

TOWN OF PORTSMOUTH, RHODE ISLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2021



Richard A. Rainer Jr.
Town Administrator

Lisa Lasky
Finance Director

Town of Portsmouth, Rhode Island

Fiscal Year Ended June 30, 2021

Table of Contents

Introductory Section (Unaudited) 1

 Letter of Transmittal 2

 Organizational Chart 5

 List of Town Officials 6

 Certificate of Achievement for Excellence in Financial Reporting 8

Financial Section 9

Independent Auditors' Report 10

Management Discussion & Analysis (MD&A) 13

Basic Financial Statements: 26

 Government-Wide Statements 26

 Statement of Net Position 26

 Statement of Activities 28

Fund Financial Statements: 30

 Governmental Funds 30

 Balance Sheet 30

 Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position 31

 Statement of Revenues, Expenditures and Changes in Fund Balances 32

 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities 33

 Enterprise Funds 34

 Statement of Net Position 34

 Statement Revenues, Expenses and Changes in Net Position 36

 Statement of Cash Flows 37

 Fiduciary Funds 39

 Statement of Fiduciary Net Position 39

 Statement of Changes in Fiduciary Net Position 40

 Notes to Financial Statements 41

Required Supplementary Information: 114

 Budgetary Comparison Schedule - General Fund 115

 Budgetary Comparison Schedule – School Unrestricted Fund 117

 Notes to Required Supplementary Information – Budgetary Comparison 118

Town of Portsmouth, Rhode Island

Fiscal Year Ended June 30, 2021

Combining General Fund and School Unrestricted Statements of Revenue, Expenditures and Changes in Fund Balance	119
Employees' Retirement System - Teacher's Pension Plan	120
Schedule of Town's Proportionate Share of The Net Pension Liability	120
Schedule of Town's Contributions	121
Employees' Retirement System-Teacher's Survivor Benefit Plan	122
Schedule of Town's Proportionate Share of The Net Pension Asset.....	122
Schedule of Town's Contributions – Teacher Survivor Benefit	123
Municipal Employees' Retirement System – MERS.....	124
Schedule of Changes in the Town of Portsmouth's Net Pension Liability and Related Ratios – Fire Department.....	124
Schedule of Town's Contributions – Fire Department	125
Notes to State ERS, TSB, and MERS Plans	126
Town Pension Plan	129
Schedule of Changes in Town's Net Pension Liability and Related Ratios	129
Schedule of Town Contributions	131
Schedule of Investment Returns and Notes	132
Town OPEB Plan.....	133
Net OPEB Liability and Related Ratios.....	133
Schedule of Contributions.....	135
Schedule of Investment Returns and Notes	136
School OPEB Plan.....	137
Net OPEB Liability and Related Ratios.....	137
Schedule of Contributions and Notes.....	139
Supplementary Information Section:	140
Combining Non-Major Governmental Funds Balance Sheet	141
Combining Non-Major Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balance.....	142
Town Special Revenue	143
Combining Non-Major Governmental Funds Balance Sheet	143
Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance	151
Combining Non-Major Balance Sheet	160
Combining Non-Major Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balance	163

Town of Portsmouth, Rhode Island

Fiscal Year Ended June 30, 2021

Town Capital Projects.....	167
Combining Non-Major Governmental Funds Balance Sheet	167
Combining Non-Major Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balance	168
School Capital Projects	169
Combining Non-Major Governmental Funds Balance Sheet	169
Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance	170
Permanent Funds.....	171
Combining Non-Major Governmental Funds Balance Sheet	171
Combining Non-Major Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balance	172
Combining Statement of Fiduciary Net Position – Employee Benefit Trust Funds	172
Custodial Funds	173
Combining Town Custodial Funds Statement of Fiduciary Net Position.....	173
Combining Town Custodial Funds Statement of Changes in Net Position	174
Combining School Custodial Funds Statement of Fiduciary Net Position	175
Combining School Custodial Funds Statement of Changes in Net Position.....	176
Tax Collector’s Annual Report.....	177
Annual Supplemental Transparency Report (MTP2)	179
Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2).....	185
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.....	187
Statistical Section (Unaudited):	189
Net Position by Component	192
Change in Net Position by Component.....	193
Fund Balances, Governmental Funds	195
Changes in Fund Balances, Governmental Funds.....	196
Assessed Values and Estimated Actual Values of Taxable Property	197
Principal Taxpayers	198
Property Tax Levies and Collections	199
Ratio of Outstanding Debt	200
Legal Debt Margin Information.....	201
Demographic and Economic Statistics	202

