 1% of Final Earnings for each year of service. The maximum benefit payable is 67.5% of Final Earnings.
Vested Retirement Benefit	The annual benefit shall be calculated the same as the Normal Retirement Benefit.
Ordinary Disability Benefit	The annual benefit shall be calculated the same as the Early Retirement Benefit.
Pre-Retirement Death Benefit	The annual benefit shall be 30% of five-year final average earnings to the surviving spouse, plus 10% of five-year final average earnings to each minor child. The maximum benefit payable is 50% of five-year final average earnings.
Cost of Living Adjustments	For Town Non-Management employees retired on or after July 1, 2003 who have attained age 60 with 20 years of service, the benefits shall be indexed with 2% annual cost of living adjustments. For Town Non-Management employees retired on or after July 1, 2005 who have attained age 60 with 20 years of service, the benefits shall be indexed with CPI, but not less than 2% nor more than 3% annual cost of living adjustments. For Town Non-Management employees retired on or after July 1, 2013 who have attained age 60 with 20 years of service, the benefits shall be indexed with 1.7% annual cost of living adjustments. Effective July 1, 2013, adjustments begin on the fifth anniversary of the benefit commencement. There is no adjustment for deferred vested or pre-retirement death benefits.
Employee Contributions	Town Non-Management employees shall contribute 6% of compensation.
Normal Form of Payment	Benefits shall be paid as a single life annuity.

## Town of Portsmouth, Rhode Island

### Notes to Financial Statements

*For the Year Ended June 30, 2023*

12. Pension Plans (continued):

*(a) Town of Portsmouth Retirement Plan (continued):*

*Basis of Valuation (continued):*

<b>Retiree Benefits - Public Works</b>	
Eligibility	Public Works employees hired prior to July 1, 2010 are eligible for full participation in this plan. Public Works employees hired on or after July 1, 2010 are only eligible for the disability retirement provisions listed below.
Vesting Requirement	Ten years of service.
Normal Retirement Date	The first day after attaining at least age 60 and the completion of 10 years of service.
Early Retirement Date	The first day after attaining at least age 55 and the completion of 20 years of service.
Final Earnings	The average of the annual salary paid over the final five years of employment.
Normal Retirement Benefit	The annual benefit shall be 2.5% of Final Earnings for each year of service. Service is frozen at the later of July 1, 2013 or when the employee attains ten years of service. The maximum benefit payable is 67.5% of Final Earnings.
Early Retirement Benefit	The annual benefit shall be calculated the same as the Normal Retirement Benefit except that it shall be multiplied by a fraction where the numerator is service at the Early Retirement Date and the denominator is projected service at the Normal Retirement Date.
Vested Retirement Benefit	The annual benefit shall be calculated the same as the Normal Retirement Benefit.
Ordinary Disability Benefit	The annual benefit shall be calculated the same as the Early Retirement Benefit.
Pre-Retirement Death Benefit	The annual benefit shall be 30% of five-year final average earnings to the surviving spouse, plus 10% of five-year final average earnings to each minor child. The maximum benefit payable is 50% of five-year final average earnings.
Cost of Living Adjustments	For Public Works employees retired prior to July 1, 2007, who have attained age 60 with 20 years of service, the benefits are indexed at 50% of the salary increase received by active employees. For Public Works employees retired on or after July 1, 2013, with 10 years of service, the benefits shall be indexed with 1.7% annual cost of living adjustments. Effective July 1, 2013, adjustments begin on the fifth anniversary of the benefit commencement. There is no adjustment for deferred vested or pre-retirement death benefits.
Employee Contributions	Public Works employees shall contribute 4% of compensation. Public Works employees hired on or after July 1, 2010 or those who are no longer earning service have no contribution requirement.
Normal Form of Payment	Benefits shall be paid as a single life annuity.

## Town of Portsmouth, Rhode Island

### Notes to Financial Statements

For the Year Ended June 30, 2023

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#### 12. Pension Plans (continued):

##### *(b) Employees' Retirement System - Teachers (ERS) (continued):*

###### *Plan Description*

Certain employees of the **Portsmouth School Department** participate in a cost-sharing multiple-employer defined benefit pension plan - the Employees' Retirement System plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersri.org>.

###### *Benefit Provisions*

The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. Members eligible to retire at September 30, 2009 may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than 5 years of service as of July 1, 2012. Members are vested after 5 years of service.

The plan provides for survivor's benefits for service-connected death and certain lump sum death benefits. Joint and survivor benefit provision options are available to members.

Cost of living adjustments are provided but are currently suspended until the collective plans administered by ERSRI reach a funded status of 80%. Until the plans reach an 80% funded status, interim cost of living adjustments are provided at four-year intervals commencing with the plan year ending June 30, 2016.

The plan also provides nonservice-connected disability benefits after five years of service and service-connected disability benefits with no minimum service requirement.

## Town of Portsmouth, Rhode Island

### Notes to Financial Statements

For the Year Ended June 30, 2023

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#### 12. Pension Plans (continued):

##### *(b) Employees' Retirement System - Teachers (ERS) (continued):*

###### *Contributions*

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2023, Portsmouth School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the Portsmouth School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by Portsmouth School Department. The rates were 11.12% and 15.04% of annual covered payroll for the fiscal year ended June 30, 2023 for the State and Portsmouth School Department, respectively. The Portsmouth School Department contributed \$3,045,145, \$2,821,099, and \$2,743,469 for the fiscal years ended June 30, 2023, 2022 and 2021, respectively, equal to 100% of the required contributions for each year.

###### *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources*

At June 30, 2023, the Portsmouth School Department reported a liability of \$26,170,355 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Portsmouth School Department as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Portsmouth School Department were as follows:

Portsmouth School Department proportionate share of net pension liability	\$ 26,170,355
State's proportionate share of the net pension liability associated with the Portsmouth School Department	<u>19,354,816</u>
Total net pension liability	<u>\$ 45,525,171</u>

The net pension liability was measured as of June 30, 2022, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. The Portsmouth School Department's proportion of the net pension liability was based on a projection of the Portsmouth School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2022 the Portsmouth School Department's proportion was 0.96901439%.

For the year ended June 30, 2023 the Portsmouth School Department recognized gross pension expense of \$1,049,476 and revenue of \$904,351 for support provided by the State. At June 30, 2022 the Portsmouth School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

## Town of Portsmouth, Rhode Island

### Notes to Financial Statements

For the Year Ended June 30, 2023

12. Pension Plans (continued):

*(b) Employees' Retirement System - Teachers (ERS) (continued):*

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued):*

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 387,612	\$ 509,014
Changes of assumptions	527,821	392,364
Net difference between projected and actual earnings on pension plan investments	-	547,585
Changes in proportion and differences between System contributions and proportionate share contributions	34,267	1,088,226
Contributions subsequent to the measurement date	2,122,896	-
	\$ 3,072,596	\$ 2,537,189
Net amount of deferred outflows and (inflows) excluding PSD contributions subsequent to measurement date		\$ (1,587,489)

\$2,122,896 reported as deferred outflows of resources related to pensions resulting from the Portsmouth School Department contributions in fiscal year 2023 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ (503,553)
2025	(617,323)
2026	(915,775)
2027	620,222
2028	(121,730)
Thereafter	(49,330)
	\$ (1,587,489)

## Town of Portsmouth, Rhode Island

### Notes to Financial Statements

*For the Year Ended June 30, 2023*

#### 12. Pension Plans (continued):

##### *(b) Employees' Retirement System - Teachers (ERS) (continued):*

##### **Actuarial Assumptions**

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation		2.50%
Salary increases	3.00% to 13.00%	
Investment rate of return		7.00%

Mortality – variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.

The actuarial assumptions used in the June 30, 2021 valuation rolled forward to June 30, 2022 and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 40 sources. The June 30, 2022 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
<b>Global equity:</b>		
U.S. equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
<b>Private Growth</b>		
Private Equity	12.50%	9.42%
Non-Core RE	2.50%	4.80%
<b>Income</b>		
Equity Options	2.00%	5.25%
EMD (50/50 Blend)	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations(CLO)	2.00%	2.95%
<b>Crisis Protection Class</b>		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
<b>Inflation Protection</b>		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
<b>Volatility Protection</b>		
IG Corp Credit	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
Total	100.00%	

## Town of Portsmouth, Rhode Island

### Notes to Financial Statements

For the Year Ended June 30, 2023

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#### 12. Pension Plans (continued):

##### *(b) Employees' Retirement System - Teachers (ERS) (continued):*

##### *Actuarial Assumptions (continued):*

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

##### *Discount Rate*

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit 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 Net Pension Liability (Asset) to Changes in the Discount Rate*

The following presents the net pension liability (asset) calculated using the discount rate of 7.0 percent as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

<b>1.00% Decrease (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1.00% Increase (8.0%)</b>
\$ 32,832,861	\$ 26,170,355	\$ 20,116,719

##### *Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report. The report may be obtained at <http://www.ersri.org>.

##### *(b) Teachers Defined Contribution Pension Plan*

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% (7% for teachers not covered by social security) of their annual covered salary and employers contribute between 1% and 1.5% (between 3% and 3.5% for teachers not covered by social security) of annual covered salary depending on the employee's total years of service as of June 30, 2012. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.



## Town of Portsmouth, Rhode Island

### Notes to Financial Statements

*For the Year Ended June 30, 2023*

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#### 12. Pension Plans (continued):

##### *(b) Teachers Defined Contribution Pension Plan (continued):*

Amounts in the defined contribution plan are available to participants in accordance with Internal Revenue Service guidelines for such plans.

The Portsmouth School Department recognized pension expense of \$465,327, for the fiscal year ended June 30, 2023.

The System issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the system. The report may be obtained at <http://www.ersri.org>.

##### *(c) Teachers Survivor Benefits*

#### **General Information about the Pension Plan**

##### ***Plan Description***

Certain employees of the Portsmouth School Department participate in a cost-sharing multiple- employer defined benefit pension plan - the Teachers' Survivors Benefit plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in Social Security.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersri.org>.

The plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in the plan. Specific eligibility criteria and the amount of the benefit is subject to the provisions of Chapter 16-16 of the Rhode Island General Laws which are subject to amendment by the General Assembly. Spouse, parents, family and children's benefits are payable following the death of a member. A spouse shall be entitled to benefits upon attaining the age of sixty (60) years. Children's benefits are payable to the child, including a stepchild or adopted child of a deceased member if the child is unmarried and under the age of eighteen (18) years or twenty-three (23) years and a full time student, and was dependent upon the member at the time of the member's death. Family benefits are provided if, at the time of the member's death, the surviving spouse has in his or her care a child of the deceased member entitled to child benefits. Parents benefits are payable to the parent or parents of a deceased member if the member did not leave a widow, widower, or child who could ever qualify for monthly benefits on the member's wages and the parent has reached the age of 60 years, has not remarried, and received support from the member.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

### 12. Pension Plans (continued):

#### (c) *Teachers Survivor Benefits (continued):*

##### *Eligibility and Plan Benefits*

In January, a yearly cost-of-living adjustment for spouse's benefits is paid and based on the annual social security adjustment.

Survivors are eligible for benefits if the member has made contributions for at least six months prior to death or retirement.

The TSB plan provides benefits based on the highest salary at the time of retirement of the teacher. Benefits are payable in accordance with the following table:

<u>Highest Annual Salary</u>	<u>Basic Monthly Spouse's Benefits</u>
\$17,000 or less	\$ 825.00
\$17,001 to \$25,000	\$ 962.50
\$25,001 to \$33,000	\$ 1,100.00
\$33,001 to \$40,000	\$ 1,237.50
\$40,001 and over	\$ 1,375.00

Benefits payable to children and families are equal to the spousal benefit multiplied by the percentage below:

Parent and 1 Child	Parent and 2 or more Children	One Child Alone	Two Children Alone	Three or More Children Alone	Dependent Parent
150%	175%	75%	150%	175%	100%

##### *Contributions*

The contribution requirements of active employees and the participating school districts were established under Chapter 16-16 of the Rhode Island General Laws, which may be amended by the General Assembly. The cost of the benefits provided by the plan are two percent (2%) of the member's annual salary up to, but not exceeding, an annual salary of \$11,500; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits.

The Portsmouth School Department contributed \$28,019, \$27,108 and \$27,741 for the fiscal years ended June 30, 2023, 2022 and 2021, respectively, equal to 100% of the required contributions for each year.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

12. Pension Plans (continued):

*(c) Teachers Survivor Benefits (continued):*

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources***

At June 30, 2023, the Portsmouth School Department reported an asset of \$6,395,225 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2022, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2021, rolled forward to 2022. The Portsmouth School Department proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2022 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2023 the Portsmouth School Department proportion was 3.64%.

For the year ended June 30, 2023 the Town recognized pension expense of \$(626,402) – an increase in the net pension asset. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description of Outflows/Inflows</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 157,158	\$ 823,602
Changes of assumptions	155,398	214,204
Net difference between projected and actual earnings on pension plan investments	-	147,910
Changes in proportion and differences between System contributions and proportionate share contributions	274,291	156,998
Contributions subsequent to the measurement date	28,019	-
	<u>\$ 614,866</u>	<u>\$ 1,342,714</u>
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		<u>\$ (755,867)</u>

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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12. Pension Plans (continued):

(c) *Teachers Survivor Benefits (continued):*

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued):*

\$28,019 reported as deferred outflows of resources related to pensions resulting from the Portsmouth School Department contributions in fiscal year 2023 subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent period. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2024	\$	(152,480)
2025		(250,814)
2026		(346,081)
2027		132,671
2028		(96,956)
Thereafter		(42,207)
	\$	<u>(755,867)</u>

### *Actuarial Assumptions*

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% to 13.00%
Investment rate of return	7.00%

Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.

Cost of living adjustment – eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment – for valuation purposes, a 2.50% cost of living adjustment is assumed.

The actuarial assumptions used in the June 30, 2021 valuation and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2020.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 40 sources. The June 30, 2022 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

12. Pension Plans (continued):

***Teachers Survivor Benefits (continued):***

Asset class	Target allocation	Long-term expected real rate of return
<b>Global equity:</b>		
U.S. equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
<b>Private Growth</b>		
Private Equity	12.50%	9.42%
Non-Core RE	2.50%	4.80%
<b>Income</b>		
Equity Options	2.00%	5.25%
EMD (50/50 Blend)	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations(CLO)	2.00%	2.95%
<b>Crisis Protection Class</b>		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
<b>Inflation Protection</b>		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
<b>Volatility Protection</b>		
IG Corp Credit	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
Total	<u>100.00%</u>	

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

***Discount Rate***

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit 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.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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12. Pension Plans (continued):

(c) *Teachers Survivor Benefits (continued):*

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate*

The following presents the net pension liability (asset) calculated using the discount rate of 7.0 percent as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

<b>1.00% Decrease (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1.00% Increase (8.0%)</b>
\$ (5,614,003)	\$ (6,395,225)	\$ (7,105,011)

*Pension plan fiduciary net position*

Detailed information about this pension plan's fiduciary net position is available in the separately issued ERSRI financial report. The report may be obtained at <http://www.ersri.org>.

(d) *Municipal Employees' Retirement System (MERS)*

**Plan Description** - The Municipal Employees' Retirement System (MERS) – an agent multiple-employer defined benefit pension plan - provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General Law and placed under the management of the Employee's Retirement System of Rhode Island (ERSRI) Board to provide retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire persons that have elected to participate. Benefit provisions are subject to amendment by the General Assembly.

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at [www.ersri.org](http://www.ersri.org).

**Benefits provided** – General employees, police officers and firefighters employed by electing municipalities participate in MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and/or firefighters may be designated as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be designated as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a unit separate from the general employees, with separate contribution rates applicable.

**Salary:** Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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### 12. Pension Plans (continued)

#### ***(d) Municipal Employees' Retirement System (MERS) (continued)***

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

Final Compensation: Prior to July 1, 2012 and for general employee members eligible to retire as of June 30, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable FAC will be the greater of the member's highest three year FAC as of July 1, 2012 or the five year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

#### ***General employees***

Members with less than five years of contributory service as of June 30, 2012 and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement age (SSNRA).

Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's prior Retirement Date, described below, and the retirement age applicable to members hired after June 30, 2012 as described above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's prior Retirement Date. The minimum retirement age is 59.

Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If this option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

Effective July 1, 2015, members will be eligible to retire with full benefits at the earlier of their current Rhode Island Retirement Security Act (RIRSA) date described above or upon the attainment of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with 33 years of service.

A member who is within five years of reaching their retirement eligibility date and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

Prior to July 1, 2012, members were eligible for retirement on or after age 58 if they had credit for 10 or more years of service, or at any age if they had credit for at least 30 years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

The annual benefit is equal to 2.00% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1.00% of the member's monthly FAC for each year of service from July 1, 2012 through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1.0% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2.0% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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### 12. Pension Plan (continued)

#### *(d) Municipal Employees' Retirement System (MERS) (continued)*

##### ***Police and Fire employees***

Members are eligible to retire when they are at least 50 years old and have a minimum of 25 years of contributing service or if they have 27 years of contributing service at any age. Members with less than 25 years of contributing service are eligible for retirement on or after their Social Security normal retirement age.

Members who, as of June 30, 2012, had at least 10 years of contributing service, had attained age 45, and had a prior Retirement Date before age 52 may retire at age 52.

Active members on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

A member who is within five years of reaching their retirement eligibility date, as described in this section, and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

Prior to July 1, 2012, members designated as police officers or firefighters were eligible for retirement at or after age 55 with credit for at least 10 years of service or at any age with credit for 25 or more years of service. Members were also eligible to retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elected to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member was eligible to retire at any age with 20 or more years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

A monthly benefit is paid equal to 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum).

If the optional 20-year retirement provisions were adopted by the municipality prior to July 1, 2012: benefits are based on 2.50% of the member's FAC for each year of service prior to July 1, 2012 and 2.00% of the member's FAC for each year of service after July 1, 2012. The benefit cannot exceed 75% of the member's FAC.

Active members (including future hires), members who retire after July 1, 2015 and after attaining age 57 with 30 years of service will have a benefit equal to the greater of their current benefit described in (a) and (b) above and one calculated based on a 2.25% multiplier for all years of service.

##### ***Other benefit provisions***

Death and disability benefits are also provided to members. A member is eligible for a disability retirement provided he/she has credit for at least five years of service or if the disability is work-related. Members are not eligible for an ordinary disability benefit if they are eligible for unreduced retirement.

Joint and survivor benefit options are available to retirees. For some employees, a Social Security Option is also available where an annuity is paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death.



**Town of Portsmouth, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2023*

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12. Pension Plan (continued)

***(d) Municipal Employees' Retirement System (MERS) (continued)***

Post-retirement benefit increases are paid to members who retire after June 30, 2012. Members will be eligible to receive cost of living increases at the later of the member's third anniversary of retirement and the month following their SSNRA (age 55 for members designated as police officers and/or firefighters). When a municipality elects coverage, it may elect either COLA C (covering only current and future active members and excluding members already retired) or COLA B (covering current retired members as well as current and future active members).

a. The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.

b. Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%

c. The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on the every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

**Employees covered by benefit terms**

At the June 30, 2022 valuation date, the following employees were covered by the benefit terms:

	<b>Fire Department</b>	<b>Police Department</b>
Retirees and Beneficiaries	0	0
Inactive, Non-retired Members	0	0
Active Members	23	25
Total	23	25

**Contributions** - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% (2% if the employer opted to provide a COLA) of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% (10% if employer opted to provide a COLA) of their salaries. The Town of Portsmouth contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town of Portsmouth-Fire contributed \$137,511 in the year ended June 30, 2023 which was 8.29% of annual covered payroll and Police contributed \$156,842 in the year ended June 30, 2023 which was 8.54% of annual covered payroll.

**Town of Portsmouth, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2023*

12. Pension Plan (continued)

**(d) Municipal Employees' Retirement System (MERS) (continued)**

**Net Pension Liability (Asset)** - The total pension liability was determined by actuarial valuations performed as of June 30, 2021 and rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement.

<b>Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2022 measurement date (June 30, 2021 valuation rolled forward to June 30, 2022)</b>	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees - 3.25% to 7.25%; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.5 %
Mortality	Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
Cost of Living Adjustments	All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision.

The actuarial assumptions used in the June 30, 2021 valuation rolled forward to June 30, 2022 and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019 for the six year period ended June 19, 2019 as approved by the System's Board on May 22, 2020.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 40 sources. The June 30, 2022 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

### 12. Pension Plan (continued)

#### *(d) Municipal Employees' Retirement System (MERS) (continued)*

Asset class	Target allocation	Long-term expected real rate of return
<b>Global equity:</b>		
U.S. equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
<b>Private Growth</b>		
Private Equity	12.50%	9.42%
Non-Core RE	2.50%	4.80%
<b>Income</b>		
Equity Options	2.00%	5.25%
EMD (50/50 Blend)	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations(CLO)	2.00%	2.95%
<b>Crisis Protection Class</b>		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
<b>Inflation Protection</b>		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
<b>Volatility Protection</b>		
IG Corp Credit	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
Total	<u>100.00%</u>	

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

**Discount rate** - The discount rate used to measure the total pension liability of the plans was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit 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.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

12. Pension Plan (continued)

*(d) Municipal Employees' Retirement System (MERS) (continued)*

<b>Fire Department</b>	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balance as of June 30, 2021</b>	\$ 641,887	\$ 1,618,150	\$ (976,263)
<b>Changes for the year:</b>			
Service cost	280,032	-	280,032
Interest on total pension liability	54,733	-	54,733
Differences between expected and actual experience of the total pension liability	882,356	-	882,356
Changes in assumptions	-	-	-
Contributions - employer	-	150,763	(150,763)
Contributions - employee	-	150,312	(150,312)
Net investment income	-	(52,228)	52,228
Benefit payments, including employee refunds	-	-	-
Administrative expense	-	(1,780)	1,780
Other changes	-	-	-
<b>Net changes</b>	<u>1,217,121</u>	<u>247,067</u>	<u>970,054</u>
<b>Balance as of June 30, 2022</b>	<u>\$ 1,859,008</u>	<u>\$ 1,865,217</u>	<u>\$ (6,209)</u>
<b>Police Department</b>	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balance as of June 30, 2021</b>	\$ 1,336,024	\$ 1,921,793	\$ (585,769)
<b>Changes for the year:</b>			
Service cost	310,953	-	310,953
Interest on total pension liability	104,405	-	104,405
Differences between expected and actual experience of the total pension liability	-	-	-
Changes in assumptions	-	-	-
Contributions - employer	-	143,581	(143,581)
Contributions - employee	-	168,721	(168,721)
Net investment income	-	(60,796)	60,796
Benefit payments, including employee refunds	-	-	-
Administrative expense	-	(2,073)	2,073
Other changes	-	-	-
<b>Net changes</b>	<u>415,358</u>	<u>249,433</u>	<u>165,925</u>
<b>Balance as of June 30, 2022</b>	<u>\$ 1,751,382</u>	<u>\$ 2,171,226</u>	<u>\$ (419,844)</u>

**Sensitivity of the Net Pension Liability to changes in the discount rate.** The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.0 percent, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

### 12. Pension Plan (continued)

#### *(d) Municipal Employees' Retirement System (MERS) (continued)*

<b>Fire Department Plan</b>		
<b>Current</b>		
1% Decrease	Discount Rate	1% Increase
<b>6%</b>	<b>7%</b>	<b>8%</b>
\$ 162,020	\$ (6,209)	\$ (158,900)

<b>Police Department Plan</b>		
<b>Current</b>		
1% Decrease	Discount Rate	1% Increase
<b>6%</b>	<b>7%</b>	<b>8%</b>
\$ (261,113)	\$ (419,844)	\$ 563,896

**Pension plan fiduciary net position** - detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

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

For the year ended June 30, 2022 the employer recognized pension expense of \$87,065. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

<b>Fire Department Plan</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes in assumptions	\$ -	\$ -
Difference between expected and actual experience	834,465	-
Net difference between projected and actual earnings on pension plan investments	140,779	175,296
Contributions subsequent to the measurement date	137,511	-
	\$ 1,112,755	\$ 175,296
Net amount of deferred outflows and (inflows) excluding contributions subsequent to measurement date		\$ 799,948

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

### 12. Pension Plan (continued)

#### *(d) Municipal Employees' Retirement System (MERS) (continued)*

#### **Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

For the year ended June 30, 2022 the employer recognized pension expense of \$71,974. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

<b>Police Department Plan</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes in assumptions	\$ -	\$ -
Difference between expected and actual experience	-	-
Net difference between projected and actual earnings on pension plan investments	164,944	217,766
Contributions subsequent to the measurement date	156,842	-
	\$ 321,786	\$ 217,766
Net amount of deferred outflows and (inflows) excluding contributions subsequent to measurement date		\$ (52,822)

\$137,511 for the fire department plan and \$156,842 for the police department plan was reported as deferred outflows of resources related to pensions resulting from the Town of Portsmouth contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fire Department Plan</b>	
Year ended June 30:	
2024	\$ 24,578
2025	24,578
2026	24,806
2027	83,085
2028	47,891
Thereafter	595,010
	\$ 799,948

**Town of Portsmouth, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2023*

12. Pension Plan (continued)

*(d) Municipal Employees' Retirement System (MERS) (continued)*

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

<u>Police Department Plan</u>		
Year ended June 30:		
2024	\$	(31,352)
2025		(31,352)
2025		(31,354)
2027		41,236
2028		
Thereafter		-
	<u>\$</u>	<u>(52,822)</u>

**Aggregate Pension Amounts Reported in the Financial Statements**

As required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions an Amendment of GASB Statement No. 34*, the table below presents the aggregate amount of pension expense, pension liabilities (assets) and deferred inflows and outflows for the defined benefit plans of the Town of Portsmouth, Rhode Island.