Town of Portsmouth, Rhode Island

Fiscal Year Ended June 30, 2021

Principal Employers Full -Time Employees Equivalent by Town Department.....	203
Operating Indicators by Function	204
Capital Asset Statistics by Function.....	205

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Introductory Section



TOWN OF PORTSMOUTH

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Richard A. Rainer Jr.
Town Administrator

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Fax (401) 683-6804
rainer@portsmouthri.com

December 21, 2021

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, 2021 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, 2021 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 17,871 in 2020. 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 Tiverton 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 2nd 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 request 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 December 31, 2020, there were 598 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 just over \$54,300,000. The Town also has 127 companies that have leased equipment in Town with tax assessed values at over \$7,000,000 and utility property and equipment with tax assessed value of nearly \$93,700,000.

Portsmouth is surrounded by water and due to its geography, it has an impressive history as leader in the marine trades industry. 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.

The Town has an Enterprise Zone Exemption that sun-set in 2019 has credits remaining through fiscal year 2023. The Enterprise Zone was designed to provide incentives for job growth and encourage new construction and/or renovation of existing properties.

The Town Farm program is designed to help conserve and preserve farmland with 97 parcels receiving credits in fiscal year 2021.

The COVID-19 pandemic continues to have economic repercussions world-wide and at the local level. Significant federal funding has been made available to help local municipalities in their recovery and redevelopment.

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.

In accordance with Rhode Island General Law, the Town submitted its Federal Improvement Plan (FIP) to the Locally Administered Plans Study Commission. The plan's funded ratio was 69.95% as of June 30, 2021, up from 49.52% at June 30, 2020. The Town assumes a 6.75% return on investments for purposes of determining the annual pension contribution.

Portsmouth has net Other Post-Employment Benefits (OPEB) liability of \$20,646,961. The Town has established an OPEB Trust. As of June 30, 2021, the trust is funded 9.7%

Other

Portsmouth believes in transparency and the accountability it inspires. This is the sixth year the Town's annual audit is presented in the form of an Annual Comprehensive Financial Report. Portsmouth has redesigned its monthly budget reports and presents them 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 unfailing support in achieving and maintaining the highest standards of professional management of the Town of Portsmouth's finances.