	<b>ERS Teachers</b>	<b>TSB Teachers</b>	<b>MERS Fire</b>	<b>MERS Police</b>	<b>Town Plan</b>	<b>Total</b>
Net Pension Asset	\$ -	\$ 6,395,225	\$ 6,209	\$ 419,844	\$ -	\$ 6,821,278
Deferred Outflows of Resources - Pension	3,072,596	614,866	1,112,755	321,786	4,765,282	9,887,285
Deferred Inflows of Resources - Pension	2,537,189	1,342,714	175,296	217,766	886,616	5,159,581
Net Pension Liability	26,170,355	-	-	-	48,808,414	74,978,769
Pension Expense (Income)	1,953,827	(626,402)	87,065	71,974	4,530,936	6,017,400
Total	\$ 33,733,967	\$ 7,726,403	\$ 1,381,325	\$ 1,031,370	\$ 58,991,248	\$ 102,864,313

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

### 13. Financial Statements for Individual Pension and Other Postemployment Benefit Trust Funds:

GAAP requires that all Pension and Other Postemployment Trust Funds be combined and presented in one column in the Fiduciary Funds financial statements and that the individual financial statements for each trust fund plan are reported in the notes to the financial statements. Provided below are the individual financial statements for the pension and OPEB plan that are included in the Fiduciary Funds as Pension and Other Postemployment Benefits Trust Funds.

#### Statement of Fiduciary Net Position

	<b>Town Pension Trust</b>	<b>OPEB Trust</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments, at fair value			
Investment funds	65,241,964	-	65,241,964
Fixed income securities	-	2,351,627	2,351,627
Total assets	65,241,964	2,351,627	67,593,591
<b>Deferred outflows of resources</b>			
Deferred outflows	-	-	-
Total assets and deferred outflows of resources	65,241,964	2,351,627	67,593,591
<b>Liabilities</b>			
Account payable	-	-	-
Total liabilities	-	-	-
<b>Deferred inflows of resources</b>			
Unearned revenue	-	-	-
Total deferred inflows of resources	-	-	-
<b>Net Position</b>			
Restricted for pension	65,241,964	-	65,241,964
Restricted for OPEB	-	2,351,627	2,351,627
Total net position	65,241,964	2,351,627	67,593,591
Total liabilities and net position	\$ 65,241,964	\$ 2,351,627	\$ 67,593,591



# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

### Statement of Changes in Fiduciary Net Position

	Town Pension Trust	OPEB Trust	Total
<b>Additions</b>			
<b>Contributions:</b>			
Employer contributions	\$ 4,424,009	\$ 1,081,226	\$ 5,505,235
Plan member contributions	327,497	60,014	387,511
Other adjustments	-	25,558	25,558
<i>Total contributions</i>	4,751,506	1,166,798	5,918,304
<b>Investment Income:</b>			
Net appreciation in the fair value	6,414,653	219,960	6,634,613
<i>Total investment income</i>	6,414,653	219,960	6,634,613
Less: Investment expense	(31,678)	-	(31,678)
Total additions	11,134,481	1,386,758	12,521,239
<b>Deductions</b>			
Administrative expenses	137,951	2,117	140,068
Benefits paid	6,011,159	1,056,226	7,067,385
Total deductions	6,149,110	1,058,343	7,207,453
Changes in net position held in trust for individuals, organizations, and other governments	4,985,371	328,415	5,313,786
Net position, July 1, 2022	60,256,593	2,023,212	62,279,805
Net position, June 30, 2023	\$ 65,241,964	\$ 2,351,627	\$ 67,593,591

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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### 14. Public Private Partnership (GASB Statement No. 94)

The Town entered into a public private partnership with Russell Morin Catering & Events (RMCE). RMCE shall be the sole and exclusive caterer, operator, and manager of the Glen Manor House.

The initial term of the partnership is for five (5) years beginning January 1, 2023. RMCE covenants and agrees to pay the Town \$900,000 in fixed monthly payments of \$15,000.

The Town entered into a public private partnership with Mellville Campground LLC (referred to as "Concessionaire").

The Concessionaire on behalf of the Town agrees to operate and manage the Melville Ponds Campgrounds.

The initial term began on April 1, 2020 and will end March 31, 2025. The Concessionaire agrees to pay a base fee of \$35,000 per year, plus 5% of its semi-annual gross receipts or \$15,000 (whichever is greater).

For accounting purposes, the partnership asset and associated deferred inflows of resources are reported at the present value of the future partnership payments using 5.00% interest rate.

As of June 30, 2023 the principal and interest payment by the partnership are as follows:

	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 179,824	\$ 35,176	\$ 215,000
2025	183,179	25,988	209,167
2026	162,583	17,417	180,000
2027	170,901	9,099	180,000
2028	76,031	1,298	77,329
Thereafter	-	-	-
	<u>\$ 772,518</u>	<u>\$ 88,978</u>	<u>\$ 861,496</u>

# Town of Portsmouth, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2023

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### 15. Deferred Compensation Plan

The Town offers its municipal employees a deferred compensation plan established in accordance with the provisions of Internal Revenue Code Section 457. The Plan, available to certain municipal employees, permits the deferral of a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

During the year ended June 30, 2000, the Town implemented the Governmental Accounting Standards Board, Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan*. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. As a result, deferred compensation investments and the respective liability have been removed from the Town's financial statements.

### 16. Contingent Liabilities and Commitments

The Town is a defendant in various lawsuits. Although the outcome of most of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of some of these matters may have a material effect on the financial condition of the government. The Town has appropriately provided for these matters, as applicable.

Under the terms of federal and state grants, periodic compliance audits by the grantors or their representatives are required and, consequently, certain costs may be questioned as not being appropriate, and result in reimbursement to the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies could not be determined at this time. Town officials believe that such disallowances, if any, would not be material. Currently, there are no reviews taking place. The School Department participates as part of the East Bay Collaborative for the school lunch program administered by the Compass Group, USA, Inc. through its Chartwells Division under five one-year agreements.

The School Department has a five-year agreement, through June 30, 2026, with First Student, Inc. to provide busing for the School Department based on the rate schedule specified in the agreement. Busing costs associated with this agreement totaled approximately \$2,890,829 for the year ended June 30, 2023. Estimated costs to be incurred over the remaining 5-year life of this contract is approximately \$9,203,000. At June 30, 2023 the Town (including the School Department) had a contract with Aramark Management Services through fiscal year 2024 for purposes of facilities management.

### 17. Tax Abatements

The Town enters into tax abatement agreements that meet the reporting requirements of GASB Statement No. 77 "Tax Abatement Disclosures".

<u>map/lot</u>	<u>Address</u>	<u>State Code</u>	<u>Original AV</u>	<u>Exemption</u>	<u>Post Exemption</u>	<u>Tax Rate</u>	<u>Amt Tax Credit</u>	<u>Year Started</u>
61-3A	AMH PROPERTIES LLC	66	\$ 591,300	\$ 85,820	\$ 505,480	12.78	\$ 1,097	2019

# **Town of Portsmouth, Rhode Island**

## Notes to Financial Statements

*For the Year Ended June 30, 2023*

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### 18. Subsequent Events

Management reviewed subsequent events through the report date of December 19, 2023. No material events have occurred that require disclosures.

## Required Supplementary Information Section

# Town of Portsmouth, Rhode Island

## Required Supplementary Information

### Budgetary Comparison Schedule – General Fund

*For the Year Ended June 30, 2023*

	Budget Amounts		Actual Amounts (Budgetary Basis)	Variance Over (Under)
	Original	Final		
<b>Revenues:</b>				
Property taxes				
Current collections	\$ 58,095,873	\$ 58,095,873	\$ 58,482,326	\$ 386,453
Prior year collections	1,250,000	1,250,000	1,043,494	(206,506)
Prorated collections	55,000	55,000	111,565	56,565
MV excise tax	-	-	58,497	58,497
MV phase-out	2,319,596	2,319,596	2,319,596	-
MV excise reimbursement	94,646	94,646	94,646	-
PILOT - housing authority	7,500	7,500	5,537	(1,963)
School housing aid	163,941	163,941	163,943	2
Hotel and meal	357,287	357,287	458,035	100,748
Cannabis local excise tax	-	-	24,925	24,925
Public service corporation	206,787	206,787	214,714	7,927
State library	118,348	118,348	132,188	13,840
Fees and licenses	2,958,925	2,958,925	3,047,481	88,556
Leases and rentals	562,778	562,778	483,628	(79,150)
Miscellaneous revenue	142,150	142,150	321,891	179,741
<b>Total revenues</b>	66,332,831	66,332,831	66,962,466	629,635
<b>Expenditures:</b>				
Town council	13,916	13,916	13,417	(499)
Town administration	320,414	320,414	317,520	(2,894)
Town clerk	478,971	478,971	430,317	(48,654)
Canvassing	290,634	290,634	262,841	(27,793)
Information technology	294,092	294,092	293,907	(185)
Human resources	2,216,557	2,216,557	2,155,528	(61,029)
Contingency	50,000	50,000	57,068	7,068
Finance	1,022,001	1,022,001	1,022,138	137
Legal	280,500	280,500	250,821	(29,679)
Tax assessor / collector	482,486	482,486	501,534	19,048
Economic development	49,034	49,034	51,422	2,388
Police	7,422,267	7,422,267	7,191,831	(230,436)
Animal control	127,784	127,784	117,863	(9,921)
Harbormaster	119,280	119,280	93,262	(26,018)
Fire	7,087,749	7,087,749	7,093,853	6,104
Public works	4,287,064	4,287,064	3,694,868	(592,196)
Building inspection	398,381	398,381	396,445	(1,936)
Planning	382,498	382,498	379,243	(3,255)
Board and committees	38,735	38,735	30,762	(7,973)
Recreation / beach	308,219	308,219	260,007	(48,212)
Civic support	938,963	938,963	938,963	-
Library	118,348	118,348	132,188	(13,840)
Capital outlay	176,516	176,516	176,516	-
Debt service	1,943,174	1,943,174	1,942,355	819
<b>Total expenditures</b>	\$ 28,847,583	\$ 28,847,583	\$ 27,804,669	\$ 1,042,914

*See accompanying notes to required supplementary information*

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Required Supplementary Information

Budgetary Comparison Schedule – General Fund

*For the Year Ended June 30, 2023*

	Budget Amounts		Amounts (Budgetary Basis)	Variance Over (Under)
	Original	Final		
Excess (deficiency) of revenues over expenditures	\$ 37,485,248	\$ 37,485,248	\$ 39,157,797	\$ 1,672,549
<b>Other financing sources and (uses):</b>				
School local appropriation	(35,969,870)	(35,969,870)	(35,969,870)	-
Transfer from other funds	-	-	196,756	196,756
Transfer to other funds	(1,515,378)	(1,515,378)	(2,384,773)	(869,395)
<b>Total other financing sources and uses</b>	(37,485,248)	(37,485,248)	(38,157,887)	(672,639)
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	-	-	999,910	999,910
Adjustment of budgetary basis to U.S. GAAP			-	
Excess of revenue and other financing sources over expenditures and other financing uses, U.S. GAAP basis			999,910	
Fund balance, beginning of year			9,869,972	
Fund balance, end of year			\$ 10,869,882	

*See accompanying notes to required supplementary information*

*See independent auditor's report*

# Town of Portsmouth, Rhode Island

## Required Supplementary Information

### Budgetary Comparison Schedule – School Unrestricted

*For the Year Ended June 30, 2023*

	Original Budget		Actual	Variance Over Under
	Original Budget	Final Budget		
<b>Revenues</b>				
State aid for education	\$ 3,280,556	\$ 3,280,556	\$ 3,280,556	\$ -
State aid: group home aid	473,573	473,573	473,573	-
Impact aid	180,000	180,000	367,098	187,098
Tuition - other districts/ individuals	1,905,500	1,905,500	1,586,823	(318,677)
Medicaid	370,000	370,000	232,579	(137,421)
Miscellaneous	35,000	35,000	28,952	(6,048)
Total revenues	6,244,629	6,244,629	5,969,581	(275,048)
<b>Expenditures</b>				
Salaries	24,659,428	24,306,233	23,981,333	324,900
Employee benefits	8,733,659	8,630,086	8,512,678	117,408
Purchased services	7,066,374	7,390,205	7,136,322	253,883
Supplies and materials	1,093,721	1,078,316	1,115,483	(37,167)
Other	96,841	276,216	255,102	21,114
Capital outlay	564,476	533,442	529,419	4,023
Total expenditures	42,214,499	42,214,499	41,530,337	684,161
Excess of expenditures over revenues, budgetary basis	(35,969,870)	(35,969,870)	(35,560,756)	409,113
<b>Other financing sources (uses)</b>				
Appropriation from Town's general fund	35,969,870	35,969,870	35,969,870	-
Transfer from other funds	-	-	343	343
Transfer to other funds	-	-	(487,604)	(487,604)
Total other financing sources (uses)	35,969,870	35,969,870	35,482,610	(487,261)
<b>Excess of revenues and other financing sources over expenditures and other financing uses, budgetary basis</b>	\$ -	\$ -	(78,147)	\$ (78,147)
Adjustment of budgetary basis to U.S. GAAP basis			-	
Excess of revenues and other financing sources over expenditures and other financing uses, U.S. GAAP basis			(78,147)	
Fund balance, beginning of year			1,460,819	
Fund balance, end of year			\$ 1,382,672	

*See independent auditor's report*



# Town of Portsmouth, Rhode Island

## Required Supplementary Information

### Notes to Required Supplementary Information

#### Budgetary Comparison Schedule – General Fund and School Unrestricted Fund

*For the Year Ended June 30, 2023*

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***Adoption:***

In accordance with Town's Home Rule Charter, the Town Administrator must present to the Town Council a recommended annual budget for the operations of all municipal departments no later than 90 days prior to the commencement of each fiscal year. The recommended budget must include the School Department's annual budget as approved by the School Committee. A final budget must be adopted by the Town Council by June 30.

Budget is adopted for the General Fund on a legally enacted budgetary basis which differs from accounting principles generally accepted in the United States of America (U.S. GAAP) in several regards. Budget is adopted on the modified accrual basis of accounting, except that budgetary expenditures include encumbrances in the year incurring the commitment to purchase, and budgetary revenues include subsidies from fund balance previously recognized under U.S. GAAP.

Encumbrances are not liabilities and, therefore, are not recognized as expenditures under U.S. GAAP until receipt of materials or services. For budgetary purposes, unencumbered and unexpended appropriations lapse at year end and outstanding encumbrances are included in the budgetary expenditures in the year committed. The Town reserves a portion of fund balance in the governmental fund financial statements equal to outstanding encumbrances at year end. At June 30, 2023, the Town did not have open encumbrances.

***Budgetary Compliance:***

Municipal budgetary control is legally enforceable at the department level. An appropriation transfer between departments and intra-departmental transfers of municipal appropriations require approval of the Town Council. In addition to limits enforced by the budget, the Town's Home Rule Charter further restricts municipal expenditures relative to budgeted revenues.

***Budgetary to GAAP Basis Reconciliation:***

There were differences between budgetary basis and GAAP basis of accounting for the Town's General Fund for the year ended June 30, 2023. There were differences between the budgetary basis and GAAP Basis of accounting for the School Unrestricted Fund for the year ended June 30, 2023.

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Required Supplementary Information

Notes to Required Supplementary Information

Budgetary Comparison Schedule – General Fund and School Unrestricted Fund

*For the Year Ended June 30, 2023*

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	<b>School Unrestricted</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses (budgetary basis)	\$ (78,147)
State contribution to teachers' pension plan revenue on behalf	(2,122,896)
State contribution to teacher's pension plan expense on behalf	<u>2,122,896</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ (78,147)</u>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Required Supplementary Information

Employees' Retirement System – Teacher's Pension Plan

Schedule of Town's Proportionate Share of the Net Pension Liability

*Last 10 Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability	0.96901439%	0.98492263%	0.98644934%	0.98554032%	0.98734301%	0.99184793%	1.06672268%	1.05741609%	1.17765085%
Employer's proportionate share of the net pension liability	\$ 26,170,355	\$ 23,179,151	\$ 31,517,114	\$ 31,446,313	\$ 31,370,338	\$ 31,283,742	\$ 31,826,498	\$ 29,110,693	\$ 28,664,026
State's proportionate share of the net pension liability associated with the school district	<u>19,354,816</u>	<u>17,189,419</u>	<u>23,417,987</u>	<u>23,556,545</u>	<u>23,400,019</u>	<u>23,642,993</u>	<u>21,796,478</u>	<u>19,887,512</u>	<u>19,656,243</u>
Total	<u>\$ 45,525,171</u>	<u>\$ 40,368,570</u>	<u>\$ 54,935,101</u>	<u>\$ 55,002,858</u>	<u>\$ 54,770,357</u>	<u>\$ 54,926,735</u>	<u>\$ 53,622,976</u>	<u>\$ 48,998,205</u>	<u>\$ 48,320,269</u>
Employer's covered payroll	\$ 19,090,791	\$ 18,582,810	\$ 18,478,732	\$ 18,298,517	\$ 17,823,609	\$ 17,590,459	\$ 17,812,753	\$ 16,528,974	\$ 16,047,548
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	137.08%	124.73%	170.56%	171.85%	176.00%	177.84%	178.67%	176.12%	178.62%
Plan fiduciary net position as a percentage of the total pension liability	62.10%	66.50%	54.30%	54.60%	54.30%	54.00%	54.06%	57.55%	61.40%

**Notes:**

1.) The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.

2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

3.) Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.

*See accompanying notes to required supplementary information*

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Required Supplementary Information

Employees' Retirement System – Teacher's Pension Plan

Schedule of Town's Contributions

*Last 10 Years*

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	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,122,896	\$ 2,821,099	\$ 2,743,469	\$ 2,624,299	\$ 2,460,253	\$ 2,318,997	\$ 2,273,897	\$ 2,406,202	\$ 2,304,139
Contributions in relation to the actuarially determined contribution	2,122,896	2,821,099	2,743,469	2,624,299	2,460,253	2,318,997	2,273,897	2,406,202	2,304,139
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 19,090,791	\$ 18,582,810	\$ 18,478,732	\$ 18,298,517	\$ 17,947,924	\$ 17,823,609	\$ 17,590,459	\$ 17,812,753	\$ 16,528,974
Contributions as a percentage of covered payroll	11.12%	15.18%	14.85%	14.34%	13.71%	13.01%	12.93%	13.51%	11.63%

**Notes:**

- 1.) Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.
- 2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.
- 3.) Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.

*See accompanying notes to required supplementary information*

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Required Supplementary Information

Employees' Retirement System – Teacher's Survivor Benefit Plan

Schedule of Town's Proportionate Share of the Net Pension Asset

*Last 10 Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension asset	3.64%	3.77%	3.67%	3.59%	3.59%	3.64%	3.83%	3.78%	3.91%
Employer's proportionate share of the net pension asset	\$ 6,395,225	\$ 7,373,961	\$ 4,360,405	\$ 4,205,948	\$ 3,202,420	\$ 3,013,282	\$ 3,817,161	\$ 3,529,932	\$ 4,865,868
Employer's covered payroll	\$ 19,090,791	\$ 18,582,810	\$ 18,478,732	\$ 18,298,517	\$ 17,823,609	\$ 17,590,459	\$ 17,812,753	\$ 16,528,974	\$ 16,047,548
Employer's proportionate share of the net pension asset as a percentage of its covered payroll	33.50%	39.68%	23.60%	22.99%	17.97%	17.13%	21.43%	21.36%	30.32%
Plan fiduciary net position as a percentage of the total pension asset	177.7%	185.7%	153.1%	150.2%	137.4%	136.1%	153.3%	146.6%	173.3%

**Notes:**

- 1.) The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.
- 2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.
- 3.) Employers participating in the Teachers' Survivors Benefit Plan contribute at a rate established by RI General Laws, Section 16-16-35.

*See accompanying notes to required supplementary information*

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Required Supplementary Information

Employees' Retirement System – Teacher's Survivor Benefit Plan

Schedule of Town's Contributions

*Last 10 Years*

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	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily determined contribution	\$ 28,019	\$ 27,108	\$ 27,741	\$ 27,381	\$ 27,652	\$ 26,703	\$ 21,486	\$ 24,622	\$ 22,815
Contributions in relation to the statutorily determined contribution	28,019	27,108	27,741	27,381	27,652	26,703	21,486	24,622	22,815
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 19,090,791	\$ 18,582,810	\$ 18,478,732	\$ 18,298,517	\$ 17,947,924	\$ 17,823,609	\$ 17,590,459	\$ 17,812,753	\$ 16,528,974
Contributions as a percentage of covered payroll	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.12%	0.14%	0.14%

**Notes:**

- 1.) The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.
- 2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.
- 3.) Employers participating in the Teachers' Survivors Benefit Plan contribute at a rate established by RI General Laws, Section 16-16-35.

*See accompanying notes to required supplementary information*

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Required Supplementary Information

Municipal Employees' Retirement System – MERS

Schedule of Changes in the Town of Portsmouth's Net Pension Liability and Related Ratios – Fire Department Plan

*Last 10 Years*

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
<b>A. Total pension liability</b>									
1. Service Cost	\$ 280,032	\$ 193,812	\$ 398,475	N/A	N/A	N/A	N/A	N/A	N/A
2. Interest on the Total Pension Liability	54,733	35,653	13,947	N/A	N/A	N/A	N/A	N/A	N/A
3. Changes of benefit terms	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
4. Difference between expected and actual experience of the Total Pension Liability	882,356	-	-	N/A	N/A	N/A	N/A	N/A	N/A
5. Changes of assumptions	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
6. Benefit payments, including refunds of employee contributions	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
7. Net change in total pension liability	1,217,121	229,465	412,422	-	-	-	-	-	-
8. Total pension liability – beginning	641,887	412,422	-	N/A	N/A	N/A	N/A	N/A	N/A
9. Total pension liability – ending (a)	<u>\$ 1,859,008</u>	<u>\$ 641,887</u>	<u>\$ 412,422</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>B. Plan fiduciary net position</b>									
1. Contributions – employer	150,763	105,937	332,208	N/A	N/A	N/A	N/A	N/A	N/A
2. Contributions – employee	150,312	105,620	59,139	N/A	N/A	N/A	N/A	N/A	N/A
3. Net investment income	(52,228)	349,995	14,813	N/A	N/A	N/A	N/A	N/A	N/A
4. Benefit payments, including refunds of employee contributions	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
5. Pension Plan Administrative Expense	(1,780)	(1,333)	(408)	N/A	N/A	N/A	N/A	N/A	N/A
6. Other	-	652,179	-	N/A	N/A	N/A	N/A	N/A	N/A
7. Net change in plan fiduciary net position	247,067	1,212,398	405,752	N/A	N/A	N/A	N/A	N/A	N/A
8. Plan fiduciary net position – beginning	1,618,150	405,752	-	N/A	N/A	N/A	N/A	N/A	N/A
9. Plan fiduciary net position – ending (b)	<u>1,865,217</u>	<u>1,618,150</u>	<u>405,752</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>C. Net pension liability - ending (a) - (b)</b>	\$ (6,209)	\$ (976,263)	\$ 6,670	N/A	N/A	N/A	N/A	N/A	N/A
<b>D. Plan fiduciary net position as a percentage of the total pension liability</b>	100.33%	252.09%	98.38%	N/A	N/A	N/A	N/A	N/A	N/A
<b>E. Covered payroll</b>	\$ 1,503,123	\$ 1,056,195	\$ 591,394	N/A	N/A	N/A	N/A	N/A	N/A
<b>F. Net pension liability as a percentage of covered payroll</b>	-0.41%	-92.43%	1.13%	N/A	N/A	N/A	N/A	N/A	N/A

*See accompanying notes to required supplementary information*

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Required Supplementary Information

Municipal Employees' Retirement System – MERS

Schedule of Town's Contributions – Fire Department Plan

*Last 10 Years*

	<u>Fiscal 2023</u>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 137,511	\$ 150,763	\$ 105,937	\$ 332,208	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the actuarially determined contribution	137,511	150,763	105,937	332,208	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,658,750	\$ 1,503,123	\$ 1,056,195	\$ 591,394	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	8.29%	10.03%	10.03%	56.17%					

**Notes:**

- 1.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate
- 2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.
- 3.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate

*See accompanying notes to required supplementary information*

*See independent auditor's report*



# Town of Portsmouth, Rhode Island

## Required Supplementary Information

### Municipal Employees' Retirement System – MERS

#### Schedule of Changes in the Town of Portsmouth's Net Pension Liability and Related Ratios – Police Department Plan

*Last 10 Years*

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
<b>A. Total pension liability</b>									
1. Service Cost	\$ 310,953	\$ 1,290,844	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2. Interest on the Total Pension Liability	104,405	45,180	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3. Changes of benefit terms	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4. Difference between expected and actual experience of the Total Pension Liability	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5. Changes of assumptions	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6. Benefit payments, including refunds of employee contributions	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7. Net change in total pension liability	415,358	1,336,024	-	-	-	-	-	-	-
8. Total pension liability – beginning	1,336,024	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9. Total pension liability – ending (a)	<u>\$ 1,751,382</u>	<u>\$ 1,336,024</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>B. Plan fiduciary net position</b>									
1. Contributions – employer	143,581	1,358,873	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2. Contributions – employee	168,721	148,847	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3. Net investment income	(60,796)	415,657	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4. Benefit payments, including refunds of employee contributions	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5. Pension Plan Administrative Expense	(2,073)	(1,584)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6. Other	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7. Net change in plan fiduciary net position	249,433	1,921,793	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8. Plan fiduciary net position – beginning	1,921,793	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9. Plan fiduciary net position – ending (b)	<u>2,171,226</u>	<u>1,921,793</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>C. Net pension liability - ending (a) - (b)</b>	<u>\$ (419,844)</u>	<u>\$ (585,769)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>D. Plan fiduciary net position as a percentage of the total pension liability</b>	123.97%	143.84%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>E. Covered payroll</b>	\$ 1,687,211	\$ 1,488,466	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>F. Net pension liability as a percentage of covered payroll</b>	-24.88%	-39.35%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*See accompanying notes to required supplementary information*

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Required Supplementary Information

Municipal Employees' Retirement System – MERS

Schedule of Town's Contributions – Police Department Plan

*Last 10 Years*

	<u>Fiscal 2023</u>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 156,842	\$ 143,581	\$ 148,847	N/A	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the actuarially determined contribution	156,842	143,581	148,847	N/A	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	<u>\$ 1,835,933</u>	<u>\$ 1,687,303</u>	<u>\$ 1,488,466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	8.54%	8.51%	10.00%						

**Notes:**

- 1.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution
- 2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.
- 3.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution

*See accompanying notes to required supplementary information*

*See independent auditor's report*

# Town of Portsmouth, Rhode Island

## Required Supplementary Information

### Notes to State ERS, TSB and MERS Plans

*For the Year Ended June 30, 2023*

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The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.

The schedules are intended to show information for 10 years – additional years will be displayed as they become available.

Employers participating in the State Employee’s Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.

Employers participating in the Municipal Employee’s Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

Employers participating in the Teachers’ Survivors Benefit Plan contribute at a rate established by RI General Laws, Section 16-16-35.

#### ***June 30, 2022 measurement date –***

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2022 measurement date compared to the June 30, 2021 measurement date.

#### ***June 30, 2021 measurement date –***

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2021 measurement date compared to the June 30, 2020 measurement date.

#### ***June 30, 2020 measurement date –***

As part of the 2020 Actuarial Experience Study for the six-year period ending June 30, 2019 as approved by the System Board on May 22, 2020, certain assumptions were modified and reflected in the determination of net pension liability (asset) at the June 30, 2020 measurement date. The following summarizes the more significant changes in assumptions:

- Updated the underlying mortality tables from the RP-2014 set of tables to the public sector-based PUB (10) tables.
- Increased slightly the probabilities of turnover.
- Decreased slightly the probabilities of retirement.
- Modified slightly the probabilities of disability, including adding material incidence of disability for members in the age ranges that historically have been eligible to retire but under prospective provisions are not.

#### ***June 30, 2019 measurement date –***

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2019 measurement date compared to the June 30, 2018 measurement date.

*See accompanying notes to required supplementary information*

*See independent auditor’s report*

## Town of Portsmouth, Rhode Island

### Required Supplementary Information

#### Notes to State ERS, TSB and MERS Plans

*For the Year Ended June 30, 2023*

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##### *June 30, 2018 measurement date –*

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2018 measurement date compared to the June 30, 2017 measurement date.

##### *June 30, 2017 measurement date –*

As part of the 2017 Actuarial Experience Investigation Study for the six-year period ending June 30, 2016 as approved by the System Board on May 15, 2017, certain assumptions were modified and reflected in the determination of the net pension liability (asset) at the June 30, 2017 measurement date. The following summarizes the more significant changes in assumptions:

- Decreased the general inflation assumption from 2.75% to 2.50%.
- Decreased the nominal investment return assumption from 7.50% to 7.00%.
- Decreased the general wage growth assumption from 3.25% to 3.00%.
- Decreased salary increase assumptions; and
- Updated the post-retirement mortality tables to variants of the RP-2014 table. For the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

##### *June 30, 2016 measurement date –*

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2016 measurement date compared to the June 30, 2015 measurement date.

##### *June 30, 2015 measurement date –*

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2015 measurement date compared to the June 30, 2014 measurement date. The June 30, 2015 measurement date determination of the net pension liability for the

ERS and MERS plans reflects changes in benefit changes resulting from the settlement of litigation challenging the various pension reform measures enacted in previous years by the General Assembly. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions, are summarized below:

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.

*See accompanying notes to required supplementary information*

*See independent auditor's report*

## Town of Portsmouth, Rhode Island

### Required Supplementary Information

#### Notes to State ERS, TSB and MERS Plans

*For the Year Ended June 30, 2023*

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- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision)
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before July 1, 2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5-year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

**Teachers Survivors Benefit Plan** – the employee and employer contribution rates were applied to the first \$11,500 of member salary for fiscal year 2018. In fiscal year 2017 and prior the rate was applied to salary up to \$9,600.

Covered employee is the full amount of employee payroll for plan members and not just the capped salary amount to which the contribution rate is applied.

*See accompanying notes to required supplementary information*

*See independent auditor's report*

# Town of Portsmouth, Rhode Island

## Required Supplementary Information

### Town Pension Plan

#### Schedule of Changes in Town's Net Pension Liability and Related Ratios

*Last 10 Years*

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<b>Total pension liability</b>										
Service cost	\$ 908,903	\$ 898,771	\$ 1,217,126	\$ 1,091,474	\$ 1,153,715	\$ 1,354,501	\$ 1,316,275	\$ 1,252,788	\$ 1,240,913	\$ 1,389,334
Interest	7,234,775	7,167,954	7,108,648	6,903,374	6,507,380	6,194,141	5,988,522	5,652,355	5,245,240	4,915,100
Differences between expected and actual experience	688,109	1,125,231	(1,568,488)	682,436	1,525,148	1,978,473	-	1,024,895	1,229,633	2,000,989
Changes in assumptions	966,096	(2,068,774)	(5,924,255)	5,424,302	2,358,787	487,587	-	-	2,343,849	(203,891)
Changes of benefit terms	985,123	-	373,382	-	-	(15,093)	-	1,122,120	-	(879,278)
Benefit payments, including refunds of participant contributions	(6,011,159)	(6,275,605)	(5,261,905)	(5,591,756)	(5,640,660)	(4,675,839)	(3,917,789)	(4,353,001)	(3,727,333)	(3,417,068)
<b>Net change in total pension liability</b>	<u>4,771,847</u>	<u>847,577</u>	<u>(4,055,492)</u>	<u>8,509,830</u>	<u>5,904,370</u>	<u>5,323,770</u>	<u>3,387,008</u>	<u>4,699,157</u>	<u>6,332,302</u>	<u>3,805,186</u>
<b>Total pension liability - beginning</b>	<u>109,278,531</u>	<u>108,430,954</u>	<u>112,486,446</u>	<u>103,976,616</u>	<u>98,072,246</u>	<u>92,748,476</u>	<u>89,361,468</u>	<u>84,662,311</u>	<u>78,330,009</u>	<u>74,524,823</u>
<b>Total pension liability - ending</b>	<u>\$ 114,050,378</u>	<u>\$ 109,278,531</u>	<u>\$ 108,430,954</u>	<u>\$ 112,486,446</u>	<u>\$ 103,976,616</u>	<u>\$ 98,072,246</u>	<u>\$ 92,748,476</u>	<u>\$ 89,361,468</u>	<u>\$ 84,662,311</u>	<u>\$ 78,330,009</u>
<b>Pension fiduciary net position</b>										
Contributions - employer	\$ 4,424,009	\$ 5,939,829	\$ 4,918,997	\$ 4,484,385	\$ 4,324,436	\$ 4,322,591	\$ 3,955,207	\$ 3,623,290	\$ 4,054,721	\$ 2,792,576
Contributions - employee	327,498	191,351	230,102	246,659	271,175	301,399	334,211	347,245	348,380	388,692
Net investment income	6,414,653	(10,864,814)	15,952,848	(773,812)	1,706,305	3,897,741	5,647,914	(395,702)	277,740	6,330,851
Benefit payments, including refunds of participant contributions	(6,011,159)	(6,275,605)	(5,261,905)	(5,591,756)	(5,640,660)	(4,675,839)	(3,917,789)	(4,353,001)	(3,727,333)	(3,417,068)
Administrative expense	(137,952)	(243,510)	(37,500)	-	(36,000)	(46,104)	(33,000)	(45,000)	(30,000)	(61,112)
Other miscellaneous income/(expense)	(31,678)	-	-	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>4,985,371</u>	<u>(11,252,749)</u>	<u>15,802,542</u>	<u>(1,634,524)</u>	<u>625,256</u>	<u>3,799,788</u>	<u>5,986,543</u>	<u>(823,168)</u>	<u>923,508</u>	<u>6,033,939</u>
<b>Plan fiduciary net position - beginning</b>	<u>60,256,593</u>	<u>71,509,342</u>	<u>55,706,800</u>	<u>57,341,324</u>	<u>56,716,068</u>	<u>52,916,280</u>	<u>46,929,737</u>	<u>47,752,905</u>	<u>46,829,397</u>	<u>40,795,458</u>
<b>Plan fiduciary net position - ending</b>	<u>\$ 65,241,964</u>	<u>\$ 60,256,593</u>	<u>\$ 71,509,342</u>	<u>\$ 55,706,800</u>	<u>\$ 57,341,324</u>	<u>\$ 56,716,068</u>	<u>\$ 52,916,280</u>	<u>\$ 46,929,737</u>	<u>\$ 47,752,905</u>	<u>\$ 46,829,397</u>
<b>Town's net pension liability (asset) - ending</b>	<u>\$ 48,808,414</u>	<u>\$ 49,021,938</u>	<u>\$ 36,921,612</u>	<u>\$ 56,779,646</u>	<u>\$ 46,635,292</u>	<u>\$ 41,356,178</u>	<u>\$ 39,832,196</u>	<u>\$ 42,431,731</u>	<u>\$ 36,909,406</u>	<u>\$ 31,500,612</u>

*See accompanying notes to required supplementary information*

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Required Supplementary Information

Town Pension Plan

Schedule of Changes in Town's Net Pension Liability and Related Ratios

*Last 10 Years*

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	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Total pension liability	\$ 114,050,378	\$ 109,278,531	\$ 108,430,954	\$ 112,486,446	\$ 103,976,616	\$ 98,072,246	\$ 92,748,476	\$ 89,361,468	\$ 84,662,311	\$ 78,330,009
Plan fiduciary net position	65,241,964	60,256,593	71,509,342	55,706,800	57,341,324	56,716,068	52,916,280	46,929,737	47,752,905	46,829,397
Town's net pension liability (asset)	\$ 48,808,414	\$ 49,021,938	\$ 36,921,612	\$ 56,779,646	\$ 46,635,292	\$ 41,356,178	\$ 39,832,196	\$ 42,431,731	\$ 36,909,406	\$ 31,500,612
Plan fiduciary net position as a percentage of the total pension liability	57.20%	55.14%	65.95%	49.52%	55.15%	57.83%	57.05%	52.52%	56.40%	59.78%
Covered payroll	\$ 5,466,812	\$ 8,707,714	\$ 5,843,765	\$ 7,260,027	\$ 7,750,088	\$ 7,820,129	\$ 8,356,102	\$ 8,073,529	\$ 7,969,261	\$ 7,837,400
Net pension liability (asset) as a percentage of covered payroll	892.81%	562.97%	631.81%	782.09%	601.74%	528.84%	476.68%	525.57%	463.15%	401.93%

*See accompanying notes to required supplementary information*

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Required Supplementary Information

Town Pension Plan

Schedule of Town Contributions

*Last 10 Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 4,385,799	\$ 5,679,202	\$ 4,918,997	\$ 4,484,385	\$ 4,324,436	\$ 4,322,591	\$ 3,955,207	\$ 3,623,290	\$ 3,948,654	\$ 3,677,200
Contributions in relation to the actuarially determined contribution	<u>4,424,009</u>	<u>5,939,829</u>	<u>4,918,997</u>	<u>4,484,385</u>	<u>4,324,436</u>	<u>4,322,591</u>	<u>3,955,207</u>	<u>3,623,290</u>	<u>4,054,721</u>	<u>2,792,576</u>
Contribution deficiency (excess)	<u>\$ (38,210)</u>	<u>\$ (260,627)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (106,067)</u>	<u>\$ 884,624</u>
Covered payroll	\$ 5,466,812	\$ 8,707,714	\$ 5,843,765	\$ 7,260,027	\$ 7,750,088	\$ 7,820,129	\$ 8,356,102	\$ 8,073,529	\$ 7,969,261	\$ 7,837,400
Contributions as a percentage of covered payroll	80.92%	68.21%	84.18%	61.77%	55.80%	55.28%	47.33%	44.88%	50.88%	35.63%

*See accompanying notes to required supplementary information*

*See independent auditor's report*



# Town of Portsmouth, Rhode Island

## Required Supplementary Information

### Town Pension Plan

#### Schedule of Investment Returns and Notes

#### *Last 10 Years*

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Annual money-weighted rate of return, net of investment expense	10.77%	-15.23%	28.68%	-1.36%	3.04%	7.37%	12.03%	-0.83%	0.59%	15.52%

**Actuarial Assumptions:**

Valuation Date:	June 30, 2023
Actuarial cost method	Entry age normal, level percentage of salary
Measurement date	June 30, 2023
Discount rate	The discount rate selected is 6.75%. The discount rate is the long-term rate of return for the plan's assets, as our projections show that the assets will be sufficient to cover the projected benefit payments should the Plan continue to contribute to the plan with an amount of at least the ADC each year. Should the assets not be sufficient to cover the projected benefits payments at any time in the future, we would employ a discount rate reflecting the 20 year tax-exempt municipal bond yield or index rate to the period after which we project assets to run out. We would then use a single, blended discount rate equivalent to the long-term rate of return and the 20-year tax-exempt municipal bond yield. If there are no assets, we would use only the 20-year tax-exempt municipal bond yield for the valuation.
Healthy mortality	SOA Pub-2010 healthy mortality tables (General, Safety, Teachers) projected with mortality improvement scale MP-21.
Disabled mortality	SOA Pub-2010 disabled mortality tables (General, Safety, Teachers) projected with mortality improvement scale MP-21.
Cost of living	2.00%, used as a building block for expected asset returns.
Salary increase	3.5%, used to project future salaries and benefit increases for those whose annual cost of living increases are based on the salary increase of current employees.

*See accompanying notes to required supplementary information*

*See independent auditor's report*

# Town of Portsmouth, Rhode Island

## Required Supplementary Information

### Town OPEB Plan

### Net OPEB Liability and Related Ratios

*Last 10 Years*

	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>	<b>June 30, 2017</b>
<b>Total OPEB liability</b>							
Service cost	\$ 766,605	\$ 1,023,437	\$ 789,052	\$ 685,689	\$ 782,916	\$ 887,744	\$ 826,446
Interest on net OPEB liability and service cost	847,601	582,433	597,862	740,008	807,833	825,756	564,081
Change of benefit terms	(61,671)	-	-	-	-	(8,005)	-
Differences between actual and expected experience	(1,170,682)	(1,057,241)	477,405	(1,273,550)	(966,904)	(2,179,438)	2,651,611
Changes of assumptions	(898,915)	(2,850,557)	1,954,574	1,517,261	35,933	(607,184)	(335,511)
Benefit payments, including refunds	(1,056,226)	(1,184,022)	(998,793)	(1,027,477)	(1,034,008)	(1,019,210)	(890,092)
Net change in total OPEB liability	(1,573,288)	(3,485,950)	2,820,100	641,931	(374,230)	(2,100,337)	2,816,535
Total OPEB liability - beginning	19,376,308	22,862,258	20,042,158	19,400,227	19,774,457	21,874,794	19,058,259
Total OPEB liability - ending	\$ 17,803,020	\$ 19,376,308	\$ 22,862,258	\$ 20,042,158	\$ 19,400,227	\$ 19,774,457	\$ 21,874,794
<b>OPEB fiduciary net position</b>							
Benefit payments, including refunds	\$ (1,056,226)	\$ (1,184,022)	\$ (998,793)	\$ (1,027,477)	\$ (1,034,008)	\$ (1,019,210)	\$ (890,092)
Trust administrative expenses	(2,117)	(2,231)	(6,739)	(5,000)	(14,515)	(10,486)	(458)
Contributions - employer	1,081,226	1,199,269	1,128,104	1,052,477	1,059,008	1,069,210	1,169,270
Other adjustments	25,558						
Contribution - active employees	60,014	75,045	61,988	58,601	53,312	53,958	55,310
Net investment income	219,960	(280,146)	426,595	65,540	85,681	101,350	90,454
Net change in plan fiduciary net position	328,415	(192,085)	611,155	144,141	149,478	194,822	424,484
Plan fiduciary net position - beginning	2,023,212	2,215,297	1,604,142	1,460,001	1,310,523	1,115,701	691,217
Plan fiduciary net position - ending	\$ 2,351,627	\$ 2,023,212	\$ 2,215,297	\$ 1,604,142	\$ 1,460,001	\$ 1,310,523	\$ 1,115,701
Plan's net pension liability - ending	\$ 15,451,393	\$ 17,353,096	\$ 20,646,961	\$ 18,438,016	\$ 17,940,226	\$ 18,463,934	\$ 20,759,093

\* Seventh year of implementation of GASB 74/75, therefore only seven years of the ten required data is available.

*See accompanying notes to required supplementary information*

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Required Supplementary Information

Town OPEB Plan

Net OPEB Liability and Related Ratios

*Last 10 Years*

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<b>Actuarial Valuation Date</b>	<b>Fiduciary Net Position</b>	<b>Total OPEB Liability (TOL)</b>	<b>Net OPEB Liability (NOL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>NOL as a % of Covered Payroll</b>
6/30/2023	\$ 2,351,627	\$ 17,803,020	\$ 15,451,393	13.21%	\$ 9,771,419	158.13%
6/30/2022	\$ 2,023,212	\$ 19,376,308	\$ 17,353,096	10.44%	\$ 9,427,054	184.08%
6/30/2021	\$ 2,215,297	\$ 22,862,258	\$ 20,646,961	9.69%	\$ 8,987,551	229.73%
6/30/2020	\$ 1,604,142	\$ 20,042,158	\$ 18,438,016	8.00%	\$ 7,902,464	233.32%
6/30/2019	\$ 1,460,001	\$ 19,400,227	\$ 17,940,226	7.53%	\$ 7,635,231	234.97%
6/30/2018	\$ 1,310,523	\$ 19,774,457	\$ 18,463,934	6.63%	\$ 7,441,122	248.13%
6/30/2017	\$ 1,115,701	\$ 21,874,794	\$ 20,759,093	5.10%	\$ 7,189,490	288.74%

\* Seven year of implementation of GASB 74/75, only seven years of the ten required data is available.

*See accompanying notes to required supplementary information*

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Required Supplementary Information

Town OPEB Plan

Schedule of Contributions

*Last 10 Years*

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Actuarial determined contribution	\$ 1,944,405	\$ 1,696,125	\$ 1,522,495	\$ 1,586,153	\$ 1,695,662	\$ 1,629,782	\$ 1,739,943
Contributions in relation to the actuarially determined contribution	<u>1,081,226</u>	<u>1,199,269</u>	<u>1,128,104</u>	<u>1,052,477</u>	<u>1,059,008</u>	<u>1,069,210</u>	<u>1,169,270</u>
Contribution deficiency (excess)	<u>\$ 863,179</u>	<u>\$ 496,856</u>	<u>\$ 394,391</u>	<u>\$ 533,676</u>	<u>\$ 636,654</u>	<u>\$ 560,572</u>	<u>\$ 570,673</u>
 Covered payroll	 \$ 9,771,419	 \$ 9,427,054	 \$ 8,987,551	 \$ 7,902,464	 \$ 7,635,231	 \$ 7,441,122	 \$ 7,189,490
 Contributions as a percentage of covered payroll	 11.07%	 12.72%	 12.55%	 13.32%	 13.87%	 14.37%	 16.26%

\* Seventh year of implementation of GASB 74/75, therefore only seven years of the ten required data is available.

*See accompanying notes to required supplementary information*

*See independent auditor's report*

# Town of Portsmouth, Rhode Island

## Required Supplementary Information

### Town OPEB Plan

#### Schedule of Investment Returns and Notes

*Last 10 Years*

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	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Annual money-weighted rate of return, net of investment expense	10.56%	-17.68%	26.17%	6.46%	7.33%	8.80%	5.50%

\* Seventh year of implementation of GASB 74/75, therefore only seven years of the ten required data is available.

#### Notes to Required Supplementary Information:

Valuation Date:	June 30, 2022
Actuarial Cost Method:	Entry Age Normal Level Percentage of Pay; a method that allocates the actuarial present value of the projected benefits of each individual on a level basis over the earnings of the individual between entry age and assumed exit age(s). <ul style="list-style-type: none"><li>• The portion allocated to a valuation year is called the Normal Cost.</li><li>• The portion allocated to past periods is called the Actuarial Accrued Liability (AAL) or Total OPEB Liability (TOL).</li></ul>

#### Actuarial Assumptions:

Investment Rate of Return:	6.00%
Inflation:	2.50%
Payroll growth	3.50%, which is based on the salary increase assumption from the Town of Portsmouth pension actuarial valuation as of 7/1/2020
Discount rate	4.85%
Medical/Rx trend rates	Based on 2022 Getzen with initial rate of 6.50% that decreases gradually to an ultimate rate of 3.94% in 2075
Dental/Vision trend rates	Dental: 3.50% for all years Vision: 2.50% for all years

*See accompanying notes to required supplementary information*

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Required Supplementary Information

School OPEB Plan

Net OPEB Liability and Related Ratios

*Last 10 Years*

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
<b>Total OPEB liability</b>							
Service cost	\$ 62,121	\$ 72,696	\$ 70,573	\$ 61,389	\$ 83,679	\$ 86,311	\$ 98,924
Interest on net OPEB liability and service cost	123,118	78,652	79,481	104,155	130,322	137,405	111,824
Change of benefit terms	34,119	-	-	-	-	22,101	-
Differences between actual and expected experience	(257,535)	(214,664)	383,759	(161,761)	(545,866)	(350,776)	222,319
Changes of assumptions	(8,632)	(413,504)	217,162	194,887	176,668	(85,586)	(139,055)
Benefit payments, including refunds	<u>(83,591)</u>	<u>(104,258)</u>	<u>(194,426)</u>	<u>(179,755)</u>	<u>(264,530)</u>	<u>(333,087)</u>	<u>(367,665)</u>
Net change in total OPEB liability	(130,400)	(581,078)	556,549	18,915	(419,727)	(523,632)	(73,653)
Total OPEB liability - beginning	<u>2,989,482</u>	<u>3,570,560</u>	<u>3,014,011</u>	<u>2,995,096</u>	<u>3,414,823</u>	<u>3,938,455</u>	<u>4,012,108</u>
Total OPEB liability - ending	<u>\$ 2,859,082</u>	<u>\$ 2,989,482</u>	<u>\$ 3,570,560</u>	<u>\$ 3,014,011</u>	<u>\$ 2,995,096</u>	<u>\$ 3,414,823</u>	<u>\$ 3,938,455</u>
<b>OPEB fiduciary net position</b>							
Benefit payments, including refunds	\$ 83,591	\$ 104,258	\$ (194,426)	\$ (179,755)	\$ (264,530)	\$ (333,087)	\$ (367,665)
Contributions - employer	(83,591)	(104,258)	194,426	179,755	264,530	333,087	367,665
Net investment income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan's net pension liability - ending	<u>\$ 2,859,082</u>	<u>\$ 2,989,482</u>	<u>\$ 3,570,560</u>	<u>\$ 3,014,011</u>	<u>\$ 2,995,096</u>	<u>\$ 3,414,823</u>	<u>\$ 3,938,455</u>

\* Seventh year of implementation of GASB 75, therefore only seven years of the ten required data is available.