Respectfully submitted,

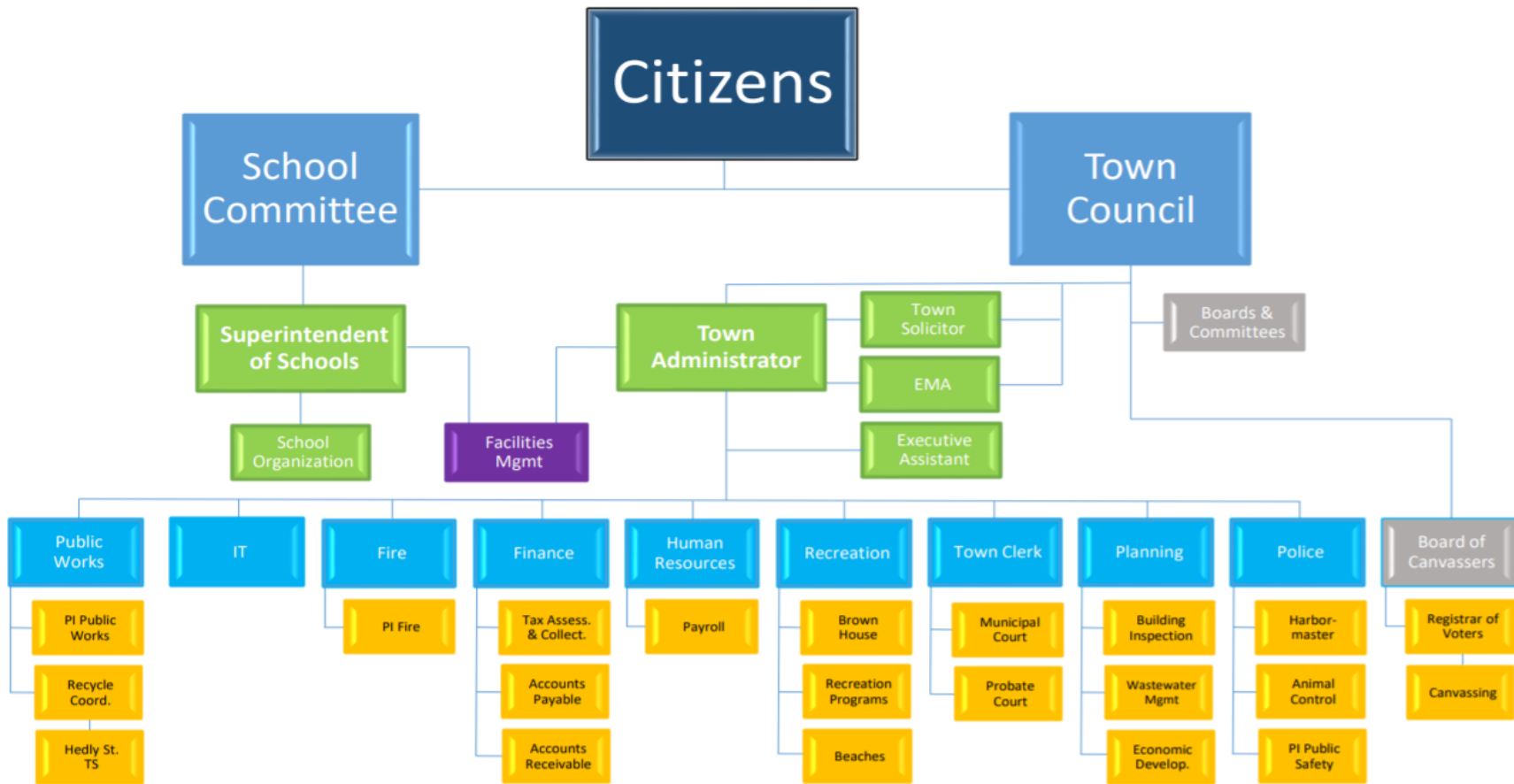


Richard A. Rainer
Town Administrator



Lisa Lasky
Finance Director

Organizational Chart





Elected Town Officials

Portsmouth Town Council

Kevin M. Aguiar, President

Linda L. Ujifusa, Vice President

Daniela T. Abbott

Len Katzman

Andrew V. Kelly

Keith E. Hamilton

J. Mark Ryan



Portsmouth School Committee

Emily Copeland, Chair

Juan Carlos Payero, Vice-Chair

Frederick Faerber III

Isabelle Kelly

Karen McDaid

Thomas R. Vadney



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Portsmouth
Rhode Island**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

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

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Portsmouth, Rhode Island as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Portsmouth, Rhode Island, as of June 30, 2021, 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.

Emphasis of a Matter

During the year ended June 30, 2021, the Town adopted Government Accounting Standards Board (GASB) Statement No. 84 “Fiduciary Activities.” As discussed in Note 17 to the financial statements, net position as of June 30, 2020 for the fiduciary activities was restated to reflect this change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, General Fund and School Unrestricted Fund Budgetary Comparison Information, Pension related disclosures, and Other Post-Employment Benefit related disclosures as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Portsmouth, Rhode Island's basic financial statements. The supplementary Combining Financial Statements, Tax Collector's Annual Report and Annual Supplemental Transparency Report (MTP2) as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary Combining Financial Statements, Tax Collector's Annual Report, and Annual Supplemental Transparency Report (MTP2) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 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 Combining Financial Statements, Tax Collector's Annual Report and Annual Supplemental Transparency Report (MTP2) are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2021, on our consideration of the Town of Portsmouth, Rhode Island'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 of Portsmouth, Rhode Island'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 of Portsmouth, Rhode Island's internal control over financial reporting and compliance.

Hague, Sabady & Co. PC

Fall River, Massachusetts
December 31, 2021

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2021

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, 2021. We encourage the readers to consider the information presented here in conjunction with the letter of transmittal on pages 2-4 of this report as well as the Town's basic financial statements that follow this section.

Financial Highlights

Government-Wide Financial Statements:

- Government-wide liabilities and deferred inflows of resources of the Town of Portsmouth exceeded its assets and deferred outflows of resources at the end of the fiscal year ended June 30, 2021 by \$54,780,097.
- The net position of the Town increased by \$241,622. The governmental net position decreased by \$179,339 and the business-type net position increased by \$420,961.
- The governmental activities revenue increased from prior year by \$3,030,814 and the expenses from governmental activities decreased from prior year by \$407,689. The results of governmental activities produced a decrease in net position of \$179,339 in 2021 compared to a net position decrease of \$3,326,622 in 2020.
- The business-type activities revenue increased by \$789,472 (or 60.35%) and the expenses from business-type activities increased from prior year by \$98,006. In fiscal year 2021, the results of business-type activities produced an increase in business-type net position of \$420,961 compared to a decrease in net position of \$78,176 in fiscal year 2020.
- The Town's total assets decreased by \$1,086,035 from the prior year. This decrease is primarily due to the decrease in personal property taxes receivables.
- The Town's total liabilities decreased by \$18,161,572 from prior year. The decrease is primarily due to a decrease in the pension liability of \$19,780,563. The total net OPEB liability increased by \$2,765,494 and bonds and notes payable decreased by \$2,084,658.