There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

*See accompanying notes to required supplementary information*

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Required Supplementary Information

School OPEB Plan

Net OPEB Liability and Related Ratios

*Last 10 Years*

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<b>Actuarial Valuation Date</b>	<b>Fiduciary Net Position</b>	<b>Total OPEB Liability (TOL)</b>	<b>Net OPEB Liability (NOL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>NOL as a % of Covered Payroll</b>
6/30/2023	\$ -	\$ 2,859,082	\$ 2,859,082	0.00%	\$ 20,724,130	13.80%
6/30/2022	\$ -	\$ 2,989,482	\$ 2,989,482	0.00%	\$ 19,439,209	15.40%
6/30/2021	\$ -	\$ 3,570,560	\$ 3,570,560	0.00%	\$ 19,698,136	18.13%
6/30/2020	\$ -	\$ 3,014,011	\$ 3,014,011	0.00%	\$ 18,850,532	15.99%
6/30/2019	\$ -	\$ 2,995,096	\$ 2,995,096	0.00%	\$ 18,518,146	16.17%
6/30/2018	\$ -	\$ 3,414,823	\$ 3,414,823	0.00%	\$ 19,626,791	17.40%
6/30/2017	\$ -	\$ 3,938,455	\$ 3,938,455	0.00%	\$ 18,963,083	20.77%

\* Seventh year of implementation of GASB 75, therefore only seven years of the ten required data is available.

*See accompanying notes to required supplementary information*

*See independent auditor's report*

# Town of Portsmouth, Rhode Island

## Required Supplementary Information

### School OPEB Plan

#### Schedule of Contributions and Notes

*Last 10 Years*

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Actuarial determined contribution	\$ 83,591	\$ 104,258	\$ 194,426	\$ 179,755	\$ 264,530	\$ 333,087	\$ 367,665
Contributions in relation to the actuarially determined contribution	<u>83,591</u>	<u>104,258</u>	<u>194,426</u>	<u>179,755</u>	<u>264,530</u>	<u>333,087</u>	<u>367,665</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 20,724,130	\$ 19,439,209	\$ 19,698,136	\$ 18,850,532	\$ 18,518,146	\$ 19,626,791	\$ 18,963,083
Contributions as a percentage of covered payroll	0.40%	0.54%	0.99%	0.95%	1.43%	1.70%	1.94%

\* Seventh year of implementation of GASB 75, therefore only seven years of the ten required data is available.

#### Notes to Required Supplementary Information:

Valuation Date: June 30, 2022

Actuarial Cost Method: Entry Age Normal Level Percentage of Pay; a method that allocates the actuarial present value of the projected benefits of each individual on a level basis over the earnings of the individual between entry age and assumed exit age(s).

- The portion allocated to a valuation year is called the Normal Cost.
- The portion allocated to past periods is called the Actuarial Accrued Liability (AAL) or Total OPEB Liability (TOL).

#### Actuarial Assumptions:

Inflation 2.30% per year

Payroll growth 3.00% wage inflation plus merit/productivity increases based on the RI ERS actuarial valuation as of June 30, 2020 for Certified employees only

Investment rate of return N/A; OPEB Plan is unfunded

Discount rate 4.13%

Medical/Rx trend rates Based on 2022 Getzen with initial rate of 6.50% that decreases gradually to an ultimate rate of 3.94% in 2075

*See accompanying notes to required supplementary information*

*See independent auditor's report*



## Supplementary Information Section

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet

*June 30, 2023*

	<b>Town Special Revenue</b>	<b>School Special Revenue</b>	<b>Town Capital Projects</b>	<b>School Capital Projects</b>	<b>Permanent Trust Funds</b>	<b>Total Non-Major Funds</b>
<b>Assets</b>						
Cash and cash equivalent	\$ 189,721	\$ 594,046	\$ -	\$ -	\$ 166,290	\$ 950,057
Investment	-	-	-	-	66,157	66,157
Due from other governments	-	738,382	-	-	-	738,382
Due from other funds	4,731,447	374,801	283,845	802,486	14,984	6,207,563
Other receivables, net	960	-	-	-	-	960
<b>Total assets</b>	<b>4,922,128</b>	<b>1,707,229</b>	<b>283,845</b>	<b>802,486</b>	<b>247,431</b>	<b>7,963,119</b>
<b>Deferred outflows of resources</b>						
Deferred outflows	-	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>4,922,128</b>	<b>1,707,229</b>	<b>283,845</b>	<b>802,486</b>	<b>247,431</b>	<b>7,963,119</b>
<b>Liabilities</b>						
Accounts payable	101,269	172,251	37,694	-	-	311,214
Accrued expenses	13,095	2,676	-	-	-	15,771
Due to other funds	128,553	760,034	892,811	-	-	1,781,398
<b>Total liabilities</b>	<b>242,917</b>	<b>934,961</b>	<b>930,505</b>	<b>-</b>	<b>-</b>	<b>2,108,383</b>
<b>Deferred inflows of resources</b>						
Deferred revenue	2,355,858	-	-	-	-	2,355,858
<b>Total deferred inflows of resources</b>	<b>2,355,858</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,355,858</b>
<b>Fund balance</b>						
Nonspendable	-	-	-	-	236,304	236,304
Restricted	2,469,697	772,268	246,151	802,486	11,127	4,301,729
Unassigned	(146,344)	-	(892,811)	-	-	(1,039,155)
<b>Total fund balance</b>	<b>2,323,353</b>	<b>772,268</b>	<b>(646,660)</b>	<b>802,486</b>	<b>247,431</b>	<b>3,498,878</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 4,922,128</b>	<b>\$ 1,707,229</b>	<b>\$ 283,845</b>	<b>\$ 802,486</b>	<b>\$ 247,431</b>	<b>\$ 7,963,119</b>

*See accompanying notes to required supplementary information*

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance

*For the Year Ended June 30, 2023*

	<b>Town Special Revenue</b>	<b>School Special Revenue</b>	<b>Town Capital Projects</b>	<b>School Capital Projects</b>	<b>Permanent Trust Funds</b>	<b>Total Non Major Funds</b>
<b>Revenues</b>						
Federal and state grants	\$ 2,672,978	\$ 3,197,889	\$ -	\$ -	\$ -	\$ 5,870,867
Charges for services	229,489	589,106	-	-	-	818,595
Interest and investment income (loss)	-	-	-	-	11,127	11,127
Other revenues	1,263,627	88,544	-	-	-	1,352,171
Total revenue	<u>4,166,094</u>	<u>3,875,539</u>	<u>-</u>	<u>-</u>	<u>11,127</u>	<u>8,052,760</u>
<b>Expenditures</b>						
General government	542,752	-	-	-	-	542,752
Public safety	1,951,659	-	-	-	-	1,951,659
Public works	9,348	-	-	-	-	9,348
Public and social services	6,636	-	-	-	-	6,636
Parks and recreation	-	-	-	-	-	-
Education	-	3,786,566	-	61,982	-	3,848,548
Capital	672,614	211,453	165,170	178,921	-	1,228,158
Total Expenditures	<u>3,183,009</u>	<u>3,998,019</u>	<u>165,170</u>	<u>240,903</u>	<u>-</u>	<u>7,587,101</u>
Excess (deficiency) of revenues over expenditures	983,085	(122,480)	(165,170)	(240,903)	11,127	465,659
<b>Other financing sources (uses)</b>						
Transfers in	1,184,897	-	384,191	487,604	-	2,056,692
Transfers out	(1,228,184)	(343)	-	-	-	(1,228,527)
Total other financing sources (uses)	<u>(43,287)</u>	<u>(343)</u>	<u>384,191</u>	<u>487,604</u>	<u>-</u>	<u>828,165</u>
<b>Net change in fund balance</b>	939,798	(122,823)	219,021	246,701	11,127	1,293,824
Fund balance, July 1, 2022	<u>1,383,555</u>	<u>895,091</u>	<u>(865,681)</u>	<u>555,785</u>	<u>236,304</u>	<u>2,205,054</u>
Fund balance, June 30, 2023	<u>\$ 2,323,353</u>	<u>\$ 772,268</u>	<u>\$ (646,660)</u>	<u>\$ 802,486</u>	<u>\$ 247,431</u>	<u>\$ 3,498,878</u>

*See accompanying notes to required supplementary information*

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

*June 30, 2023*

	NHTSA	Body Worn Camera Program	SAFER Grant	Fire Boat	Beach Patrol	Town Wide Contingency	Wastewater Enforcement
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	4,384	-	-	9,500	-	-	13,000
Other receivables, net	-	-	-	-	-	-	-
<b>Total assets</b>	<b>4,384</b>	<b>-</b>	<b>-</b>	<b>9,500</b>	<b>-</b>	<b>-</b>	<b>13,000</b>
<b>Deferred outflows of resources</b>							
Deferred outflows	-	-	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>4,384</b>	<b>-</b>	<b>-</b>	<b>9,500</b>	<b>-</b>	<b>-</b>	<b>13,000</b>
<b>Liabilities</b>							
Accounts payable	74	4,317	-	6,800	-	-	-
Accrued expenses	-	381	11,167	-	-	-	-
Due to other funds	-	50,674	62,591	-	-	-	-
<b>Total liabilities</b>	<b>74</b>	<b>55,372</b>	<b>73,758</b>	<b>6,800</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>							
Deferred revenue	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance</b>							
Restricted	4,310	-	-	2,700	-	-	13,000
Unassigned	-	(55,372)	(73,758)	-	-	-	-
<b>Total fund balance</b>	<b>4,310</b>	<b>(55,372)</b>	<b>(73,758)</b>	<b>2,700</b>	<b>-</b>	<b>-</b>	<b>13,000</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 4,384</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,000</b>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

*June 30, 2023*

	Energy Efficiency - Nat'l Grid	Turnpike Ave. Playground	Commercial Vehicle Enforcement	Enbridge Smoke Alarm	Police Misc. Restricted	RIIB Grant	NCPC Compliance Check
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	5,530	390,054	-	8,719	11,608	-	-
Other receivables, net	-	-	-	-	-	-	960
<b>Total assets</b>	<b>5,530</b>	<b>390,054</b>	<b>-</b>	<b>8,719</b>	<b>11,608</b>	<b>-</b>	<b>960</b>
<b>Deferred outflows of resources</b>							
Deferred outflows	-	-	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>5,530</b>	<b>390,054</b>	<b>-</b>	<b>8,719</b>	<b>11,608</b>	<b>-</b>	<b>960</b>
<b>Liabilities</b>							
Accounts payable	2,150	-	-	-	-	4,744	-
Accrued expenses	-	-	1,058	-	-	-	-
Due to other funds	-	-	728	-	-	4,604	889
<b>Total liabilities</b>	<b>2,150</b>	<b>-</b>	<b>1,786</b>	<b>-</b>	<b>-</b>	<b>9,348</b>	<b>889</b>
<b>Deferred inflows of resources</b>							
Deferred revenue	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance</b>							
Restricted	3,380	390,054	-	8,719	11,608	-	71
Unassigned	-	-	(1,786)	-	-	(9,348)	-
<b>Total fund balance</b>	<b>3,380</b>	<b>390,054</b>	<b>(1,786)</b>	<b>8,719</b>	<b>11,608</b>	<b>(9,348)</b>	<b>71</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 5,530</b>	<b>\$ 390,054</b>	<b>\$ -</b>	<b>\$ 8,719</b>	<b>\$ 11,608</b>	<b>\$ -</b>	<b>\$ 960</b>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

*June 30, 2023*

	Portsmouth Pre Coalition	DPW Snow Removal Reserve	Community Septic Town Grant	Evidence Fund - (Non Narcotic)	Police Buella Jr. Bequest	EDC Workshop
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	1,980	184,253	-	6,378	74	-
Other receivables, net	-	-	-	-	-	-
Total assets	1,980	184,253	-	6,378	74	-
<b>Deferred outflows of resources</b>						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	1,980	184,253	-	6,378	74	-
<b>Liabilities</b>						
Accounts payable	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
<b>Deferred inflows of resources</b>						
Deferred revenue	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
<b>Fund balance</b>						
Restricted	1,980	184,253	-	6,378	74	-
Unassigned	-	-	-	-	-	-
Total fund balance	1,980	184,253	-	6,378	74	-
Total liabilities, deferred inflows of resources and fund balance	\$ 1,980	\$ 184,253	\$ -	\$ 6,378	\$ 74	\$ -

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

*June 30, 2023*

	EMW SHSP Heavy Rescue Squad	RIEMA EMPG	AFG	Bench Program	Impact Fees School	New Police Station	RIEMA-PDM
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	5,505	26,179	-	256,597	43	-
Other receivables, net	-	-	-	-	-	-	-
<b>Total assets</b>	<b>-</b>	<b>5,505</b>	<b>26,179</b>	<b>-</b>	<b>256,597</b>	<b>43</b>	<b>-</b>
<b>Deferred outflows of resources</b>							
Deferred outflows	-	-	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>-</b>	<b>5,505</b>	<b>26,179</b>	<b>-</b>	<b>256,597</b>	<b>43</b>	<b>-</b>
<b>Liabilities</b>							
Accounts payable	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>							
Deferred revenue	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance</b>							
Restricted	-	5,505	26,179	-	256,597	43	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balance</b>	<b>-</b>	<b>5,505</b>	<b>26,179</b>	<b>-</b>	<b>256,597</b>	<b>43</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ -</b>	<b>\$ 5,505</b>	<b>\$ 26,179</b>	<b>\$ -</b>	<b>\$ 256,597</b>	<b>\$ 43</b>	<b>\$ -</b>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

*June 30, 2023*

	Town Commons	Ambulance Donations	RIDEM Recreation Grant	Hazardous Materials Mitigation	Fire Mitigation	AIPC West Side Project	Explorer Program
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	289	-	200	10,818	2,746	20,000	1,266
Other receivables, net	-	-	-	-	-	-	-
Total assets	<u>289</u>	<u>-</u>	<u>200</u>	<u>10,818</u>	<u>2,746</u>	<u>20,000</u>	<u>1,266</u>
<b>Deferred outflows of resources</b>							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>289</u>	<u>-</u>	<u>200</u>	<u>10,818</u>	<u>2,746</u>	<u>20,000</u>	<u>1,266</u>
<b>Liabilities</b>							
Accounts payable	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>							
Deferred revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
<b>Fund balance</b>							
Restricted	289	-	200	10,818	2,746	20,000	1,266
Unassigned	-	-	-	-	-	-	-
Total fund balance	<u>289</u>	<u>-</u>	<u>200</u>	<u>10,818</u>	<u>2,746</u>	<u>20,000</u>	<u>1,266</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 289</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 10,818</u>	<u>\$ 2,746</u>	<u>\$ 20,000</u>	<u>\$ 1,266</u>

*See independent auditor's report*



**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

*June 30, 2023*

	Fire Alarm Maintenance	Fire Plan Review	Historical Records	Joan Haskins Memorial	Veterans Wall
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 1,018
Due from other funds	51,761	81,520	52,600	3,715	-
Other receivables, net	-	-	-	-	-
Total assets	<u>51,761</u>	<u>81,520</u>	<u>52,600</u>	<u>3,715</u>	<u>1,018</u>
<b>Deferred outflows of resources</b>					
Deferred outflows	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	<u>51,761</u>	<u>81,520</u>	<u>52,600</u>	<u>3,715</u>	<u>1,018</u>
<b>Liabilities</b>					
Accounts payable	34,596	1,410	-	-	-
Accrued expenses	-	-	-	-	-
Due to other funds	-	-	-	-	179
Total liabilities	<u>34,596</u>	<u>1,410</u>	<u>-</u>	<u>-</u>	<u>179</u>
<b>Deferred inflows of resources</b>					
Deferred revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
<b>Fund balance</b>					
Restricted	17,165	80,110	52,600	3,715	839
Unassigned	-	-	-	-	-
Total fund balance	<u>17,165</u>	<u>80,110</u>	<u>52,600</u>	<u>3,715</u>	<u>839</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 51,761</u>	<u>\$ 81,520</u>	<u>\$ 52,600</u>	<u>\$ 3,715</u>	<u>\$ 1,018</u>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

*June 30, 2023*

	Melville Recreation	NARC Forfeiture (PPD & A/G Holding)	ICAC	FDA - Tobacco Survey	Dog Park Fund	Tank Farm
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 188,703	\$ -
Due from other funds	942	18,943	2,830	-	-	26,077
Other receivables, net	-	-	-	-	-	-
Total assets	<u>942</u>	<u>18,943</u>	<u>2,830</u>	<u>-</u>	<u>188,703</u>	<u>26,077</u>
<b>Deferred outflows of resources</b>						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u><u>942</u></u>	<u><u>18,943</u></u>	<u><u>2,830</u></u>	<u><u>-</u></u>	<u><u>188,703</u></u>	<u><u>26,077</u></u>
<b>Liabilities</b>						
Accounts payable	-	2,192	-	-	-	-
Accrued expenses	-	-	114	-	-	-
Due to other funds	-	-	-	-	3,183	-
Total liabilities	<u>-</u>	<u>2,192</u>	<u>114</u>	<u>-</u>	<u>3,183</u>	<u>-</u>
<b>Deferred inflows of resources</b>						
Deferred revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance</b>						
Restricted	942	16,751	2,716	-	185,520	26,077
Unassigned	-	-	-	-	-	-
Total fund balance	<u>942</u>	<u>16,751</u>	<u>2,716</u>	<u>-</u>	<u>185,520</u>	<u>26,077</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 942</u></u>	<u><u>\$ 18,943</u></u>	<u><u>\$ 2,830</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 188,703</u></u>	<u><u>\$ 26,077</u></u>

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**Town of Portsmouth, Rhode Island**

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Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

*June 30, 2023*

	Marshall Service	Tech Upgrade & Document Preservation	Tobacco Survey/Checks	Glen Farm Donation	Fire Smoke Detector	Public Safety Capital	Byrne Grant
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	175,530	-	443	5,922	778,447	8,330
Other receivables, net	-	-	-	-	-	-	-
Total assets	-	175,530	-	443	5,922	778,447	8,330
<b>Deferred outflows of resources</b>							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	-	175,530	-	443	5,922	778,447	8,330
<b>Liabilities</b>							
Accounts payable	-	-	-	-	-	12,173	-
Accrued expenses	375	-	-	-	-	-	-
Due to other funds	5,705	-	-	-	-	-	-
Total liabilities	6,080	-	-	-	-	12,173	-
<b>Deferred inflows of resources</b>							
Deferred revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
<b>Fund balance</b>							
Restricted	-	175,530	-	443	5,922	766,274	8,330
Unassigned	(6,080)	-	-	-	-	-	-
Total fund balance	(6,080)	175,530	-	443	5,922	766,274	8,330
Total liabilities, deferred inflows of resources and fund balance	\$ -	\$ 175,530	\$ -	\$ 443	\$ 5,922	\$ 778,447	\$ 8,330

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**Town of Portsmouth, Rhode Island**

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Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

*June 30, 2023*

	Med PODS	Low Income Spay-Neuter	Shelter Spay- Neuter	Conserv. Commom.	Trust Safety Grant	Portsmouth Tree Commission
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	67,053	9,633	13,520	50	597	15
Other receivables, net	-	-	-	-	-	-
<b>Total assets</b>	<b>67,053</b>	<b>9,633</b>	<b>13,520</b>	<b>50</b>	<b>597</b>	<b>15</b>
<b>Deferred outflows of resources</b>						
Deferred outflows	-	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>67,053</b>	<b>9,633</b>	<b>13,520</b>	<b>50</b>	<b>597</b>	<b>15</b>
<b>Liabilities</b>						
Accounts payable	6,119	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<b>Total liabilities</b>	<b>6,119</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>						
Deferred revenue	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance</b>						
Restricted	60,934	9,633	13,520	50	597	15
Unassigned	-	-	-	-	-	-
<b>Total fund balance</b>	<b>60,934</b>	<b>9,633</b>	<b>13,520</b>	<b>50</b>	<b>597</b>	<b>15</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 67,053</b>	<b>\$ 9,633</b>	<b>\$ 13,520</b>	<b>\$ 50</b>	<b>\$ 597</b>	<b>\$ 15</b>

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**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

*June 30, 2023*

	Friends of Glen Park	Conservation Comm. Grant	Opiod Settlement	Van Beuren Grant	America Rescue Plan	Mayflower Wind	Total Town Special Revenue
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,721
Due from other funds	178	115	86,220	-	2,372,852	15,031	4,731,447
Other receivables, net	-	-	-	-	-	-	960
Total assets	<u>178</u>	<u>115</u>	<u>86,220</u>	<u>-</u>	<u>2,372,852</u>	<u>15,031</u>	<u>4,922,128</u>
<b>Deferred outflows of resources</b>							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>178</u>	<u>115</u>	<u>86,220</u>	<u>-</u>	<u>2,372,852</u>	<u>15,031</u>	<u>4,922,128</u>
<b>Liabilities</b>							
Accounts payable	-	-	-	-	16,994	9,700	101,269
Accrued expenses	-	-	-	-	-	-	13,095
Due to other funds	-	-	-	-	-	-	128,553
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,994</u>	<u>9,700</u>	<u>242,917</u>
<b>Deferred inflows of resources</b>							
Deferred revenue	-	-	-	-	2,355,858	-	2,355,858
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,355,858</u>	<u>-</u>	<u>2,355,858</u>
<b>Fund balance</b>							
Restricted	178	115	86,220	-	-	5,331	2,469,697
Unassigned	-	-	-	-	-	-	(146,344)
Total fund balance	<u>178</u>	<u>115</u>	<u>86,220</u>	<u>-</u>	<u>-</u>	<u>5,331</u>	<u>2,323,353</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 178</u>	<u>\$ 115</u>	<u>\$ 86,220</u>	<u>\$ -</u>	<u>\$ 2,372,852</u>	<u>\$ 15,031</u>	<u>\$ 4,922,128</u>

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Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –

Town Special Revenue

*For the Year Ended June 30, 2023*

	NHTSA	Body Worn Camera Program	SAFER Grant	Fire Boat	Beach Patrol	Town Wide Contingency	Wastewater Enforcement
<b>Revenues:</b>							
Federal and state grants	\$ 33,454	\$ 3,012	\$ 785,649	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	14,550	-	-	13,000
Other revenues	-	-	-	-	-	-	-
Total revenues	<u>33,454</u>	<u>3,012</u>	<u>785,649</u>	<u>14,550</u>	<u>-</u>	<u>-</u>	<u>13,000</u>
<b>Expenditures :</b>							
General government	-	-	-	-	-	-	-
Public safety	33,719	58,384	787,269	16,281	-	17,922	-
Public works	-	-	-	-	-	-	-
Public and social services	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>33,719</u>	<u>58,384</u>	<u>787,269</u>	<u>16,281</u>	<u>-</u>	<u>17,922</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(265)	(55,372)	(1,620)	(1,731)	-	(17,922)	13,000
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	802	17,921	-
Transfers out	-	-	-	-	-	(152,830)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>802</u>	<u>(134,909)</u>	<u>-</u>
Net change in fund balance	(265)	(55,372)	(1,620)	(1,731)	802	(152,831)	13,000
Fund balance - beginning	4,575	-	(72,138)	4,431	(802)	152,831	-
Fund balance - ending	<u>\$ 4,310</u>	<u>\$ (55,372)</u>	<u>\$ (73,758)</u>	<u>\$ 2,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,000</u>

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Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –

Town Special Revenue

*For the Year Ended June 30, 2023*

	Energy Efficiency - Nat'l Grid	Turnpike Ave. Playground	Commercial Vehicle Enforcement	Enbridge Smoke Alarm	Police Misc. Restricted	RIIB Grant	NCPC Compliance Check
<b>Revenues:</b>							
Federal and state grants	\$ -	\$ -	\$ -	\$ 7,500	\$ 21	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Other revenues	-	390,054	-	5,000	10,301	-	-
Total revenues	-	390,054	-	12,500	10,322	-	-
<b>Expenditures :</b>							
General government	13,570	-	-	11,110	-	-	-
Public safety	-	-	1,786	-	12,044	-	138
Public works	-	-	-	-	-	9,348	-
Public and social services	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	13,570	-	1,786	11,110	12,044	9,348	138
Excess (deficiency) of revenues over expenditures	(13,570)	390,054	(1,786)	1,390	(1,722)	(9,348)	(138)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balance	(13,570)	390,054	(1,786)	1,390	(1,722)	(9,348)	(138)
Fund balance - beginning	16,950	-	-	7,329	13,330	-	209
Fund balance - ending	\$ 3,380	\$ 390,054	\$ (1,786)	\$ 8,719	\$ 11,608	\$ (9,348)	\$ 71

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**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –

Town Special Revenue

*For the Year Ended June 30, 2023*

	Portsmouth Pre Coalition	DPW Snow Removal Reserve	Community Septic Town Grant	Evidence Fund - (Non Narcotic)	Police Buela Jr. Bequest	EDC Workshop
<b>Revenues:</b>						
Federal and state grants	\$ 64,607	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Other revenues	-	-	-	1,215	-	-
<b>Total revenues</b>	<b>64,607</b>	<b>-</b>	<b>-</b>	<b>1,215</b>	<b>-</b>	<b>-</b>
<b>Expenditures :</b>						
General government	-	-	-	-	-	-
Public safety	51,257	-	15,659	-	-	-
Public works	-	-	-	-	-	-
Public and social services	-	-	-	-	-	138
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>51,257</b>	<b>-</b>	<b>15,659</b>	<b>-</b>	<b>-</b>	<b>138</b>
Excess (deficiency) of revenues over expenditures	13,350	-	(15,659)	1,215	-	(138)
<b>Other financing sources (uses):</b>						
Transfers in	-	184,253	-	-	-	-
Transfers out	-	-	(20,000)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>184,253</b>	<b>(20,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>13,350</b>	<b>184,253</b>	<b>(35,659)</b>	<b>1,215</b>	<b>-</b>	<b>(138)</b>
Fund balance - beginning	(11,370)	-	35,659	5,163	74	138
<b>Fund balance - ending</b>	<b>\$ 1,980</b>	<b>\$ 184,253</b>	<b>\$ -</b>	<b>\$ 6,378</b>	<b>\$ 74</b>	<b>\$ -</b>

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Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –

Town Special Revenue

*For the Year Ended June 30, 2023*

	EMW SHSP Heavy Rescue Squad	RIEMA EMPG	AFG	Bench Program	Impact Fees School	New Police Station	RIEMA-PDM
<b>Revenues:</b>							
Federal and state grants	\$ -	\$ 2,500	\$ 4,023	\$ -	\$ -	\$ -	\$ 103,857
Charges for services	-	-	-	-	165,285	-	-
Other revenues	-	-	-	2,982	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>2,500</b>	<b>4,023</b>	<b>2,982</b>	<b>165,285</b>	<b>-</b>	<b>103,857</b>
<b>Expenditures :</b>							
General government	-	-	-	2,982	384,266	-	-
Public safety	3,179	-	4,023	-	-	-	-
Public works	-	-	-	-	-	-	-
Public and social services	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>3,179</b>	<b>-</b>	<b>4,023</b>	<b>2,982</b>	<b>384,266</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	(3,179)	2,500	-	-	(218,981)	-	103,857
<b>Other financing sources (uses):</b>							
Transfers in	-	-	33,865	385	-	-	-
Transfers out	-	-	-	-	-	-	(103,857)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>33,865</b>	<b>385</b>	<b>-</b>	<b>-</b>	<b>(103,857)</b>
Net change in fund balance	(3,179)	2,500	33,865	385	(218,981)	-	-
Fund balance - beginning	3,179	3,005	(7,686)	(385)	475,578	43	-
Fund balance - ending	<u>\$ -</u>	<u>\$ 5,505</u>	<u>\$ 26,179</u>	<u>\$ -</u>	<u>\$ 256,597</u>	<u>\$ 43</u>	<u>\$ -</u>

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Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –

Town Special Revenue

*For the Year Ended June 30, 2023*

	Town Commons	Ambulance Donations	RIDEM Recreation Grant	Hazardous Materials Mitigation	Fire Mitigation	AIPC West Side Project	Explorer Program
<b>Revenues:</b>							
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-
<b>Expenditures :</b>							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	1,000	1,368	-	-
Public works	-	-	-	-	-	-	-
Public and social services	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	-	-	-	1,000	1,368	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	(1,000)	(1,368)	-	-
<b>Other financing sources (uses):</b>							
Transfers in	-	3	-	-	-	-	-
Transfers out	-	(2,935)	-	(7,687)	-	-	-
Total other financing sources (uses)	-	(2,932)	-	(7,687)	-	-	-
Net change in fund balance	-	(2,932)	-	(8,687)	(1,368)	-	-
Fund balance - beginning	289	2,932	200	19,505	4,114	20,000	1,266
Fund balance - ending	\$ 289	\$ -	\$ 200	\$ 10,818	\$ 2,746	\$ 20,000	\$ 1,266

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Town Special Revenue

*For the Year Ended June 30, 2023*

	Fire Alarm Maintenance	Fire Plan Review	Historical Records	Joan Haskins Memorial	Veterans Wall
<b>Revenues:</b>					
Federal and state grants	\$ -	\$ 39,712	\$ 3,154	\$ -	\$ 104
Charges for services	23,274	-	-	-	-
Other revenues	-	4,535	-	-	-
	23,274	44,247	3,154	-	104
<b>Total revenues</b>	<b>23,274</b>	<b>44,247</b>	<b>3,154</b>	<b>-</b>	<b>104</b>
<b>Expenditures :</b>					
General government	-	-	-	-	-
Public safety	80,396	8,883	-	-	-
Public works	-	-	-	-	-
Public and social services	-	-	-	-	1,265
Capital outlay	-	-	-	-	-
	80,396	8,883	-	-	1,265
<b>Total expenditures</b>	<b>80,396</b>	<b>8,883</b>	<b>-</b>	<b>-</b>	<b>1,265</b>
Excess (deficiency) of revenues over expenditures	(57,122)	35,364	3,154	-	(1,161)
<b>Other financing sources (uses):</b>					
Transfers in	23,252	2,935	-	-	-
Transfers out	-	-	-	-	-
	23,252	2,935	-	-	-
<b>Total other financing sources (uses)</b>	<b>23,252</b>	<b>2,935</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(33,870)</b>	<b>38,299</b>	<b>3,154</b>	<b>-</b>	<b>(1,161)</b>
Fund balance - beginning	51,035	41,811	49,446	3,715	2,000
<b>Fund balance - ending</b>	<b>\$ 17,165</b>	<b>\$ 80,110</b>	<b>\$ 52,600</b>	<b>\$ 3,715</b>	<b>\$ 839</b>

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Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –

Town Special Revenue

*For the Year Ended June 30, 2023*

	Melville Recreation	NARC Forfeiture (PPD & A/G Holding)	ICAC	FDA - Tobacco Survey	Dog Park Fund	Tank Farm
<b>Revenues:</b>						
Federal and state grants	\$ -	\$ -	\$ 4,462	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Other revenues	-	7,970	-	-	48,584	-
<b>Total revenues</b>	<b>-</b>	<b>7,970</b>	<b>4,462</b>	<b>-</b>	<b>48,584</b>	<b>-</b>
<b>Expenditures :</b>						
General government	-	3,054	-	-	6,213	-
Public safety	-	-	5,817	-	-	-
Public works	-	-	-	-	-	-
Public and social services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>3,054</b>	<b>5,817</b>	<b>-</b>	<b>6,213</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	-	4,916	(1,355)	-	42,371	-
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(506)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(506)</b>	<b>-</b>	<b>-</b>
Net change in fund balance	-	4,916	(1,355)	(506)	42,371	-
Fund balance - beginning	942	11,835	4,071	506	143,149	26,077
Fund balance - ending	\$ 942	\$ 16,751	\$ 2,716	\$ -	\$ 185,520	\$ 26,077

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Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –

Town Special Revenue

*For the Year Ended June 30, 2023*

	Marshall Service	Tech Upgrade & Document Preservation	Tobacco Survey/Checks	Glen Farm Donation	Fire Smoke Detector	Public Safety Capital	Byrne Grant
<b>Revenues:</b>							
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	12,650	-	-
Other revenues	10,140	18,010	-	-	-	611,710	-
<b>Total revenues</b>	<b>10,140</b>	<b>18,010</b>	<b>-</b>	<b>-</b>	<b>12,650</b>	<b>611,710</b>	<b>-</b>
<b>Expenditures :</b>							
General government	-	-	-	-	-	-	-
Public safety	9,948	-	-	-	24,347	761,874	-
Public works	-	-	-	-	-	-	-
Public and social services	-	5,233	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>9,948</b>	<b>5,233</b>	<b>-</b>	<b>-</b>	<b>24,347</b>	<b>761,874</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	192	12,777	-	-	(11,697)	(150,164)	-
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	916,438	-
Transfers out	-	-	(1)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>916,438</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>192</b>	<b>12,777</b>	<b>(1)</b>	<b>-</b>	<b>(11,697)</b>	<b>766,274</b>	<b>-</b>
Fund balance - beginning	(6,272)	162,753	1	443	17,619	-	8,330
<b>Fund balance - ending</b>	<b>\$ (6,080)</b>	<b>\$ 175,530</b>	<b>\$ -</b>	<b>\$ 443</b>	<b>\$ 5,922</b>	<b>\$ 766,274</b>	<b>\$ 8,330</b>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –

Town Special Revenue

*For the Year Ended June 30, 2023*

	Med PODS	Low Income Spay-Neuter	Shelter Spay- Neuter	Conserv. Commom.	Trust Safety Grant	Portsmouth Tree Commission
<b>Revenues:</b>						
Federal and state grants	\$ 7,500	\$ -	\$ -	\$ -	\$ 1,119	\$ -
Charges for services	-	-	730	-	-	-
Other revenues	-	731	-	-	-	-
Total revenues	<u>7,500</u>	<u>731</u>	<u>730</u>	<u>-</u>	<u>1,119</u>	<u>-</u>
<b>Expenditures :</b>						
General government	-	-	-	-	-	-
Public safety	7,019	-	-	-	522	-
Public works	-	-	-	-	-	-
Public and social services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>7,019</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>522</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	481	731	730	-	597	-
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	481	731	730	-	597	-
Fund balance - beginning	60,453	8,902	12,790	50	-	15
Fund balance - ending	<u>\$ 60,934</u>	<u>\$ 9,633</u>	<u>\$ 13,520</u>	<u>\$ 50</u>	<u>\$ 597</u>	<u>\$ 15</u>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –

Town Special Revenue

*For the Year Ended June 30, 2023*

	Friends of Glen Park	Conservation Comm. Grant	Opioid Settlement	Van Beuren Grant	America Rescue Plan	Mayflower Wind	Total Town Special Revenue
<b>Revenues:</b>							
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ 1,612,304	\$ -	\$ 2,672,978
Charges for services	-	-	-	-	-	-	229,489
Other revenues	-	-	52,395	-	-	100,000	1,263,627
Total revenues	-	-	52,395	-	1,612,304	100,000	4,166,094
<b>Expenditures :</b>							
General government	-	-	-	26,888	-	94,669	542,752
Public safety	-	-	48,824	-	-	-	1,951,659
Public works	-	-	-	-	-	-	9,348
Public and social services	-	-	-	-	-	-	6,636
Capital outlay	-	-	-	-	672,614	-	672,614
Total expenditures	-	-	48,824	26,888	672,614	94,669	3,183,009
Excess (deficiency) of revenues over expenditures	-	-	3,571	(26,888)	939,690	5,331	983,085
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	5,043	-	-	1,184,897
Transfers out	-	(385)	(293)	-	(939,690)	-	(1,228,184)
Total other financing sources (uses)	-	(385)	(293)	5,043	(939,690)	-	(43,287)
Net change in fund balance	-	(385)	3,278	(21,845)	-	5,331	939,798
Fund balance - beginning	178	500	82,942	21,845	-	-	1,383,555
Fund balance - ending	\$ 178	\$ 115	\$ 86,220	\$ -	\$ -	\$ 5,331	\$ 2,323,353

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

School Special Revenue

*June 30, 2023*

	SPED Part B	IDEA Preschool	Title I Part A	Title II Part A	Perkins	ESSER II- CRRSA Priority 1	ESSER II- CRRSA Priority 2
<b>Assets</b>							
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	228,684	8,191	159,035	69,904	44,840	-	21,590
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>228,684</u>	<u>8,191</u>	<u>159,035</u>	<u>69,904</u>	<u>44,840</u>	<u>-</u>	<u>21,590</u>
<b>Deferred outflows of resources</b>							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>228,684</u>	<u>8,191</u>	<u>159,035</u>	<u>69,904</u>	<u>44,840</u>	<u>-</u>	<u>21,590</u>
<b>Liabilities</b>							
Accounts payable	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	228,684	8,191	159,035	69,904	44,840	-	21,590
Total liabilities	<u>228,684</u>	<u>8,191</u>	<u>159,035</u>	<u>69,904</u>	<u>44,840</u>	<u>-</u>	<u>21,590</u>
<b>Deferred inflows of resources</b>							
Deferred revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance</b>							
Restricted	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 228,684</u>	<u>\$ 8,191</u>	<u>\$ 159,035</u>	<u>\$ 69,904</u>	<u>\$ 44,840</u>	<u>\$ -</u>	<u>\$ 21,590</u>

*See independent auditor's report*



**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

School Special Revenue

*June 30, 2023*

	ESSER II- CRRSA Priority 3	ESSER II- Priority 5	ESSER II- CRRSA Other Priority	ESSER III- ARP Priority 2	ESSER III- ARP Priority 3	ESSER III- ARP Other Priority	ARP Homeless Youth
<b>Assets</b>							
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	4,566	139,583	-	-	-
Due from other funds	-	-	-	-	-	-	-
Total assets	-	-	4,566	139,583	-	-	-
<b>Deferred outflows of resources</b>							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	-	-	4,566	139,583	-	-	-
<b>Liabilities</b>							
Accounts payable	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	4,566	139,583	-	-	-
Total liabilities	-	-	4,566	139,583	-	-	-
<b>Deferred inflows of resources</b>							
Deferred revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
<b>Fund balance</b>							
Restricted	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	-	-	-	-	-	-	-
Total liabilities, deferred inflows of resources and fund balance	\$ -	\$ -	\$ 4,566	\$ 139,583	\$ -	\$ -	\$ -

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

School Special Revenue

*June 30, 2023*

	ARP IDEA Part B	ARP IDEA Preschool	Tufts University	SAMSHA DFC	US Department of Defense	Literacy Set Aside	VIS
<b>Assets</b>							
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	31,277	-	-	-	11,933	-	-
Due from other funds	-	-	-	-	-	49,539	3,880
Total assets	<u>31,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,933</u>	<u>49,539</u>	<u>3,880</u>
<b>Deferred outflows of resources</b>							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>31,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,933</u>	<u>49,539</u>	<u>3,880</u>
<b>Liabilities</b>							
Accounts payable	11,979	-	-	-	-	-	-
Accrued expenses	-	-	-	-	1,745	-	-
Due to other funds	19,298	-	-	-	10,188	-	-
Total liabilities	<u>31,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,933</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>							
Deferred revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance</b>							
Restricted	-	-	-	-	-	49,539	3,880
Unassigned	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,539</u>	<u>3,880</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 31,277</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,933</u>	<u>\$ 49,539</u>	<u>\$ 3,880</u>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

School Special Revenue

*June 30, 2023*

	Career & Tech Odd Years	Career & Tech Even Year	ARTS Grant	21st Century Technology	Chaplin Foundation	Rhode Island Foundation	Van Beuren Grant
<b>Assets</b>							
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-
Due from other funds	16,914	17,097	-	-	821	4,399	1,347
Total assets	16,914	17,097	-	-	821	4,399	1,347
<b>Deferred outflows of resources</b>							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	16,914	17,097	-	-	821	4,399	1,347
<b>Liabilities</b>							
Accounts payable	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
<b>Deferred inflows of resources</b>							
Total deferred inflows of resources	-	-	-	-	-	-	-
<b>Fund balance</b>							
Restricted	16,914	17,097	-	-	821	4,399	1,347
Unassigned	-	-	-	-	-	-	-
Total fund balance	16,914	17,097	-	-	821	4,399	1,347
Total liabilities, deferred inflows of resources and fund balance	\$ 16,914	\$ 17,097	\$ -	\$ -	\$ 821	\$ 4,399	\$ 1,347

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

School Special Revenue

*June 30, 2023*

	Exxon Mobil Educational Alliance Program	Prevention Coalition Task Force	Building Use	Athletic Event Gate Revenue	COVID 19 Funding Restricted Local Revenue	School Lunch	Total School Special Revenue Funds
<b>Assets</b>							
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 594,046	\$ 594,046
Due from other governments	-	-	-	-	-	18,779	738,382
Due from other funds	500	25,882	124,407	104,435	25,580	-	374,801
Total assets	<u>500</u>	<u>25,882</u>	<u>124,407</u>	<u>104,435</u>	<u>25,580</u>	<u>612,825</u>	<u>1,707,229</u>
<b>Deferred outflows of resources</b>							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>500</u>	<u>25,882</u>	<u>124,407</u>	<u>104,435</u>	<u>25,580</u>	<u>612,825</u>	<u>1,707,229</u>
<b>Liabilities</b>							
Accounts payable	-	82	-	-	-	160,190	172,251
Accrued expenses	-	-	931	-	-	-	2,676
Due to other funds	-	-	-	-	-	54,155	760,034
Total liabilities	<u>-</u>	<u>82</u>	<u>931</u>	<u>-</u>	<u>-</u>	<u>214,345</u>	<u>934,961</u>
<b>Deferred inflows of resources</b>							
Deferred revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance</b>							
Restricted	500	25,800	123,476	104,435	25,580	398,480	772,268
Unassigned	-	-	-	-	-	-	-
Total fund balance	<u>500</u>	<u>25,800</u>	<u>123,476</u>	<u>104,435</u>	<u>25,580</u>	<u>398,480</u>	<u>772,268</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 500</u>	<u>\$ 25,882</u>	<u>\$ 124,407</u>	<u>\$ 104,435</u>	<u>\$ 25,580</u>	<u>\$ 612,825</u>	<u>\$ 1,707,229</u>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –

School Special Revenue

*For the Year Ended June 30, 2023*

	SPED Part B	IDEA Preschool	Title I Part A	Title II Part A	Perkins	ESSER II- CRRSA Priority 1	ESSER II- CRRSA Priority 2
<b>Revenues:</b>							
Federal and state grants	\$ 756,914	\$ 21,323	\$ 351,771	\$ 132,916	\$ 59,046	\$ 18,991	\$ 112,106
Charges for services	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
Total revenues	<u>756,914</u>	<u>21,323</u>	<u>351,771</u>	<u>132,916</u>	<u>59,046</u>	<u>18,991</u>	<u>112,106</u>
<b>Expenditures :</b>							
Education	754,780	21,323	351,771	132,916	29,079	18,991	112,106
Capital	2,134	-	-	-	29,967	-	-
Total expenditures	<u>756,914</u>	<u>21,323</u>	<u>351,771</u>	<u>132,916</u>	<u>59,046</u>	<u>18,991</u>	<u>112,106</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	(343)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(343)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(343)	-	-	-	-	-	-
Fund balance, July 1, 2022	<u>343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –

School Special Revenue

*For the Year Ended June 30, 2023*

	ESSER II- CRRSA Priority 3	ESSER II- Priority 5	ESSER II- CRRSA Other Priority	ESSER III- ARP Priority 2	ESSER III- ARP Priority 3	ESSER III- ARP Other Priority	ARP Homeless Youth
<b>Revenues:</b>							
Federal and state grants	\$ 35,000	\$ 137,275	\$ 38,019	\$ 541,813	\$ 67,910	\$ 70,321	\$ 6,723
Charges for services	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
Total revenues	<u>35,000</u>	<u>137,275</u>	<u>38,019</u>	<u>541,813</u>	<u>67,910</u>	<u>70,321</u>	<u>6,723</u>
<b>Expenditures :</b>							
Education	35,000	137,275	38,019	541,813	67,910	50,026	6,723
Capital	-	-	-	-	-	20,295	-
Total expenditures	<u>35,000</u>	<u>137,275</u>	<u>38,019</u>	<u>541,813</u>	<u>67,910</u>	<u>70,321</u>	<u>6,723</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-	-	-
Fund balance, July 1, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –

School Special Revenue

*For the Year Ended June 30, 2023*

	ARP IDEA Part B	ARP IDEA Preschool	Tufts University	SAMSHA DFC	US Department of Defense	Literacy Set Aside	VIS
<b>Revenues:</b>							
Federal and state grants	\$ 81,618	\$ 10,853	\$ 15,015	\$ 99,499	\$ 55,846	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
Total revenues	<u>81,618</u>	<u>10,853</u>	<u>15,015</u>	<u>99,499</u>	<u>55,846</u>	<u>-</u>	<u>-</u>
<b>Expenditures :</b>							
Education	81,618	10,853	15,015	99,499	55,846	-	-
Capital	-	-	-	-	-	-	-
Total expenditures	<u>81,618</u>	<u>10,853</u>	<u>15,015</u>	<u>99,499</u>	<u>55,846</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-	-	-
Fund balance, July 1, 2022	-	-	-	-	-	49,539	3,880
Fund balance, June 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,539</u>	<u>\$ 3,880</u>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –

School Special Revenue

*For the Year Ended June 30, 2023*

	Career & Tech Odd Years	Career & Tech Even Year	ARTS Grant	21st Century Technology	Chaplin Foundation	Rhode Island Foundation	Van Beuren Grant
<b>Revenues:</b>							
Federal and state grants	\$ 26,661	\$ -	\$ 71,886	\$ 160,661	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Other revenues	-	-	-	-	56,502	-	346
Total revenues	<u>26,661</u>	<u>-</u>	<u>71,886</u>	<u>160,661</u>	<u>56,502</u>	<u>-</u>	<u>346</u>
<b>Expenditures :</b>							
Education	24,052	15,429	34,703	160,661	-	-	19,116
Capital	12,516	15,838	37,183	-	55,681	-	11,478
Total expenditures	<u>36,568</u>	<u>31,267</u>	<u>71,886</u>	<u>160,661</u>	<u>55,681</u>	<u>-</u>	<u>30,594</u>
Excess (deficiency) of revenues over expenditures	(9,907)	(31,267)	-	-	821	-	(30,248)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(9,907)	(31,267)	-	-	821	-	(30,248)
Fund balance, July 1, 2022	<u>26,821</u>	<u>48,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,399</u>	<u>31,595</u>
Fund balance, June 30, 2023	<u>\$ 16,914</u>	<u>\$ 17,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 821</u>	<u>\$ 4,399</u>	<u>\$ 1,347</u>

*See independent auditor's report*



**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –

School Special Revenue

*For the Year Ended June 30, 2023*

	Exxon Mobil Educational Alliance Program	Prevention Coalition Task Force	Building Use	Athletic Event Gate Revenue	COVID 19 Funding Restricted Local Revenue	School Lunch	Total School Special Revenue Funds
<b>Revenues:</b>							
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 325,722	\$ 3,197,889
Charges for services	-	-	45,138	48,570	-	495,398	589,106
Other revenues	-	31,696	-	-	-	-	88,544
Total revenues	-	31,696	45,138	48,570	-	821,120	3,875,539
<b>Expenditures :</b>							
Education	-	48,391	18,076	11,599	120,278	773,698	3,786,566
Capital	-	-	-	26,361	-	-	211,453
Total expenditures	-	48,391	18,076	37,960	120,278	773,698	3,998,019
Excess (deficiency) of revenues over expenditures	-	(16,695)	27,062	10,610	(120,278)	47,422	(122,480)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(343)
Total other financing sources (uses)	-	-	-	-	-	-	(343)
Net change in fund balance	-	(16,695)	27,062	10,610	(120,278)	47,422	(122,823)
Fund balance, July 1, 2022	500	42,495	96,414	93,825	145,858	351,058	895,091
Fund balance, June 30, 2023	\$ 500	\$ 25,800	\$ 123,476	\$ 104,435	\$ 25,580	\$ 398,480	\$ 772,268