Governmental Fund Statements:

- The General Fund (the main operating fund) reflected on a current financial resource basis, reported an increase in fund balance of \$321,816 (or 0.46%) for fiscal year 2021 compared to a \$698,164 increase in the prior year.

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2021

Governmental Fund Statements (continued)

- Due to the Warrant 12-13 fund deficit balance the Town Council directed that 50% of every future General Fund Surplus is applied to the deficit balance until it is liquidated. During FY 21 the General fund had a surplus \$321,816, therefore, a transfer of \$160,908 was transferred to the Warrant 12-13 fund after year end.

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.

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 Wind Turbine Generator fund, Transfer Station fund, Glen Farm Equestrian Fund, School Lunch fund, Summer School fund and Septic System Loan Program fund. The government-wide financial statements 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, 2021

Overview of the Financial Statements (continued)

Government-wide financial statements (continued)

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 Special Fund Warrant 12-13 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 Department 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.

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2021

Overview of the Financial Statements (continued)

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 eight 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 Wind Turbine Generator Fund accounts for activities associated with the Town owned wind turbine. During fiscal year ended June 30, 2016 the Town had disposed of the wind turbine as it has not been in operation for years. The other proprietary funds are the School Cafeteria Fund, Summer School Fund, Septic System Loan Program Fund, Glen Farm Equestrian Fund, Arthur Daniel House, 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, 2021

Government-wide Financial Analysis

Statement of Net Position June 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current assets	\$ 16,037,843	\$ 17,174,373	\$ 363,465	\$ (93,151)	\$ 16,401,308	\$ 17,081,222
Other assets	4,360,405	4,205,948	-	-	4,360,405	4,205,948
Capital assets	47,102,337	47,656,172	579,432	586,175	47,681,769	48,242,347
Total assets	<u>67,500,585</u>	<u>69,036,493</u>	<u>942,897</u>	<u>493,024</u>	<u>68,443,482</u>	<u>69,529,517</u>
Deferred outflows of resources						
Pension related outflows	8,818,056	16,971,443	-	-	8,818,056	16,971,443
OPEB related outflows	4,703,169	2,848,254	-	-	4,703,169	2,848,254
Other deferred outflows	-	9,951	-	-	-	9,951
Total deferred outflows of resources	<u>13,521,225</u>	<u>19,829,648</u>	<u>-</u>	<u>-</u>	<u>13,521,225</u>	<u>19,829,648</u>
Liabilities						
Current liabilities	4,518,882	4,789,282	256,637	136,266	4,775,519	4,925,548
Long-term liabilities	112,168,831	130,088,915	320,858	412,317	112,489,689	130,501,232
Total liabilities	<u>116,687,713</u>	<u>134,878,197</u>	<u>577,495</u>	<u>548,583</u>	<u>117,265,208</u>	<u>135,426,780</u>
Deferred inflows of resources						
Pension related inflows	15,747,804	4,547,904	-	-	15,747,804	4,547,904
OPEB related inflows	3,731,792	4,421,944	-	-	3,731,792	4,421,944
Unearned revenue - other	-	177,736	-	-	-	177,736
Total deferred inflows of resources	<u>19,479,596</u>	<u>9,147,584</u>	<u>-</u>	<u>-</u>	<u>19,479,596</u>	<u>9,147,584</u>
Net Position						
Net investment in capital assets	27,414,404	26,392,634	362,365	319,699	27,776,769	26,712,333
Restricted	3,123,848	3,673,182	162,734	269,854	3,286,582	3,943,036
Unrestricted	(85,683,751)	(85,225,456)	(159,697)	(645,112)	(85,843,448)	(85,870,568)
Total net position	<u>\$ (55,145,499)</u>	<u>\$ (55,159,640)</u>	<u>\$ 365,402</u>	<u>\$ (55,559)</u>	<u>\$ (54,780,097)</u>	<u>\$ (55,215,199)</u>

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2021

Government-wide Financial Analysis (continued)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Portsmouth, the net position is \$(54,780,097) as of June 30, 2021 consisting of \$(55,145,499) from governmental activities and \$365,402 from business-type activities. For the fiscal year ended June 30, 2021 \$(85,843,448) of the total \$(54,780,097) in the net position is unrestricted.