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Capital Projects

*June 30, 2023*

	Capital Project Reserve	Glen Manor House	08-09 Warrants	09-10 Warrants	12-13 Warrant	Total Town Capital Project
<b>Assets</b>						
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	228,268	55,577	-	-	-	283,845
Total assets	228,268	55,577	-	-	-	283,845
<b>Deferred outflows of resources</b>						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	228,268	55,577	-	-	-	283,845
<b>Liabilities</b>						
Accounts payable	-	37,694	-	-	-	37,694
Due to other funds	-	-	19,027	5,743	868,041	892,811
Total liabilities	-	37,694	19,027	5,743	868,041	930,505
<b>Deferred inflows of resources</b>						
Unearned revenues	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
<b>Fund balance</b>						
Restricted	228,268	17,883	-	-	-	246,151
Unassigned	-	-	(19,027)	(5,743)	(868,041)	(892,811)
Total fund balance	228,268	17,883	(19,027)	(5,743)	(868,041)	(646,660)
Total liabilities, deferred inflows of resources, and fund balances	\$ 228,268	\$ 55,577	\$ -	\$ -	\$ -	\$ 283,845

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balance

Town Capital Projects

*For the Year Ended June 30, 2023*

	Capital Project Reserve	Glen Manor House	08-09 Warrants	09-10 Warrants	12-13 Warrant	Total Town Capital Project
<b>Revenues</b>						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment income	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
<b>Total revenues</b>	-	-	-	-	-	-
<b>Expenditures</b>						
General government	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital	-	165,170	-	-	-	165,170
<b>Total expenditures</b>	-	165,170	-	-	-	165,170
Excess (deficiency) of revenues over expenditures	-	(165,170)	-	-	-	(165,170)
<b>Other financing sources (uses)</b>						
Transfers in	-	69,970	-	-	314,221	384,191
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	-	69,970	-	-	314,221	384,191
<b>Net change in fund balance</b>	-	(95,200)	-	-	314,221	219,021
Fund balance, July 1, 2022	228,268	113,083	(19,027)	(5,743)	(1,182,262)	(865,681)
Fund balance, June 30, 2023	<u>\$ 228,268</u>	<u>\$ 17,883</u>	<u>\$ (19,027)</u>	<u>\$ (5,743)</u>	<u>\$ (868,041)</u>	<u>\$ (646,660)</u>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

School Capital Projects

*June 30, 2023*

	School Capital Projects	Phase 2 Project	Athletic Improvements	Total School Capital Project
<b>Assets</b>				
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -
Due from other funds	119,027	683,445	14	802,486
Total assets	<u>119,027</u>	<u>683,445</u>	<u>14</u>	<u>802,486</u>
<b>Deferred outflows of resources</b>				
Deferred outflows	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>119,027</u>	<u>683,445</u>	<u>14</u>	<u>802,486</u>
<b>Liabilities</b>				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>				
Unearned revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance</b>				
Restricted	119,027	683,445	14	802,486
Unassigned	-	-	-	-
Total fund balance	<u>119,027</u>	<u>683,445</u>	<u>14</u>	<u>802,486</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 119,027</u>	<u>\$ 683,445</u>	<u>\$ 14</u>	<u>\$ 802,486</u>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance – School Capital Projects

*For the Year Ended June 30, 2023*

	School Capital Projects	Phase 2 Project	Athletic Improvements	Total School Capital Project
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Interest and investment income	-	-	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	-	-	-	-
<b>Expenditures</b>				
General government	-	-	-	-
Education	-	61,982	-	61,982
Capital	-	178,921	-	178,921
<b>Total expenditures</b>	-	240,903	-	240,903
Excess (deficiency) of revenues over expenditures	-	(240,903)	-	(240,903)
<b>Other financing sources (uses)</b>				
Transfers in	-	487,604	-	487,604
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	487,604	-	487,604
<b>Net change in fund balance</b>	-	246,701	-	246,701
Fund balance, July 1, 2022	119,027	436,744	14	555,785
Fund balance, June 30, 2023	\$ 119,027	\$ 683,445	\$ 14	\$ 802,486

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Permanent Funds

*June 30, 2023*

	<u>Sherman Trust</u>	<u>Cemetery Fund</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 17,722	\$ 148,568	\$ 166,290
Investment	-	66,157	66,157
Due from other funds	-	14,984	14,984
Total assets	<u>17,722</u>	<u>229,709</u>	<u>247,431</u>
<b>Deferred outflows of resources</b>			
Deferred outflows	-	-	-
Total assets and deferred outflows of resources	<u>17,722</u>	<u>229,709</u>	<u>247,431</u>
<b>Liabilities</b>			
Due to other funds	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>			
Deferred revenue	-	-	-
<b>Fund Balances</b>			
Nonspendable	17,152	219,152	236,304
Restricted - Expendable	570	10,557	11,127
Unassigned	-	-	-
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 17,722</u>	<u>\$ 229,709</u>	<u>\$ 247,431</u>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures and Changes  
in Fund Balance

Permanent Funds

*For the Year Ended June 30, 2023*

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	<u>Sherman Trust</u>	<u>Cemetery Fund</u>	<u>Total</u>
<b>Revenues</b>			
Investment income	\$ 570	\$ 10,557	\$ 11,127
Total revenues	<u>570</u>	<u>10,557</u>	<u>11,127</u>
<b>Expenditures</b>			
None	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	570	10,557	11,127
<b>Other financing sources (uses)</b>			
Transfer from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	570	10,557	11,127
Fund Balance, July 1, 2022	<u>17,152</u>	<u>219,152</u>	<u>236,304</u>
Fund Balance, June 30, 2023	<u>\$ 17,722</u>	<u>\$ 229,709</u>	<u>\$ 247,431</u>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Town Custodial Funds Statement of Fiduciary Net Position

*June 30, 2023*

	Soil Erosion	Glen Manor House Deposit	New Development - Road Bonds	Glen Park Damage Deposit	Probate Court	Prescott Point	Total Town Custodial Funds
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ 63,633	\$ -	\$ 235,223	\$ 114,522	\$ 413,378
Receivables from external parties	352,570	-	17	950	-	-	353,537
Total assets	<u>352,570</u>	<u>-</u>	<u>63,650</u>	<u>950</u>	<u>235,223</u>	<u>114,522</u>	<u>766,915</u>
<b>Liabilities</b>							
Accounts payable	-	-	-	-	5	-	5
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>
Net Position Restricted	<u>\$ 352,570</u>	<u>\$ -</u>	<u>\$ 63,650</u>	<u>\$ 950</u>	<u>\$ 235,218</u>	<u>\$ 114,522</u>	<u>\$ 766,910</u>

*See independent auditor's report*



**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining Town Custodial Funds Statement of Changes in Net Position

*For the Year Ended June 30, 2023*

	Soil Erosion	Glen Manor House Deposit	New Development - Road Bonds	Glen Park Damage Deposit	Probate Court	Prescott Point	Total Town Custodial Funds
<b>Additions</b>							
Net investment income	\$ -	\$ -	\$ 63,800	\$ -	\$ 118	\$ -	\$ 63,918
Funds received on behalf of others	63,725	13,865	-	-	-	3,223	80,813
Total additions	63,725	13,865	63,800	-	118	3,223	144,731
<b>Deductions</b>							
Funds distributed on behalf of others	64,675	33,015	24,169	-	1,412	-	123,271
Total deductions	64,675	33,015	24,169	-	1,412	-	123,271
Change in net position	(950)	(19,150)	39,631	-	(1,294)	3,223	21,460
Net position - beginning	353,520	19,150	24,019	950	236,512	111,299	745,450
Net position - ending	<u>\$ 352,570</u>	<u>\$ -</u>	<u>\$ 63,650</u>	<u>\$ 950</u>	<u>\$ 235,218</u>	<u>\$ 114,522</u>	<u>\$ 766,910</u>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining School Custodial Funds Statement of Fiduciary Net Position

*June 30, 2023*

	Hathaway	Melville	PMS	PHS	Total School Custodial Funds	<b>Total Town and School Custodial Funds</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 61,270	\$ 54,921	\$ 21,725	\$ 256,393	\$ 394,309	\$ 807,687
Receivables from external parties	-	-	-	-	-	353,537
	61,270	54,921	21,725	256,393	394,309	1,161,224
<b>Liabilities</b>						
Accounts payable	-	-	-	-	-	5
Total liabilities	-	-	-	-	-	5
Net Position Restricted	\$ 61,270	\$ 54,921	\$ 21,725	\$ 256,393	\$ 394,309	\$ 1,161,219

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Supplementary Information

Combining School Custodial Funds Statement of Changes in Net Position

*For the Year Ended June 30, 2023*

	Hathaway	Melville	PMS	PHS	Total School Custodial Funds	<b>Total Town and School Custodial Funds</b>
<b>Additions</b>						
Net investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,918
Funds received on behalf of others	27,985	18,944	37,686	230,077	314,692	395,505
Total additions	<u>27,985</u>	<u>18,944</u>	<u>37,686</u>	<u>230,077</u>	<u>314,692</u>	<u>459,423</u>
<b>Deductions</b>						
Funds distributed on behalf of others	25,494	15,290	38,742	217,688	297,214	420,485
Total deductions	<u>25,494</u>	<u>15,290</u>	<u>38,742</u>	<u>217,688</u>	<u>297,214</u>	<u>420,485</u>
Change in net position	2,491	3,654	(1,056)	12,389	17,478	38,938
Net position - beginning	58,779	51,267	22,781	244,004	376,831	1,122,281
Net position - ending	<u>\$ 61,270</u>	<u>\$ 54,921</u>	<u>\$ 21,725</u>	<u>\$ 256,393</u>	<u>\$ 394,309</u>	<u>\$ 1,161,219</u>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Tax Collector's Annual Report

*For the Year Ended June 30, 2023*

<b>Tax Roll Year</b>	<b>Balance July 1, 2022</b>	<b>Assessment</b>	<b>Additions</b>	<b>Abatements &amp; Adjustments</b>	<b>Amount to be collected</b>	<b>Current Year Collections</b>	<b>Transfers &amp; Refunds</b>	<b>Balance June 30, 2023</b>
2022	\$ -	\$ 59,662,963	\$ -	\$ (29,474)	\$ 59,633,489	\$ 58,613,450	\$ 2,607	\$ 1,022,646
2021	1,140,093		-	1,003	1,141,096	1,071,443	106	69,759
2020	70,817		-	155	70,972	22,535	209	48,646
2019	45,954		-	-	45,954	1,711	-	44,243
2018	80,094		-	-	80,094	2,218	-	77,876
2017	66,485		-	-	66,485	1,892	-	64,593
2016	73,036		-	-	73,036	2,104	-	70,932
2015	52,587		-	-	52,587	1,518	-	51,069
2014	56,022		-	-	56,022	1,556	-	54,466
2013	44,728		-	179	44,907	870	-	44,037
2012	40,887		-	-	40,887	592	-	40,295
2011	37,674		-	(28,038)	9,636	591	-	9,045
2010 and prior	22,218		-	(475)	21,743	-	-	21,743
	<u>\$ 1,730,595</u>	<u>\$ 59,662,963</u>	<u>\$ -</u>	<u>\$ (56,650)</u>	<u>\$ 61,336,908</u>	<u>\$ 59,720,480</u>	<u>\$ 2,922</u>	<u>\$ 1,619,350</u>
Less: Allowance for Uncollectible accounts	<u>(515,121)</u>							<u>(515,121)</u>
	<u>\$ 1,215,474</u>							<u>\$ 1,104,230</u>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**

Tax Collector's Annual Report

*For the Year Ended June 30, 2023*

**FY 2023 Cash Collections Summary**

July - August 2022 Collections Subject to 60-day FY22 Accrual	September - June-23 Collections	Total FY 2023 Cash Collections	July - August 2023 (FY 23) Cash Collections Subject to 60-day FY 23 Accrual
\$ -	\$ 58,613,450	\$ 58,613,450	\$ 423,559
446,118	625,325	1,071,443	1,847
9,522	13,013	22,535	348
911	800	1,711	22
675	1,543	2,218	337
607	1,285	1,892	52
897	1,207	2,104	-
546	972	1,518	180
606	950	1,556	7
484	386	870	15
416	176	592	20
394	197	591	-
-	-	-	-
<b>\$ 461,176</b>	<b>\$ 59,259,304</b>	<b>\$ 59,720,480</b>	<b>\$ 426,387</b>

**Schedule of property valuation assessed as of December 31, 2022:**

	Valuation	Levy
Real property	\$ 3,757,923,363	\$ 58,815,335
Tangible personal property	140,641,018	2,201,172
Total	3,898,564,381	61,016,507
Less: Exemptions and motor vehicle phase out		
Real property	(86,496,265)	(1,353,544)
Tangible personal property	-	-
Total	\$ 3,812,068,115	\$ 59,662,963

**Reconciliation of Current Year Property Tax Revenue**

Current Year Collections	\$ 59,720,480
60-day FY23 Accrual	426,387
<i>July-August 2023 Collections</i>	
60-day FY22 Accrual	(461,176)
<i>July-August 2022 Collections</i>	
Current Year Property Tax Revenue	\$ 59,685,691

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**  
Annual Supplemental Transparency Report (MTP2)  
*For the Year Ended June 30, 2023*

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**OTHER SUPPLEMENTARY INFORMATION**

The Annual Supplemental Transparency Report Schedules  
required by the State of Rhode Island General Law § 45-12-22.2 and § 44-35-10

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Municipal

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Education  
Department

Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

*See independent auditors' report*

**Town of Portsmouth, Rhode Island**

Annual Supplemental Transparency Report (MTP2)

*For the Year Ended June 30, 2023*

<u>REVENUE</u>	<u>Municipal</u>	<u>Education De partment</u>
Current Year Levy Tax Collection	\$ 59,037,009	\$ -
Last Year's Levy Tax Collection	627,172	-
Prior Years Property Tax Collection	21,510	-
Interest & Penalty	252,767	-
PILOT & Tax Treaty (excluded from levy) Collection	5,537	-
Other Local Property Taxes	-	-
Licenses and Permits	1,843,813	-
Fines and Forfeitures	385,103	-
Investment Income	281,580	-
Departmental	1,958,007	-
Rescue Run Revenue	-	-
Police & Fire Detail	86,930	-
Other Local Non-Property Tax Revenues	77,298	-
Tuition	-	1,586,823
Impact Aid	-	367,098
Medicaid	-	232,579
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	314,717
CDBG	-	-
COPS Grants	-	-
SAFER Grants	785,649	-
Other Federal Aid Funds	-	-
COVID - ESSER	-	1,028,158
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
COVID - ARPA	1,612,304	92,471
MV Excise Tax Reimbursement	94,646	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	132,188	-
Library Construction Aid	-	-
Public Service Corporation Tax	214,714	-
Meals & Beverage Tax / Hotel Tax	458,035	-
LEA Aid	-	3,754,130
Group Home	-	-
Housing Aid Capital Projects	163,943	-
Housing Aid Bonded Debt	-	-
State Food Service Revenue	-	11,004
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	24,925	259,208
Motor Vehicle Phase Out	2,319,596	-
Other Revenue	-	706,601
Local Appropriation for Education	-	35,969,870
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	1,492,330
<b>Total Revenue</b>	<b>\$ 70,382,727</b>	<b>\$ 45,814,990</b>
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	196,756	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
<b>Total Other Financing Sources</b>	<b>\$ 196,756</b>	<b>\$ -</b>

*See independent auditors' report*

**Town of Portsmouth, Rhode Island**

Annual Supplemental Transparency Report (MTP2)

*For the Year Ended June 30, 2023*

<u>EXPENDITURES</u>	<u>General</u>		<u>Social</u>	<u>Centralized</u>		<u>Libraries</u>	<u>Public</u>	<u>Parks and</u>	<u>Police</u>
	<u>Government</u>	<u>Finance</u>	<u>Services</u>	<u>IT</u>	<u>Planning</u>		<u>Works</u>	<u>Rec</u>	<u>Department</u>
Compensation- Group A	\$ 707,954	\$ 760,898	\$ -	\$ 82,355	\$ 502,483	\$ -	\$ 1,094,223	\$ 141,901	\$ 3,317,578
Compensation - Group B	-	-	-	-	-	-	-	-	112,171
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	9,680	2,318	-	-	2,671	-	47,309	-	529,306
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	100,008	207,024	-	5,000	83,039	-	270,276	18,160	504,085
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	6,392	7,983	-	-	5,453	-	14,938	1,006	27,730
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	51,502	70,275	-	6,656	37,093	-	83,056	10,290	301,187
Life Insurance	5,463	3,651	-	431	2,041	-	5,894	345	13,883
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	197,037	-	-	-	-	-	600	-
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	428,744	-	-	-	-	181,579	-	1,649,549
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	401	-	-	-	-	-	-	156,592
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	54,386	70,378	-	7,380	41,090	-	99,450	5,922	32,336
Purchased Services	308,645	115,982	-	12,155	102,520	-	163,504	3,291	73,723
Materials/Supplies	12,249	22,006	-	-	8,194	-	11,358	40,435	27,150
Software Licenses	2,333	23,012	-	148,965	3,544	-	-	-	-
Capital Outlays	1,056,879	-	-	3,790	-	-	39,033	-	-
Insurance	202,793	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	1,157,139	26,523	94,799
Vehicle Operations	-	-	-	-	7,188	-	174,277	-	219,578
Utilities	-	64,963	-	-	-	-	91,429	10,544	71,761
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	197,094	-	-
Revaluation	-	35,761	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	69,478	-	-
Trash Removal & Recycling	-	-	-	-	-	-	663,509	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	395,939	-	-	-	-	-	-	-	-
Other Operation Expenditures	218,992	567,735	-	10,265	31,795	679,212	79,703	989	154,244
Tipping Fees	-	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 3,133,215</b>	<b>\$ 2,578,167</b>	<b>\$ -</b>	<b>\$ 276,996</b>	<b>\$ 827,110</b>	<b>\$ 679,212</b>	<b>\$ 4,443,249</b>	<b>\$ 260,007</b>	<b>\$ 7,285,673</b>

*See independent auditors' report*



**Town of Portsmouth, Rhode Island**  
**Annual Supplemental Transparency Report (MTP2)**

*For the Year Ended June 30, 2023*

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 3,515,993	\$ -	\$ 89,125	\$ -	\$ -	\$ -	\$ 10,212,509	\$ 19,302,903
Compensation - Group B	207,266	-	-	-	-	-	319,438	1,917,777
Compensation - Group C	-	-	-	-	-	-	-	3,982,796
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime - Group A	778,735	-	450	-	-	-	1,370,469	-
Overtime - Group B	31,290	-	-	-	-	-	31,290	-
Overtime - Group C	-	-	-	-	-	-	-	126,656
Police & Fire Detail	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	583,015	-	7,338	-	-	-	1,777,946	2,416,978
Active Medical Insurance- Group B	-	-	-	-	-	-	-	231,912
Active Medical Insurance- Group C	-	-	-	-	-	-	-	871,829
Active Dental insurance- Group A	32,371	-	370	-	-	-	96,241	122,805
Active Dental Insurance- Group B	-	-	-	-	-	-	-	11,339
Active Dental Insurance- Group C	-	-	-	-	-	-	-	42,848
Payroll Taxes	333,593	-	6,711	-	-	-	900,364	673,713
Life Insurance	16,330	-	345	-	-	-	48,383	46,142
State Defined Contribution- Group A	-	-	-	-	-	-	-	450,016
State Defined Contribution - Group B	-	-	-	-	-	-	-	36,306
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	6,587	-	-	-	-	-	204,223	65,623
Other Benefits- Group B	-	-	-	-	-	-	-	48,141
Other Benefits- Group C	-	-	-	-	-	-	-	42,863
Local Defined Benefit Pension- Group A	1,549,596	-	-	-	-	-	3,809,468	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	37,749
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	538,582
State Defined Benefit Pension- Group A	137,359	-	-	-	-	-	294,353	2,806,914
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	238,232
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	32,374	-	4,675	-	-	-	347,990	235,387
Purchased Services	85,897	-	-	-	-	-	865,717	7,495,852
Materials/Supplies	80,409	-	191	-	-	-	201,993	586,608
Software Licenses	-	-	-	-	-	-	177,854	377,288
Capital Outlays	-	-	-	-	-	-	1,099,701	1,026,062
Insurance	-	-	-	-	-	-	202,793	495,327
Maintenance	18,251	-	-	-	-	-	1,296,712	463,712
Vehicle Operations	158,873	-	1,296	-	-	-	561,212	6,592
Utilities	307,918	-	1,541	-	-	-	548,156	739,415
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	197,094	-
Revaluation	-	-	-	-	-	-	-	35,761
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	-	69,478
Trash Removal & Recycling	-	-	-	-	-	-	663,509	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	395,939	-
Other Operation Expenditures	28,937	-	42,447	-	-	-	1,814,319	98,340
Tipping Fees	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	35,969,870	-	-	35,969,870	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	1,088,943	-	1,088,943	-
Municipal Debt- Interest	-	-	-	-	451,351	-	451,351	-
School Debt- Principal	-	-	-	-	325,091	-	325,091	177,296
School Debt- Interest	-	-	-	-	76,969	-	76,969	9,962
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	45,293
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	938,931	938,931	-
Rounding	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 7,904,795</b>	<b>\$ -</b>	<b>\$ 154,488</b>	<b>\$ 35,969,870</b>	<b>\$ 1,942,355</b>	<b>\$ 938,931</b>	<b>\$ 66,394,067</b>	<b>\$ 45,769,258</b>
Financing Uses: Transfer to Capital Funds							\$ 2,107,061	\$ -
Financing Uses: Transfer to Other Funds							1,192,402	-
Financing Uses: Payment to Bond Escrow Agent							-	-
Financing Uses: Other							-	-
<b>Total Other Financing Uses</b>							<b>\$ 3,299,462</b>	<b>\$ -</b>
<b>Net Change in Fund Balance<sup>1</sup></b>							<b>885,953</b>	<b>45,732</b>
<b>Fund Balance I- beginning of year</b>							<b>\$10,304,209</b>	<b>\$2,911,695</b>
Funds removed from Reportable Government Services (RGS)							-	-
Funds added to Reportable Government Services (RGS)							-	-
Prior period adjustments							-	-
Misc. Adjustment							-	-
<b>Fund Balance<sup>1</sup> - beginning of year adjusted</b>							<b>10,304,209</b>	<b>2,911,695</b>
Rounding							-	-
<b>Fund Balance<sup>1</sup> - end of year</b>							<b>\$ 11,190,162</b>	<b>\$ 2,957,427</b>

<sup>1</sup> and Net Position if Enterprise Fund activity is included in the transparency portal report.

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**  
**Annual Supplemental Transparency Report (MTP2)**  
*Fiscal Year Ended June 30, 2023*

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
<b>Fund Balance1 - per MTP-2 at June 30, 2022 adjusted</b>						\$ 10,304,209	\$ -	\$ 10,304,209	
<i>No funds removed from RGS for fiscal 2022</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2022</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2022</i>						-	-	-	
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2023 adjusted</b>						<u>\$ 10,304,209</u>	<u>\$ -</u>	<u>\$ 10,304,209</u>	
General Fund	\$ 66,962,464	\$ 196,756	\$ 27,829,668	\$ 38,329,642	\$ 999,909	\$ 9,869,973	\$ -	\$ 9,869,973	\$ 10,869,882
Transfer Station	857,025	-	750,381	-	106,644	30,796	-	30,796	137,440
School Impact Fees	165,285	-	384,265	-	(218,980)	475,578	-	475,578	256,597
SAFER Grant	785,649	-	787,269	-	(1,620)	(72,137)	-	(72,137)	(73,757)
American Rescue Plan Fund	1,612,304	-	672,614	939,690	-	-	-	-	-
<b>Totals per audited financial statements</b>	<u>\$ 70,382,727</u>	<u>\$ 196,756</u>	<u>\$ 30,424,197</u>	<u>\$ 39,269,332</u>	<u>\$ 885,953</u>	<u>\$ 10,304,209</u>	<u>\$ -</u>	<u>\$ 10,304,209</u>	<u>\$ 11,190,162</u>
<b><u>Reconciliation from financial statements to MTP2</u></b>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 35,969,870	\$ (35,969,870)	\$ -	\$ -	\$ -	\$ -	\$ -
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 70,382,727</u>	<u>\$ 196,756</u>	<u>\$ 66,394,067</u>	<u>\$ 3,299,462</u>	<u>\$ 885,953</u>	<u>\$ 10,304,209</u>	<u>\$ -</u>	<u>\$ 10,304,209</u>	<u>\$ 11,190,162</u>

*See independent auditor's report*

**Town of Portsmouth, Rhode Island**  
**Annual Supplemental Transparency Report (MTP2)**  
*Fiscal Year Ended June 30, 2023*

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
<b>Fund Balance 1 - per MTP-2 at June 30, 2022 adjusted</b> <i>No misc. adjustments made for fiscal 2022</i>						\$ 2,911,695	\$ -	\$ 2,911,695	
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2023 adjusted</b>						<u>\$ 2,911,695</u>	<u>\$ -</u>	<u>\$ 2,911,695</u>	
School Unrestricted Fund	\$ 8,092,477	\$ 35,970,214	\$ 43,653,232	\$ 487,604	\$ (78,146)	\$ 1,460,819	\$ -	\$ 1,460,819	\$ 1,382,673
SBA School Capital Project Fund	-	487,604	240,903	-	246,701	555,785	-	555,785	802,486
School Special Revenue Funds	<u>3,875,539</u>	<u>-</u>	<u>3,998,019</u>	<u>343</u>	<u>(122,823)</u>	<u>895,091</u>	<u>-</u>	<u>895,091</u>	<u>772,268</u>
<b>Totals per audited financial statements</b>	<u>\$ 11,968,016</u>	<u>\$ 36,457,818</u>	<u>\$ 47,892,154</u>	<u>\$ 487,947</u>	<u>\$ 45,732</u>	<u>\$ 2,911,695</u>	<u>\$ -</u>	<u>\$ 2,911,695</u>	<u>\$ 2,957,427</u>
<b><u>Reconciliation from financial statements to MTP2</u></b>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 35,969,870	\$ (35,969,870)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(2,122,896)	-	(2,122,896)	-	-	-	-	-	-
Transfer from School Unrestricted Fund to the School Capital Projects Funds is reported as an Other Financing Sources and Use for GAAP while it is not reported in UCOA or the MTP2 because the transfers net out to zero	-	(487,603)	-	(487,603)	-	-	-	-	-
Transfers from School Special Revenue Funds to the School School Unrestricted Fund are reported as an Other Financing Sources and Use for GAAP while they are not reported in UCOA or the MTP2 because the transfers net out to zero	-	(344)	-	(344)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 45,814,990</u>	<u>\$ -</u>	<u>\$ 45,769,258</u>	<u>\$ -</u>	<u>\$ 45,732</u>	<u>\$ 2,911,695</u>	<u>\$ -</u>	<u>\$ 2,911,695</u>	<u>\$ 2,957,427</u>
<b><u>Reconciliation from MTP2 to UCOA</u></b>									
Adjustment for custodial funds	\$ 314,691		\$ 297,214						
<b>Totals per UCOA Validated Totals Report - Dated 10/30/23</b>	<u>\$ 46,129,681</u>		<u>\$ 46,066,472</u>						

<sup>1</sup> and Net Position if Enterprise Fund activity is included in the transparency portal report.

*See independent auditor's report*

## Town of Portsmouth, Rhode Island

### Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

*For the Year Ended June 30, 2023*

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#### NOTE 1. Basis of Presentation

The *Annual Supplemental Transparency Report (MTP2)* is a supplemental schedule required by the State of Rhode Island General Laws 45-12-22.2 and 44-35-10. This supplementary schedule included within the audit report is part of a broader project to create a municipal transparency portal (MTP) website to host municipal financial information in a centralized location.

The format of the *Annual Supplemental Transparency Report (MTP2)* was prescribed by the State Department of Revenue (Division of Municipal Finance), Office of the Auditor General, and the Department of Education.

#### NOTE 2. Reportable Government Services

Data consistency and comparability are among the key objectives of the State’s Municipal Transparency portal. Consistent with that goal, the State has defined “reportable government services”, RGS, to include those operational revenues, expenditures, and transfers related to activities which are essential to the achievement of municipal operations. The determination of RGS may be different from the activities included within the legally adopted budget of the municipality. In practice, some communities report certain RGS in separate funds (e.g., special revenue funds, enterprise funds) rather than the municipality’s general fund. The *Annual Supplemental Transparency Report (MTP2)* includes a reconciliation to the fund level statements.

#### NOTE 3. Allocations

The State reporting requires expenditures to be reported by departments, as defined by the State. Some of the departmental groupings are not consistent with the departments reflected in the City’s (or Town’s) budget and accounting system. To report these costs, the City (or Town) made allocations of costs to the State’s departmental groupings based on a reasonable basis.

#### NOTE 4. Employee Groups - Compensation and Benefit Costs

Compensation includes salaries, longevity, stipends, clothing allowance/maintenance, shift differential, out-of-rank, holiday pay and bonuses.

For Public Safety departments (i.e., police, fire, and centralized dispatch) and the Education Department, compensation and most benefits costs are reported in the following employee groupings:

Group A: This group consists of employees who serve the primary function of the department.

- Police Department - police officers (e.g., uniform personnel - including, leadership positions)
- Fire Department - fire fighters (e.g., uniform personnel - including, leadership positions)
- Centralized Dispatch Department - civilian dispatchers only
- Education Department - professional staff providing direct services to students
- For the remaining departments - all employees’ compensation and benefits are reported under Group A

*See independent auditors’ report*

## Town of Portsmouth, Rhode Island

### Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

*For the Year Ended June 30, 2023*

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#### NOTE 4. Employee Groups - Compensation and Benefit Costs (continued)

Group B: For Police and Fire Departments, compensation and benefits paid to its administrative employees and civilian dispatch employees are reported under Group B. The Education Department reports compensation and benefits paid to executive/mid-level educational administration employees under Group B.

Group C: This group is only used for the Education Department and it includes administrative and support staff.

Other post-employment benefits (OPEB) are not reported by employee groups on the MTP2. They are reported in total as either (1) contributions to a qualified OPEB trust or (2) the amount paid for medical and dental insurance for retirees when an OPEB trust fund has not been established. The detail employee group information for the Education Department can be found on the State's Municipal Transparency portal website.

#### NOTE 5. Education Revenue and Expenditures

The revenues and expenditures presented on the MTP2 under the Education Department is consistent with existing Uniform Chart of Accounts (UCOA) guidelines. Each MTP account code has been mapped to the corresponding UCOA code or group of UCOA codes to facilitate the preparation of the MTP reporting.

*Additional guidance and definitions regarding the State's Municipal Transparency Portal can be found on the State Division of Municipal Finance website: <http://www.municipalfinance.ri.gov/>.*

*See independent auditors' report*

## Statistical Section

The Statistical Schedules differ from other financial statement presentations because they generally disclose more than one fiscal year and may present non-accounting data such as social and economic data and financial trends of the Town.

# Town of Portsmouth, Rhode Island

## Statistical Section

*For the Year Ended June 30, 2023*

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This part of Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statement, note disclosure, and required supplementary information says about the Town's overall financial health.

### ***Financial Trends***

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

- Net Position by Component
- Changes in Net Position by Component
- Fund Balances, Governmental Funds  
Changes in Fund Balances, Governmental Funds

### ***Revenue Capacity***

These schedules contain information to help the reader assess Town's most significant revenue sources.

- Assessed Values and Estimated Actual Values of Taxable Property
- Principal Taxpayers
- Property Tax Levies and Collections

### ***Debt Capacity***

These schedules contain information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

- Ratio of Outstanding Debt
- Legal Debt Margin Information

### ***Demographic and Economic Information***

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

- Demographic and Economic Statistics

# Town of Portsmouth, Rhode Island

## Statistical Section

*For the Year Ended June 30, 2023*

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### ***Operating Information***

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

- Full-Time Employees Equivalent by Town Department
- Operating Indicators by Function
- Capital Asset Statistics by Function



# Town of Portsmouth, Rhode Island

## Statistical Section

### Net Position by Component

*Last 10 Years*

*(Unaudited)*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 17,181,434	\$ 19,065,856	\$ 18,884,330	\$ 12,808,535	\$ 18,492,317	\$ 25,991,078	\$ 26,392,634	\$ 27,414,404	\$ 7,834,573	\$ 29,448,127
Permanent Trust Funds										
Expandable	-	-	-	-	-	-	-	-	-	11,127
Nonexpandable	-	-	-	-	-	-	-	80,932	248,384	236,304
Education	-	-	-	-	-	-	-	-	-	-
Restricted for specific programs	-	-	-	13,224,782	9,539,508	3,599,709	3,673,182	3,042,916	23,662,842	29,889,404
Unrestricted	4,978,129	(53,150,442)	(48,236,404)	(76,737,772)	(79,603,146)	(81,423,805)	(85,225,456)	(85,683,751)	(80,967,161)	(100,402,496)
<b>Total Governmental Activities Net Position</b>	<b>\$ 22,159,563</b>	<b>\$ (34,084,586)</b>	<b>\$ (29,352,074)</b>	<b>\$ (50,704,455)</b>	<b>\$ (51,571,321)</b>	<b>\$ (51,833,018)</b>	<b>\$ (55,159,640)</b>	<b>\$ (55,145,499)</b>	<b>\$ (49,221,362)</b>	<b>\$ (40,817,534)</b>
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	\$ 778,209	\$ 1,011,013	\$ 214,640	\$ 246,923	\$ 287,681	\$ 321,499	\$ 319,699	\$ 362,365	\$ 265,547	\$ 277,974
Restricted for recycling	-	-	42,925	-	-	-	-	-	-	-
Restricted for specific programs	41,468	52,185	-	135,043	182,330	233,704	269,854	162,734	201,775	69,231
Unrestricted	64,764	(201,753)	(484,211)	(279,674)	(581,785)	(532,586)	(645,112)	(159,697)	275,397	(140,536)
<b>Total Business-type Activities Net Position</b>	<b>\$ 884,441</b>	<b>\$ 861,445</b>	<b>\$ (226,646)</b>	<b>\$ 102,292</b>	<b>\$ (111,774)</b>	<b>\$ 22,617</b>	<b>\$ (55,559)</b>	<b>\$ 365,402</b>	<b>\$ 742,719</b>	<b>\$ 206,669</b>
<b>Primary Government:</b>										
Net Investment in Capital Assets	\$ 17,959,643	\$ 20,076,869	\$ 19,098,970	\$ 13,055,458	\$ 18,779,998	\$ 26,312,577	\$ 26,712,333	\$ 27,776,769	\$ 8,100,120	\$ 29,726,101
Permanent Funds:										
Expandable	-	-	-	-	-	-	-	-	-	11,127
Nonexpandable	-	-	-	-	-	-	-	80,932	248,384	236,304
Education	-	-	-	-	-	-	-	-	-	-
Restricted for recycling	-	-	42,925	-	-	-	-	-	-	-
Restricted for specific programs	41,468	52,185	-	13,359,825	9,721,838	3,833,413	3,943,036	3,205,650	23,864,617	29,958,635
Unrestricted	5,042,893	(53,352,195)	(48,720,615)	(77,017,446)	(80,184,931)	(81,956,391)	(85,870,568)	(85,843,448)	(80,691,764)	(100,543,032)
<b>Total Primary Government Net Position</b>	<b>\$ 23,044,004</b>	<b>\$ (33,223,141)</b>	<b>\$ (29,578,720)</b>	<b>\$ (50,602,163)</b>	<b>\$ (51,683,095)</b>	<b>\$ (51,810,401)</b>	<b>\$ (55,215,199)</b>	<b>\$ (54,780,097)</b>	<b>\$ (48,478,643)</b>	<b>\$ (40,610,865)</b>

**Town of Portsmouth, Rhode Island**

Statistical Section

Changes in Net Position by Component

*Last 10 Years*

*(Unaudited)*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 207,860	\$ 321,465	\$ 779,018	\$ 1,276,782	\$ 1,301,265	\$ 1,382,222	\$ 750,332	\$ 1,115,137	\$ 1,715,749	\$ 1,521,334
General Education	1,284,080	1,190,355	1,223,557	1,324,821	1,457,114	1,675,281	1,399,538	1,564,959	1,822,100	589,106
Public Safety	1,928,936	1,593,544	810,523	1,247,938	1,296,168	1,358,718	1,065,030	736,301	1,024,445	1,097,712
Public Services	-	-	786,402	904,663	1,312,384	862,965	456,718	885,519	989,637	912,647
Community Service	612,272	591,755	570,530	269,131	54,321	76,294	133,965	13,878	19,148	-
Operating Grants and Contributions	2,872,433	4,283,641	5,581,847	5,964,893	8,142,481	8,576,083	9,422,525	9,919,166	11,139,603	15,465,475
Capital Grants and Contributions	115,000	193,000	250,313	-	11,021	35,269	281,987	582,311	11,900	-
<b>Total Governmental Activities Program Revenues</b>	<b>7,020,581</b>	<b>8,173,760</b>	<b>10,002,190</b>	<b>10,988,228</b>	<b>13,574,754</b>	<b>13,966,832</b>	<b>13,510,095</b>	<b>14,817,271</b>	<b>16,722,582</b>	<b>19,586,274</b>
Business-type Activities:										
Charges for Services:										
School Lunch Fund	474,039	485,336	504,002	526,846	505,390	537,564	357,702	27,785	-	-
Transfer Station	567,679	582,891	633,222	667,281	649,039	816,838	729,113	750,452	736,910	857,025
Non-major Funds	12,900	9,882	5,400	4,500	18,000	18,000	13,500	-	868,022	264,105
Operating Grants and Contributions	200,640	211,539	254,731	331,602	218,628	208,055	214,438	1,319,430	-	-
<b>Total Business-type Activities</b>	<b>1,255,258</b>	<b>1,289,648</b>	<b>1,397,355</b>	<b>1,530,229</b>	<b>1,391,057</b>	<b>1,580,457</b>	<b>1,314,753</b>	<b>2,097,667</b>	<b>1,604,932</b>	<b>1,121,130</b>
<b>Total Primary Government Program Revenues</b>	<b>8,275,839</b>	<b>9,463,408</b>	<b>11,399,545</b>	<b>12,518,457</b>	<b>14,965,811</b>	<b>15,547,289</b>	<b>14,824,848</b>	<b>16,914,938</b>	<b>18,327,514</b>	<b>20,707,404</b>
<b>Expenses:</b>										
Governmental Activities:										
General Government	5,992,387	6,635,659	5,830,129	5,631,833	7,402,421	8,256,939	11,024,983	9,363,478	7,089,033	7,223,743
General Education	38,316,994	41,397,051	40,753,345	40,978,207	42,132,819	42,596,950	42,477,570	42,127,041	45,423,850	46,768,441
Public Safety	9,860,970	11,096,478	11,371,782	13,281,332	12,902,054	13,466,990	13,668,340	15,301,872	14,857,010	16,676,200
Public Services	2,870,292	3,315,586	3,237,659	3,384,612	4,242,174	4,263,138	5,121,921	5,538,420	6,156,263	4,648,119
Community Service	1,376,200	1,269,191	1,290,100	1,297,889	1,164,372	1,093,681	2,067,949	1,426,058	1,363,894	1,203,091
Capital Outlay	2,551,459	-	-	-	-	-	-	-	-	-
Interest on Long Term Debt	466,731	428,901	556,894	640,732	838,661	749,371	699,602	622,807	572,010	556,103
Amortization Expense	29,851	29,851	-	-	-	-	-	-	-	-
Non-Operating Expense	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<b>61,464,884</b>	<b>64,172,717</b>	<b>63,039,909</b>	<b>65,214,605</b>	<b>68,682,501</b>	<b>70,427,069</b>	<b>75,060,365</b>	<b>74,379,676</b>	<b>75,462,060</b>	<b>77,075,697</b>

# Town of Portsmouth, Rhode Island

## Statistical Section

### Changes in Net Position by Component

*Last 10 Years*

*(Unaudited)*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Business-type Activities:</b>										
School Cafeteria Fund	644,770	655,980	711,503	752,768	728,816	723,645	581,345	564,388	-	-
Transfer Station	539,373	485,025	569,944	682,031	924,230	775,107	858,179	729,297	701,077	750,383
Wind Turbine Generator Fund	155,319	151,307	1,193,708	-	-	-	-	-	-	-
Septic System Loan Program	-	-	16,421	894	743	599	366	-	-	351,061
Non-major Funds	19,964	27,341	10,162	10,470	9,066	-	-	244,211	414,679	402,591
Total Business-type Activities	<u>1,359,426</u>	<u>1,319,653</u>	<u>2,501,738</u>	<u>1,446,163</u>	<u>1,662,855</u>	<u>1,499,351</u>	<u>1,439,890</u>	<u>1,537,896</u>	<u>1,115,756</u>	<u>1,504,035</u>
<b>Total Primary Government Program Expenses</b>	<u>62,824,310</u>	<u>65,492,370</u>	<u>65,541,647</u>	<u>66,660,768</u>	<u>70,345,356</u>	<u>71,926,420</u>	<u>76,500,255</u>	<u>75,917,572</u>	<u>76,577,816</u>	<u>78,579,732</u>
<b>Net (Expenses)/Revenue:</b>										
Governmental Activities	(54,444,303)	(55,998,957)	(53,037,719)	(54,226,377)	(55,107,747)	(56,460,237)	(61,550,270)	(59,835,405)	(58,739,478)	(57,489,423)
Business-type Activities	(104,168)	(30,005)	(1,104,383)	84,066	(271,798)	81,106	(125,137)	559,771	489,176	(382,905)
<b>Total Primary Government Net Expenses</b>	<u>(54,548,471)</u>	<u>(56,028,962)</u>	<u>(54,142,102)</u>	<u>(54,142,311)</u>	<u>(55,379,545)</u>	<u>(56,379,131)</u>	<u>(61,675,407)</u>	<u>(59,275,634)</u>	<u>(58,250,302)</u>	<u>(57,872,328)</u>
<b>General Revenues and Other Changes in Net Position:</b>										
<b>Governmental Activities:</b>										
Property Taxes, MV Phase Out, and PILOT	47,965,049	49,267,057	49,910,345	51,008,411	52,466,837	54,448,500	56,056,578	57,221,898	59,957,332	59,478,590
State Aid (unrestricted)	6,778,745	6,048,181	6,359,063	4,387,343	1,682,968	1,705,352	1,652,108	2,117,657	3,838,822	4,116,199
Investment Income	13,792	11,621	13,433	39,911	103,984	105,760	82,728	90,902	11,517	292,707
Other Revenues	1,678,576	1,351,979	1,452,173	61,917	48,410	1,027	488,753	86,799	227,957	1,941,428
Transfers	(788,063)	(7,000)	35,217	(504,341)	(61,318)	(62,099)	(53,519)	138,810	40,000	64,327
Total Governmental Activities	<u>54,118,934</u>	<u>55,648,099</u>	<u>56,671,838</u>	<u>57,770,231</u>	<u>54,993,241</u>	<u>56,198,540</u>	<u>58,226,648</u>	<u>59,656,066</u>	<u>64,075,628</u>	<u>65,893,251</u>
<b>Business-type Activities:</b>										
Transfers	788,063	7,000	10,500	254,341	61,318	62,099	(138,810)	(138,810)	(40,000)	(153,145)
Investment Income	13	9	5,792	(17,258)	(10,461)	(14,428)	-	-	-	-
Total Business-type Activities	<u>788,076</u>	<u>7,009</u>	<u>16,292</u>	<u>237,083</u>	<u>50,857</u>	<u>47,671</u>	<u>(138,810)</u>	<u>(138,810)</u>	<u>(40,000)</u>	<u>(153,145)</u>
<b>Total Primary Government General Revenues and Other Changes in Net Position</b>	<u>54,118,949</u>	<u>56,436,175</u>	<u>56,678,847</u>	<u>57,786,523</u>	<u>55,230,324</u>	<u>56,246,211</u>	<u>58,087,838</u>	<u>59,517,256</u>	<u>64,035,628</u>	<u>65,740,106</u>
<b>Change in Net Position:</b>										
Governmental Activities	(325,369)	(350,858)	3,634,119	3,543,854	766,864	(261,697)	(3,323,622)	(179,339)	5,336,150	8,403,828
Business-type Activities	(104,153)	758,071	(1,097,374)	108,147	328,938	128,777	(263,947)	420,961	449,176	(536,050)
<b>Total Change in Net Position of Primary Government</b>	<u>\$ (429,522)</u>	<u>\$ 407,213</u>	<u>\$ 2,536,745</u>	<u>\$ 3,652,001</u>	<u>\$ 1,095,802</u>	<u>\$ (132,920)</u>	<u>\$ (3,587,569)</u>	<u>\$ 241,622</u>	<u>\$ 5,785,326</u>	<u>\$ 7,867,778</u>

# Town of Portsmouth, Rhode Island

## Statistical Section

### Fund Balances, Governmental Funds

*Last 10 Years*

*(Unaudited)*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Nonspendable:</b>										
Permanent Funds:										
Perpetual Care and Endowed Funds	\$ 146,218	\$ 156,385	\$ 160,404	\$ 161,552	\$ 163,633	\$ 167,452	\$ 170,397	\$ 167,452	\$ 248,384	\$ 236,304
General Fund:										
Advances to Other Funds	-	341,062	-	-	-	-	-	-	-	-
Prepaid Expenses	199,374	590,534	429,048	667,511	785,135	751,534	284,449	664,087	794,290	782,126
Inventory	31,236	57,173	36,300	62,208	33,287	55,470	49,577	33,602	66,069	57,227
Encumbrances	-	-	-	-	-	-	-	-	-	-
<b>Total Nonspendable Fund Balance</b>	<b>\$ 376,828</b>	<b>\$ 1,145,154</b>	<b>\$ 625,752</b>	<b>\$ 891,271</b>	<b>\$ 982,055</b>	<b>\$ 974,456</b>	<b>\$ 504,423</b>	<b>\$ 865,141</b>	<b>\$ 1,108,743</b>	<b>\$ 1,075,657</b>
<b>Restricted:</b>										
Town Special Revenue Funds	\$ 614,792	\$ 336,444	\$ 767,279	\$ 1,016,479	\$ 489,325	\$ 685,468	\$ 958,510	\$ 1,102,287	\$ 1,428,208	\$ 2,469,697
Debt Service	-	-	-	-	-	-	-	-	20,388,397	18,651,399
School Special Revenue Funds	472,711	386,627	434,041	408,188	283,973	514,174	380,074	512,847	895,091	772,268
Permanent Funds	-	-	-	-	-	-	-	80,932	10	11,127
Town Capital Project Funds	316,497	590,657	3,125,294	11,021,908	7,102,320	884,154	1,326,605	716,290	341,351	372,276
School Capital Project Funds	1,306,896	143,390	1,378,118	778,207	1,663,890	1,515,913	1,007,993	711,492	555,785	802,486
<b>Total Restricted Fund Balance</b>	<b>\$ 2,710,896</b>	<b>\$ 1,457,118</b>	<b>\$ 5,704,732</b>	<b>\$ 13,224,782</b>	<b>\$ 9,539,508</b>	<b>\$ 3,599,709</b>	<b>\$ 3,673,182</b>	<b>\$ 3,123,848</b>	<b>\$ 23,608,842</b>	<b>\$ 23,079,253</b>
<b>Committed:</b>										
Committed for Education	\$ 3,441,468	\$ 2,709,418	\$ 1,114,909	\$ 1,260,145	\$ 928,995	\$ 847,141	\$ 1,594,569	\$ 931,571	\$ 894,909	\$ 874,618
Committed for Department Reserved	-	-	98,739	344,658	-	-	-	341,351	-	370,000
Committed for Warrant 12-13	-	-	-	-	-	-	-	160,908	314,221	499,955
Committed for Preservation and Maintenance of Glen Manor Property	107,908	179,928	191,209	242,246	381,315	406,631	322,770	-	-	-
<b>Total Committed Fund Balance</b>	<b>\$ 3,549,376</b>	<b>\$ 2,889,346</b>	<b>\$ 1,404,857</b>	<b>\$ 1,847,049</b>	<b>\$ 1,310,310</b>	<b>\$ 1,253,772</b>	<b>\$ 1,917,339</b>	<b>\$ 1,433,830</b>	<b>\$ 1,209,130</b>	<b>\$ 1,744,573</b>
<b>Assigned:</b>										
Open Space	\$ 309,378	\$ 9,378	\$ 9,378	\$ 9,378	\$ 139,754	\$ -	\$ -	\$ -	\$ -	\$ -
Prudence Island Fire Department	-	-	-	-	-	80,000	80,000	-	-	-
<b>Total Assigned Fund Balance</b>	<b>\$ 309,378</b>	<b>\$ 9,378</b>	<b>\$ 9,378</b>	<b>\$ 9,378</b>	<b>\$ 139,754</b>	<b>\$ 80,000</b>	<b>\$ 80,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Unassigned:</b>										
General Fund	\$ 6,076,343	\$ 6,131,862	\$ 6,871,853	\$ 6,912,353	\$ 7,317,622	\$ 8,333,042	\$ 9,026,981	\$ 9,342,401	\$ 9,261,302	\$ 9,668,628
Town Capital Project Fund	(978,633)	-	-	-	-	-	(1,792,252)	-	(924,390)	(892,811)
Town Warrant 12-13 Fund	-	-	-	-	-	-	-	(1,343,170)	-	-
Other Governmental Funds	(1,189,169)	(942,669)	(941,689)	(1,246,698)	(1,330,332)	(1,895,702)	(59,211)	96,860	(1,317,775)	(146,344)
<b>Total Unassigned Fund Balance</b>	<b>\$ 3,908,541</b>	<b>\$ 5,189,193</b>	<b>\$ 5,930,164</b>	<b>\$ 5,665,655</b>	<b>\$ 5,987,290</b>	<b>\$ 6,437,340</b>	<b>\$ 7,175,518</b>	<b>\$ 8,096,091</b>	<b>\$ 7,019,137</b>	<b>\$ 8,629,473</b>