Net investment in capital assets comprises \$27,776,769 of net position at June 30, 2021, respectively. This category reflects the total net investment in capital assets (vehicles, equipment, etc.) net of any related debt used to acquire capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources since the capital asset cannot be used to liquidate these liabilities.

The second category of net position, restricted net position, represents net position that is subject to external restriction on how it may be used (i.e., special revenue funds, capital project funds and recycling). Restricted net position as of June 30, 2021 totaled \$3,286,582.

The current and other assets are \$20,761,713 at June 30, 2021. Of that balance \$20,398,248 is from governmental activities and \$363,465 is from business-type activities. The total current and other assets consist of the following: \$12,998,270 of cash and cash equivalents, restricted cash held in escrow and investments, \$1,045,404 of property tax receivable, \$409,868 of ambulance receivables, \$1,229,989 of receivable due from federal and state governments \$4,360,405 of net pension asset and \$717,777 of other assets.

The current liabilities are \$4,775,519 at the end of fiscal year 2021. Of that balance, \$4,518,882 is from governmental activities and \$256,637 is from business-type activities. The total current liabilities consist of \$1,873,281 of short-term payables, \$2,423,571 of short-term payables related to borrowings, and \$478,667 of other liabilities.

The long-term liabilities are \$112,489,689 at June 30, 2021. Of that balance \$112,168,831 is from governmental activities and \$320,858 is from business-type activities. The total long-term liabilities consist of \$2,278,079 of accrued compensated absences, \$24,217,521 of net OPEB liability, \$68,445,396 of net pension liability and \$17,548,693 of net long-term obligations for bonds, notes and capital leases.

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2021

Government-wide Financial Analysis (continued)

Changes in Net Position for the period ending June 30, 2021 and June 30, 2020 (Government-wide level)

	Statement of Activities					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for service	\$ 4,315,794	\$ 3,805,583	\$ 778,237	\$ 1,103,798	\$ 5,094,031	\$ 4,909,381
Operating grants & contributions	9,919,166	9,422,525	1,319,430	214,438	11,238,596	9,636,963
Capital grants & contributions	582,311	281,987	-	-	582,311	281,987
General Revenues:						
Property taxes	57,221,898	56,053,578	-	-	57,221,898	56,053,578
State aid to town	2,117,657	1,652,108	-	-	2,117,657	1,652,108
Other revenue	86,799	5,204	-	-	86,799	5,204
Earnings on investments	90,902	82,728	-	(10,041)	90,902	72,687
Total revenues	74,334,527	71,303,713	2,097,667	1,308,195	76,432,194	72,611,908
Expenses						
General government	9,636,478	11,024,983	-	-	9,636,478	11,024,983
Public safety	15,301,872	13,668,340	-	-	15,301,872	13,668,340
Public services	5,538,420	5,121,921	-	-	5,538,420	5,121,921
Education	42,127,041	42,477,570	-	-	42,127,041	42,477,570
Community services	1,426,058	2,067,949	-	-	1,426,058	2,067,949
Interest on debt	622,807	699,602	-	-	622,807	699,602
School cafeteria fund	-	-	564,388	581,345	564,388	581,345
Transfer station	-	-	729,297	858,179	729,297	858,179
Septic system loan program	-	-	6,714	366	6,714	366
Arthur Daniel house	-	-	30,000	-	30,000	-
Glen Manor house	-	-	207,497	-	207,497	-
Total expenses	74,652,676	75,060,365	1,537,896	1,439,890	76,190,572	76,500,255
Excess(deficiency) in net assets before transfers	(318,149)	(3,756,652)	559,771	(131,695)	241,622	(3,888,347)
Transfers in (out)	138,810	(53,519)	(138,810)	53,519	-	-
Proceeds from capital leases	-	483,549	-	-	-	483,549
Change in net position	(179,339)	(3,326,622)	420,961	(78,176)	241,622	(3,404,798)
Net position, July 1,	(54,966,160)	(51,833,018)	(55,559)	22,617	(55,021,719)	(51,810,401)
Net position, June 30	<u>\$ (55,145,499)</u>	<u>\$ (55,159,640)</u>	<u>\$ 365,402</u>	<u>\$ (55,559)</u>	<u>\$ (54,780,097)</u>	<u>\$ (55,215,199)</u>

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2021

Government-wide Financial Analysis (continued)

General revenues include all revenues not required to be reported as program revenues. The totals of general revenues in the governmental activities for the fiscal year 2021 and 2020 were \$59,517,256 and \$57,793,618, respectively. Included in these totals were \$57,221,898 and \$56,053,578 of property taxes for the years ended June 30, 2021 and 2020, respectively.

Expenses are presented by function and total \$76,190,572 and \$76,500,255 for the years ended June 30, 2021 and 2020, respectively. In fiscal years 2021 and 2020, expenses in the governmental activities were \$74,652,676 and \$75,060,365, respectively. In fiscal years 2021 and 2020, the business-type activities, expenses were \$1,537,896 and \$1,439,890, respectively.

Changes in governmental net position were a decrease of \$179,339 and a decrease of \$3,326,622 in fiscal years 2021 and 2020, respectively. Changes in the business type net position were an increase of \$420,961 and a decrease of \$78,176 in fiscal years 2021 and 2020, respectively.

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 of Portsmouth 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 \$13,518,910. Approximately 59.9% or \$8,096,091 is available from the Town's fund balance for spending at the government's discretion. The remaining fund balance of \$5,422,819 includes \$865,141 non-spendable for prepaid items, inventory and permanent funds, \$3,123,848 restricted to specific programs and \$1,433,830 committed and assigned.

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 \$9,342,401, while the total fund balance of the General Fund was \$9,782,670. 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 15.1% of the FY 2021 Adopted General Fund Expenditure Budget. Total fund balance represents 14.3% of the same budget.

The \$(25,032) current fiscal year decrease in fund balance including \$(610,252) of net change from fund balance for capital expenditures of the Town's Capital Project Fund (one of major governmental funds) is due to more capital expenditures in the current fiscal year.

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2021

Financial Analysis of the Town of Portsmouth's Funds (continued)

The School Unrestricted fund had ending fund balance of \$1,349,899, which includes a committed fund balance of \$931,571 at June 30, 2021. The committed fund balance represents 2.2% of total School Department expenditures of \$41,907,012. The School Unrestricted fund balance decreased by \$(318,303) during the fiscal year ended June 30, 2021. The change in fund balance is primarily due to school closure. Distance learning was put in place and the need for daily substitutes teachers decreased dramatically. Additionally, all spring sports were cancelled, and stipend related to that were not spent.

The Town is reporting one of its capital projects funds as a major fund in fiscal year 2021. This major fund began in fiscal year 2019. This fund recognized \$1,847,903 worth of capital outlay expenditures and had other revenues of \$582,311 and transfers in of \$655,340 ultimately reducing fund balance by \$(610,252). This fund reported a fund balance at year-end of \$716,290, all of which is classified as restricted for capital expenditures.

The Town is reporting Special Fund Warrant 12-13 as a major fund in fiscal year 2021. This major fund began fiscal year 2020. This fund recognizes ending fund balance in FY21 of \$(1,343,170). There are no revenue or expenditures related to this fund in the current year. This fund had transfers in of \$349,082 related to prior year surplus offset.

The Other Governmental Funds had a total fund balance of \$3,013,221, which represents a \$232,625 increase in fund balance during the fiscal year ended June 30, 2021. The increase in fund balance is primarily due to the excess of revenues over expenditures in the in the Town Special Revenue funds of \$476,134.

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.

Net position of the School Cafeteria Fund at June 30, 2021 amounted to \$147,876, of which \$32,261 is unrestricted. Transfer Station Fund net position amounted to \$(3,642), of which \$(250,392) is unrestricted. Wind Turbine Generator Fund net position amounted to \$0. Summer School net position amounted to \$0. Septic System Loan Program Fund net position amounted to \$162,734, of which \$(162,734) is restricted. Glen Farm Equestrian Fund net position amounted to \$58,434, of which \$58,434 is unrestricted. The total growth in net position for each of the six funds was \$(78,244), \$55,292, \$387,418, \$234, \$42,761 and \$13,500, respectively. Other factors concerning the finances of these six funds have already been addressed in the discussion of the Town's business-type activities.

Town General Fund Budgetary Highlights

Overall, the Town of Portsmouth, Rhode Island finished the 2020-2021 fiscal year with a budgetary surplus of \$321,816.

There were no material variances between the original budget and approved budget amounts.