# Town of Portsmouth, Rhode Island

## Statistical Section

### Changes in Fund Balances, Governmental Funds

*Last 10 Years*

*(Unaudited)*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General property taxes and interest	\$ 48,391,434	\$ 49,242,875	\$ 50,384,667	\$ 50,764,048	\$ 52,587,567	\$ 54,457,593	\$ 55,757,474	\$ 58,300,557	\$ 59,267,166	\$ 59,695,882
State aid and grants	9,228,660	9,391,037	9,608,787	10,000,238	9,709,798	10,050,391	9,572,095	10,306,709	13,253,566	14,110,085
Licenses, permits, and fees	2,430,065	2,472,821	2,530,159	2,468,756	2,721,235	2,799,577	2,676,211	3,224,080	3,550,286	2,980,615
Charges for services	2,343,319	2,384,550	2,439,840	2,428,718	2,576,007	2,341,269	2,283,107	2,039,283	2,222,301	3,121,625
Investment income	13,792	11,621	70,150	39,911	103,984	105,760	82,728	90,902	(563)	292,707
Other revenue	266,586	273,690	221,776	314,691	140,229	400,662	636,015	1,163,644	1,045,475	1,770,330
<b>Total revenues</b>	<b>62,673,856</b>	<b>63,776,594</b>	<b>65,255,379</b>	<b>66,016,362</b>	<b>67,838,820</b>	<b>70,155,252</b>	<b>71,007,630</b>	<b>75,125,175</b>	<b>79,338,231</b>	<b>81,971,244</b>
General government	4,473,710	4,477,338	4,679,504	4,856,775	5,033,136	5,129,664	5,233,057	6,516,209	6,625,257	6,837,903
Public safety	10,860,970	11,196,478	11,451,321	11,815,833	12,385,996	12,430,456	13,032,708	13,757,688	15,834,995	16,448,468
Public works	3,082,772	3,315,586	3,224,582	3,325,211	3,489,791	3,462,129	3,902,808	4,542,620	5,704,874	3,704,216
Public and social services	718,606	688,603	751,662	780,716	807,887	817,715	900,754	1,079,405	958,560	945,599
Parks and recreation	285,928	289,994	299,081	399,049	233,044	219,140	293,635	326,416	376,009	249,239
Education	36,769,353	37,067,451	38,227,325	40,105,874	40,685,778	42,370,779	41,784,315	44,384,834	45,969,264	44,849,466
Capital outlay	6,291,862	6,381,350	6,581,293	6,905,580	7,003,672	9,266,681	2,632,986	2,082,328	2,833,420	5,529,221
Principal	1,612,199	1,635,129	1,686,362	1,905,979	1,658,067	2,135,066	1,953,040	1,959,066	1,524,064	1,473,866
Interest	466,731	428,901	630,907	517,121	816,273	772,754	699,172	640,451	579,088	468,489
<b>Total expenses</b>	<b>64,562,131</b>	<b>65,480,830</b>	<b>67,532,037</b>	<b>70,612,138</b>	<b>72,113,644</b>	<b>76,604,384</b>	<b>70,432,475</b>	<b>75,289,017</b>	<b>80,405,532</b>	<b>80,506,467</b>
Excess (deficit) of revenues over (under) expenditures before other financing sources (uses)	(1,888,275)	(1,704,236)	(2,276,658)	(4,595,776)	(4,274,824)	(6,449,132)	575,155	(163,842)	(1,067,301)	1,464,777
Other financing sources (uses)	311,937	1,539,406	5,261,352	12,559,028	595,606	835,492	430,030	138,810	20,975,731	64,327
<b>Total change in fund balance</b>	<b>(1,576,338)</b>	<b>(164,830)</b>	<b>2,984,694</b>	<b>7,963,252</b>	<b>(3,679,218)</b>	<b>(5,613,640)</b>	<b>1,005,185</b>	<b>(25,032)</b>	<b>19,908,430</b>	<b>1,529,104</b>
Beginning fund balance	12,431,357	10,855,019	10,690,189	13,674,883	21,638,135	17,958,917	12,345,277	13,543,942	13,091,422	32,999,852
<b>Ending fund balance</b>	<b>\$ 10,855,019</b>	<b>\$ 10,690,189</b>	<b>\$ 13,674,883</b>	<b>\$ 21,638,135</b>	<b>\$ 17,958,917</b>	<b>\$ 12,345,277</b>	<b>\$ 13,350,462</b>	<b>\$ 13,518,910</b>	<b>\$ 32,999,852</b>	<b>\$ 34,528,956</b>
Ratio of total debt service expenditures to total noncapital expenditures	3.70%	3.62%	3.95%	3.95%	3.95%	4.51%	4.07%	3.68%	2.79%	2.66%

## Town of Portsmouth, Rhode Island

### Statistical Section

#### Assessed Values and Estimated Actual Values of Taxable Property Last 10 Years

(Unaudited)

Fiscal Year Ended June 30	Residential GAV	Commercial GAV	Tangible Personal Property GAV	Inventory GAV	MV GAV	Less Exemptions	Total Taxable NAV	Tax Rate RP	Tax Rate MV @ 70%	Estimated Actual Gross Taxable Value	Assessed Value as a % of Actual Value
2014	2,904,679,000	294,055,900	58,439,219	-	173,244,400	172,448,628	3,257,969,891	\$14.526/1,000	\$22.50/1,000	3,430,418,519	94.97%
2015	2,714,119,625	294,534,200	59,523,139	-	173,544,462	165,618,254	3,076,103,172	\$15.800/1,000	\$22.50/1,000	3,241,721,426	94.89%
2016	2,733,900,325	305,966,265	60,212,072	-	176,452,095	163,096,751	3,113,434,006	\$15.800/1,000	\$22.50/1,000	3,276,530,757	95.02%
2017	2,758,521,200	299,856,865	63,264,039	-	181,813,760	158,450,875	3,145,004,989	\$16.000/1,000	\$22.50/1,000	3,303,455,864	95.20%
2018	2,966,256,600	310,305,465	67,084,212	-	167,269,965	153,445,319	3,357,470,923	\$15.420/1,000	\$22.50/1,000	3,510,916,242	95.63%
2019	2,974,423,000	306,594,065	72,235,878	-	162,100,902	149,259,788	3,366,094,057	\$15.974/1,000	\$22.50/1,000	3,515,353,845	95.75%
2020	2,925,257,406	301,202,765	77,250,194	-	158,639,126	152,598,860	3,386,067,375	\$16.404/1,000	\$22.50/1,000	3,538,666,234	95.69%
2021	3,403,854,575	309,822,165	96,736,886	-	152,909,753	167,895,933	3,795,427,445	\$15.073/1,000	\$22.50/1,000	3,963,323,378	95.76%
2022	3,422,501,952	309,606,965	127,859,056	-	158,392,051	178,144,509	3,840,215,515	\$15.305/1,000	\$22.50/1,000	4,018,360,024	95.57%
2023	3,448,805,837	309,117,526	140,641,018	-	-	86,496,265	3,812,068,116	\$15.651/1,000	-	3,898,564,381	97.78%

Source: Town of Portsmouth Tax Assessor Office

GAV=Gross Assessed Value; NAV=Net Assessed Value

**Town of Portsmouth, Rhode Island**

Statistical Section

Principal Taxpayers  
Current Year and 10 Years Ago

(Unaudited)

Taxpayer	2013 ROLL			2022 ROLL			
	2014			2023			
	Taxable Assessed Value	Rank	% of Total Taxable Value		Taxable Assessed Value	Rank	% of Total Taxable Value
Raytheon Corp	\$ 44,621,700	2	1.370	National Grid	\$ 71,614,552	1	1.879
Carnegie Holdings LLC	67,095,900	1	2.059	Raytheon Corp	56,242,421	2	1.475
National Grid	16,770,350	4	0.515	SHM	30,226,901	3	0.793
TDS Realty	14,795,430	8	0.454	Newport Water	24,374,842	4	0.639
CA Club Acquisitions I LP	16,722,800	5	0.513	Bay View Holdings	18,645,010	5	0.489
Zucker Trustee of Bay View Realty/Bay View Holdings	8,678,300	10	0.266	Aquidneck CC	18,330,000	6	0.481
Talaria RE Holdings	14,820,750	7	0.455	Talaria RE Holdings	17,614,911	7	0.462
Northern Waterfront Assoc LP	17,964,000	3	0.551	Carnegie @ One Tower Drive LLC	13,756,500	8	0.361
GMH Military Housing	15,502,600	6	0.476	Newport Beach Club	11,969,310	9	0.314
Conlan Rhode Island Acquisitions	9,162,000	9	0.281	GMH Military Housing	11,579,100	10	0.304
<b>TOTAL</b>	<b>\$ 226,133,830</b>		<b>6.941</b>		<b>\$ 274,353,547</b>		<b>7.197</b>

Source: Town of Portsmouth Tax Assessor Office

2013 ROLL NAV = 3,257,969,890

2022 ROLL NAV = 3,812,068,116

**Town of Portsmouth, Rhode Island**

Statistical Section

Property Tax Levies and Collections

*Last 10 Years*

*(Unaudited)*

Fiscal Year Ended June 30	Taxes Levied	Collection within the Fiscal Year of the Levy		Total Collections to Date as of 6/30/2023	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2014	48,021,888	46,165,831	96.13%	47,901,430	99.75%
2015	49,187,965	47,811,260	97.20%	47,910,226	97.40%
2016	49,815,131	48,589,909	97.54%	48,668,559	97.70%
2017	50,971,055	49,443,601	97.00%	49,507,232	97.13%
2018	52,436,990	50,871,776	97.02%	50,936,258	97.14%
2019	54,365,635	53,035,757	97.55%	53,089,938	97.65%
2020	56,047,236	54,036,889	96.41%	55,377,532	98.81%
2021	57,734,217	56,614,437	98.06%	58,644,137	101.58%
2022	59,257,906	58,209,310	98.23%	59,448,667	100.32%
2023	59,662,963	58,540,742	98.12%	59,761,227	100.16%

**Source:** Town of Portsmouth Tax Assessor Office



**Town of Portsmouth, Rhode Island**

Statistical Section

Ratio of Outstanding Debt  
Last 10 Years

(Unaudited)

Fiscal Year June 30	Governmental Activities			Business-type Activities		Total	Percentage of Personal Income	Personal <sup>1,3</sup> Income	Net Bonded Debt per Capita	Population <sup>1,2</sup>	Taxable Assessed Value	Net Bonded Debt as % of Taxable Assessed Value
	General Obligation Bonds	RIHEBC	Leases	Wind Turbine, Transfer Station & Septic Loan								
2014	8,094,182	4,880,000	-	1,926,325	14,900,507	0.3015%	44,920	862	17,293	3,257,969,891	0.4574%	
2015	7,898,655	4,380,000	-	1,692,439	13,971,094	0.3215%	44,920	808	17,293	3,076,103,172	0.4542%	
2016	10,413,426	3,685,000	564,798	628,574	15,291,798	0.2938%	44,920	883	17,315	3,113,434,006	0.4912%	
2017	21,437,532	3,195,000	978,110	529,468	26,140,110	0.1660%	43,386	1,510	17,315	3,145,004,989	0.8312%	
2018	20,269,465	2,705,000	1,177,422	648,044	24,799,931	Unavailable	Unavailable	1,432	17,315	3,357,470,923	0.7386%	
2019	18,829,400	2,010,000	1,452,135	592,205	22,883,740	0.2213%	50,636	1,319	17,344	3,366,094,057	0.6798%	
2020	17,030,332	1,860,000	207,435	339,668	19,437,435	0.2700%	52,483	1,128	17,226	3,538,666,234	0.5493%	
2021	15,471,268	1,460,000	1,189,459	279,732	18,400,459	0.3197%	58,835	1,030	17,871	3,963,323,378	0.4643%	
2022	14,407,000	20,570,000	1,541,482	219,800	36,738,282	0.1497%	54,981	2,069	17,754	4,018,360,024	0.9143%	
2023	13,208,134	20,295,000	844,973	159,866	34,507,973	0.1593%	54,981	1,954	17,659	3,898,564,381	0.8851%	

<sup>1</sup> US Census Bureau

<sup>2</sup> RI Department of Planning

<sup>3</sup> RI Department of Labor & Training

All debt is Direct unless specifically identified as Overlapping with another Governmental Body.

**Town of Portsmouth, Rhode Island**

Statistical Section

Legal Debt Margin Information

*Last 10 Years*

*(Unaudited)*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Assessed Value	\$ 3,257,969,891	\$ 3,076,103,172	\$ 3,113,434,005	\$ 3,145,004,989	\$ 3,366,696,071	\$ 3,366,094,057	\$ 3,386,067,375	\$ 3,795,427,445	\$ 3,840,215,515	\$ 4,812,730,458
RI General Law Debt Limitation as % of Assessed Value	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt Limit	97,739,097	92,283,095	93,403,020	94,350,150	101,000,882	100,982,822	101,582,021	113,862,823	115,206,465	144,381,914
Total Debt Applicable to Limit General Obligation Bonds	14,900,507	13,971,094	14,727,000	25,162,000	23,622,509	21,431,605	21,504,870	17,211,000	35,196,800	33,663,000
Legal Debt Margin	\$ 82,838,590	\$ 78,312,001	\$ 78,676,020	\$ 69,188,150	\$ 77,378,373	\$ 79,551,217	\$ 80,077,151	\$ 96,651,823	\$ 80,009,665	\$ 110,718,914
Total Net Debt Applicable to the Limit as % of Debt Limit	17.99%	17.84%	18.72%	36.37%	30.53%	26.94%	26.86%	17.81%	43.99%	30.40%

# Town of Portsmouth, Rhode Island

## Statistical Section

### Demographic and Economic Statistics

*Last 10 Years*

*(Unaudited)*

Fiscal Year June 30	Population <sup>1</sup>	School Enrollment <sup>3</sup>	Poverty Population***			Per Capita Income***		Unemployment Rate**		
			Portsmouth <sup>1</sup>	RI <sup>1</sup>	US <sup>1</sup>	Portsmouth <sup>1,2</sup>	RI <sup>1</sup>	Portsmouth <sup>2</sup>	RI <sup>2</sup>	US <sup>4</sup>
2014	17,446	2,658	1,331	144,446	48,810,868	44,821	30,748	8.50%	9.30%	7.40%
2015	17,457	2,647	1,355	145,596	48,208,387	44,920	30,830	7.20%	7.70%	6.20%
2016	17,416	2,532	1,003	141,035	46,153,077	44,920	30,765	5.60%	6.00%	5.30%
2017	17,431	2,445	Unavailable	129,932	44,268,996	44,920	33,008	4.70%	5.20%	4.90%
2018	17,433	2,464	Unavailable	118,367	42,583,651	Unavailable	Unavailable	3.90%	4.40%	4.40%
2019	17,311	2,464	Unavailable	131,205	41,852,315	Unavailable	34,619	3.60%	4.00%	3.90%
2020	17,226	2,421	937	110,244	39,490,095	52,483	34,619	3.20%	3.60%	3.70%
2021	17,871	2,510	1,034	115,491	37,419,306	55,858	36,121	5.30%	5.80%	6.10%
2022	17,754	2,262	870	126,971	41,393,176	54,981	39,603	3.38%	4.08%	4.19%
2023	17,659	2,281	865	118,123	40,951,625	54,981	39,603	2.70%	2.90%	3.60%

<sup>1</sup> US Census Bureau

<sup>2</sup> RI Department of Labor & Training

<sup>3</sup> Portsmouth School Department

<sup>4</sup> US Bureau of Labor Statistics

\*\* Not seasonally adjusted, annual average

\*\*\* Estimated by the US Census Bureau

<https://dlt.ri.gov/documents/pdf/lmi/portsmouth.pdf>

<https://dlt.ri.gov/documents/pdf/lmi/riunadj.pdf>

<https://dlt.ri.gov/documents/pdf/lmi/usunadj.pdf>

# Town of Portsmouth, Rhode Island

## Statistical Section

### Full -Time Employees Equivalent by Town Department

*Last 10 Years*

*(Unaudited)*

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>General Government:</b>										
Council	7	7	7	7	7	7	7	7	7	7
Administration	2	2	2	2	2	2	2	2	2	2
Town Clerk	3	3	2	3	4	4	3	4	4	4
Canvassing	1	1.5	1.5	1.5	2	2	2	2	2	2
Finance/Personnel	5	5	5	5	5	5	5	6	6	6
Tax Assessment/Collection	4	5	5	5	5	5	5	4	4	4
Planning and Development	1.5	1.5	2.5	3.5	4	4	4	4	4	4
Building Inspection/Zoning	2.5	3	3	2	3	3	3	3	3	3
<b>Total General Government</b>	<b>26</b>	<b>28</b>	<b>28</b>	<b>29</b>	<b>32</b>	<b>32</b>	<b>31</b>	<b>32</b>	<b>32</b>	<b>32</b>
<b>Public Safety:</b>										
Police	31	30	33	34	36	36	36	39	39	39
Harbormaster	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Prudence Island Public Safety	1	1	1	1	1	1	1	1	1	1
Animal Control	1	1	1	1	1	1	1	1	1	1
Fire	35	34	34	35	36	36	38	47	47	47
<b>Total Public Safety</b>	<b>68.5</b>	<b>66.5</b>	<b>69.5</b>	<b>71.5</b>	<b>74.5</b>	<b>74.5</b>	<b>76.5</b>	<b>88.5</b>	<b>88.5</b>	<b>88.5</b>
<b>Public Health:</b>										
Public Works	16	16	16	15	19.5	19.5	18.5	18.5	18.5	18.5
<b>Total Public Health</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>15</b>	<b>19.5</b>	<b>19.5</b>	<b>18.5</b>	<b>18.5</b>	<b>18.5</b>	<b>18.5</b>
<b>Public Welfare:</b>										
Parks and Recreation	5	5	5	12	9	9	9	9	9	9
<b>Total Public Welfare</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>12</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
<b>Public Education:</b>										
Teachers	219.9	223	210	210	220	217.4	224	218	217.9	217.9
Pupil Support	101.6	103	75	75	75	88	86	89	98.2	98.2
Executive and Administrative	15	16	16	16	16	14.5	15.5	16	15	15
<b>Total Public Education</b>	<b>336.5</b>	<b>342</b>	<b>301</b>	<b>301</b>	<b>311</b>	<b>319.9</b>	<b>325.5</b>	<b>323</b>	<b>331.1</b>	<b>331.1</b>
<b>Total</b>	<b>452</b>	<b>457.5</b>	<b>419.5</b>	<b>428.5</b>	<b>446</b>	<b>454.9</b>	<b>460.5</b>	<b>471</b>	<b>479.1</b>	<b>479.1</b>

**Source:** Town of Portsmouth Finance & Personnel Office/Human Resources Dept.

# Town of Portsmouth, Rhode Island

## Statistical Section

### Operating Indicators by Function

*Last 10 Years*

*(Unaudited)*

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Government:</b>										
Building permits issued	612	535	788	803	755	690	832	938	1024	959
Number of inspections made	2,304	2,210	2,188	1,416	1,827	1,886	2,021	2,537	2,839	3,402
<b>Town Clerk:</b>										
Number of transactions										
Beverage licenses	32	35	35	35	35	35	29	31	30	34
Dog licenses	1,651	1,652	1,584	1,714	1,735	1,675	1,427	1,733	1,477	1,462
Other licenses	213	209	191	143	143	253	246	260	83	311
Vital records	1,372	1,050	1,038	1,138	1,082	1,014	706	704	1,194	953
Land evidence	3,631	4,227	4,145	4,532	4,830	4,532	4,720	6,658	5,224	3,529
Probate cases	100	92	105	157	153	93	178	124	98	111
<b>Public Safety:</b>										
Number of police personnel and officers	31	30	35	34	34	38	38	38	38	38
Number of arrests	586	714	798	745	511	532	695	946	974	559
Number of parking violations	47	74	118	43	66	38	374	143	66	76
Number of traffic violations	2,344	1,987	3,128	3,500	5,911	8,018	8,885	9,320	9,618	7,854
Number of fatal car crashes	1	-	-	1	1	1	-	-	-	2
Number of motor vehicle accidents	159	159	147	153	527	456	499	380	452	468
Number of paid firefighters	35	34	35	35	35	35	34	47	47	47
Number of fire emergency responses	755	679	629	643	909	946	1,021	1,198	1,016	1,069
Number of fires extinguished	134	88	34	32	39	49	64	98	101	108
Number of ambulance calls	1,884	1,924	2,057	2,211	2,010	2,274	2,004	2,033	2,091	2,405
Number of fire inspections										
Number of school crossing guards										
<b>Public Works:</b>										
Number of streets paved	26	27	20	17	15	7	8	18	21	13
Inches of snow removed (accumulative)	50	69	31	41	46	21.1	12.9	32.5	34	9.1
Tons collected and disposed:										
Solid waste	3,955	4,327	4,145	4,404	3,091	1,863	1,616	1,578	1,432	1,368
Metal (tons)							113	72	135	130
Mattress (each)							13	29	29	22
Tires (each)							150	195	134	154
Metal, Mattress, Tires	189	211	182	1,029	1,029	147				
Recyclable	2,134	1,981	1,257	1,101	1,304	1,137	898	874	815	723
Number of Christmas trees pickup	1,433	1,390	1,355	1,330	1,147	1,407	1,387	1,481	1,135	1,145
<b>Wastewater</b>										
Catch basins cleaned	2,750+	2,750+	2,750+	2,750+	2,750+	2,750+	2,750+	2,750+	2,750+	2,750+
Emergency calls										
Number of new street signs	41	145	60	80	80	28	88	44	47	33

**Source:** Various Town Departments  
<http://www.city-data.com>

**Town of Portsmouth, Rhode Island**

Statistical Section

Capital Asset Statistics by Function

*Last 10 Years*

*(Unaudited)*

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Number of Police Stations	1	1	1	1	1	1	1	1	1	1
Number of Fire Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Number of Public Works buildings	2	2	2	2	2	2	2	2	2	2
Number of Transfer Station	1	1	1	1	1	1	1	1	1	1
Miles of streets	111	111	111	111	111	111	111	111	111	111
Miles of storm water drains	49	49	49	49	49	49	49	49	49	49
Water:										
Miles of water mains	129+	130+	130+	130+	130+	130+	130+	130+	130+	130+
Number of fire hydrants	581	578	581	581	581	581	581	581	581	581
Recreations and Parks:										
Number of parks and recreation facilities	17	17	17	17	17	22	22	22	24	24
Acres of parks and recreation facilities	355	355	355	355	355	386	386	386	386	386

**Source:** Various Town Departments

<http://www.city-data.com>

<http://www.portsmouthwater.org>

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Members of the Town Council  
Town of Portsmouth, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Town of Portsmouth, Rhode Island (Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 19, 2023.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 entity'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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hague, Sahady & Co., CPAs, P.C.*

Fall River, Massachusetts  
December 19, 2023