Over variances from the final budget to actual results occurred in Fees and licenses of \$245,166, school housing aid of \$40,252, and School aid of \$192,703.

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2021

Town General Fund Budgetary Highlights (continued)

Under results were reported for the General Fund revenue resources including \$(214,797) in prior year collections, \$(55,171) for hotel and meal, \$(217,617) for public service corporation, and \$(437,942) in MV excise tax.

Total expenditures have a favorable balance of \$558,777. Of this balance:

- Lower than budgeted fire of \$237,078.
- Lower than budgeted legal of \$182,091.
- Lower than budgeted public works and snow and road expenditures of \$115,145.
- Lower than budgeted police expenditures of \$479,356.

Capital Assets and Debt Administration

Capital Assets -The Town of Portsmouth's capital assets for its government and business-type activities as of June 30, 2021 amount to \$47,681,769 (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 4 (pages 68-69) to the financial statements.

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and land easements	\$ 6,175,279	\$ 6,175,279	\$ 37,251	\$ 37,251	\$ 6,212,530	\$ 6,212,530
Construction in progress	157,412	54,957	-	-	157,412	54,957
Land improvements, net	746,047	413,064	-	-	746,047	413,064
Building & improvements, net	22,409,427	22,972,902	333,953	368,038	22,743,380	23,340,940
Machinery and equipment, net	3,243,635	3,377,065	208,228	180,886	3,451,863	3,557,951
Infrastructure, net	11,853,832	12,023,101	-	-	11,853,832	12,023,101
Vehicles, net	2,516,705	2,639,804	-	-	2,516,705	2,639,804
Total	\$ 47,102,337	\$ 47,656,172	\$ 579,432	\$ 586,175	\$ 47,681,769	\$ 48,242,347

Debt Administration - At the end of the current fiscal year, the Town of Portsmouth had total bonded debt outstanding of \$17,765,628 and capital leases outstanding of \$2,086,737, 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 64-66) to the financial statements.

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2021

Capital Asset and Debt Administration (continued)

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

	Governmental Activities		Debt Administration Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Bonds and notes payable	\$ 17,485,894	\$ 19,510,618	\$ 279,734	\$ 339,668	\$ 17,765,628	\$ 19,850,286
Capital leases	1,954,153	1,493,369	132,584	163,088	2,086,737	1,656,457
Total	\$ 19,440,047	\$ 21,003,987	\$ 412,318	\$ 502,756	\$ 19,852,365	\$ 21,506,743

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, 2021, the Town had a debt limit of \$113,862,823 at the State level and \$75,908,549 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 18, 2017. Moody's Investors Service rates the Town "Aa2." Moody's affirmed the Town's rating on January 17, 2017.

Economic Factors and COVID-19

The Town of Portsmouth's total proposed General Fund budget for fiscal year 2022 amounts to \$69,074,575, which reflects an increase of 3.70% over the fiscal 2021 budget. Of the Town's \$69,074,575 budget, \$39,167,388 or 56.70% is budgeted for the Portsmouth Public Schools. The Town is budgeted to receive \$3,800,207 or 5.5% from the State of Rhode Island for aid for Education.

The Town's tax rate for fiscal year 2022 is \$15.31 per thousand vs \$15.07 per thousand in fiscal year 2021.

The outbreak of the coronavirus disease (COVID-19), referred to herein as "COVID-19", has been declared a pandemic by the World Health Organization. The Governor declared a state of emergency in the State on March 9, 2020.

While the Town of Portsmouth cannot readily estimate the financial impact that the pandemic will have. No assurance can be provided that the COVID-19 pandemic and resulting economic disruption will not result in revenues to the Town that are lower than projected.

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2021

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, 2021

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Cash and cash equivalents	\$ 12,590,933	\$ 48,743	\$ 12,639,676
Restricted cash	-	282,466	282,466
Investments	76,128	-	76,128
Receivables, net			
Personal property taxes	1,045,404	-	1,045,404
User charges	409,868	-	409,868
Intergovernmental	277,482	68,478	345,960
Departmental and other	780,493	103,536	884,029
Internal balances	159,846	(159,846)	-
Prepaid items	664,087	-	664,087
Inventory	33,602	20,088	53,690
Net pension asset	4,360,405	-	4,360,405
Capital assets:			
Nondepreciable assets	6,332,691	37,251	6,369,942
Depreciable assets, net	40,769,646	542,181	41,311,827
Total capital assets	47,102,337	579,432	47,681,769
Total assets	67,500,585	942,897	68,443,482
DEFERRED OUTFLOWS OF RESOURCES			
Pension related outflows	8,818,056	-	8,818,056
OPEB related outflows	4,703,169	-	4,703,169
Total deferred outflows of resources	13,521,225	-	13,521,225
Total assets and deferred outflows of resources	\$ 81,021,810	\$ 942,897	\$ 81,964,707

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Statement of Net Position

June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable and accrued expenses	\$ 1,101,918	\$ 160,428	\$ 1,262,346
Other liabilities	478,667	-	478,667
Accrued interest	247,886	4,749	252,635
Payables to external parties	358,300	-	358,300
Current portion of capital leases	615,287	31,526	646,813
Current portion of bonds and notes payable	1,596,925	59,934	1,656,859
Current portion of compensated absences	119,899	-	119,899
Portion due or payable in more than one year:			
Capital leases	1,338,866	101,058	1,439,924
Bonds and notes payable	15,888,969	219,800	16,108,769
Compensated absences	2,278,079	-	2,278,079
Net other post-employment benefit liability	24,217,521	-	24,217,521
Net pension liability	68,445,396	-	68,445,396
Total liabilities	116,687,713	577,495	117,265,208
DEFERRED INFLOWS OF RESOURCES			
Pension related inflows	15,747,804	-	15,747,804
OPEB related inflows	3,731,792	-	3,731,792
Total deferred inflows of resources	19,479,596	-	19,479,596
NET POSITION			
Net investment in capital assets	27,414,404	362,365	27,776,769
Restricted for:			
Septic system loan program	-	162,734	162,734
General government	21,116	-	21,116
Public safety programs	749,941	-	749,941
Educational purposes	512,847	-	512,847
Public works and social services	293,628	-	293,628
Community services	37,602	-	37,602
Capital projects	1,427,782	-	1,427,782
Permanent fund expendable	80,932	-	80,932
Unrestricted	(85,683,751)	(159,697)	(85,843,448)
Total net position	(55,145,499)	365,402	(54,780,097)
Total liabilities, deferred inflows or resources and net position	\$ 81,021,810	\$ 942,897	\$ 81,964,707

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Statement of Activities

For the Year Ended June 30, 2021

	<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>
Governmental Activities							
General government	\$ 9,636,478	\$ 1,115,137	\$ 422,178	\$ 582,311	\$ (7,516,852)	\$ -	\$ (7,516,852)
Public safety	15,301,872	736,301	1,363,915	-	(13,201,656)	-	(13,201,656)
Public services	5,538,420	885,519	6,750	-	(4,646,151)	-	(4,646,151)
Education	42,127,041	1,564,959	7,973,838	-	(32,588,244)	-	(32,588,244)
Community services	1,426,058	13,878	74,319	-	(1,337,861)	-	(1,337,861)
Interest on debt	622,807	-	78,166	-	(544,641)	-	(544,641)
Total governmental activities	<u>74,652,676</u>	<u>4,315,794</u>	<u>9,919,166</u>	<u>582,311</u>	<u>(59,835,405)</u>	<u>-</u>	<u>(59,835,405)</u>
Business-Type Activities							
School cafeteria fund	564,388	27,785	458,359	-	-	(78,244)	(78,244)
Portsmouth transfer station	729,297	750,452	34,137	-	-	55,292	55,292
Wind turbine generator fund	-	-	387,418	-	-	387,418	387,418
Septic system loan program	6,714	-	2,535	-	-	(4,179)	(4,179)
Glen farm equestrian	-	-	13,500	-	-	13,500	13,500
Arthur Daniel house	30,000	-	30,000	-	-	-	-
Glen Manor house	207,497	-	393,481	-	-	185,984	185,984
Total business-type activities	<u>1,537,896</u>	<u>778,237</u>	<u>1,319,430</u>	<u>-</u>	<u>-</u>	<u>559,771</u>	<u>559,771</u>
Total Town of Portsmouth	<u>\$76,190,572</u>	<u>\$ 5,094,031</u>	<u>\$ 11,238,596</u>	<u>\$ 582,311</u>	<u>\$(59,835,405)</u>	<u>\$ 559,771</u>	<u>\$(59,275,634)</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, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Town of Portsmouth, Rhode Island	\$ (59,835,405)	\$ 559,771	\$ (59,275,634)
General revenues			
Real estate and personal property, net of reserve for abatements	57,221,898	-	57,221,898
Hotels and meals tax	277,479	-	277,479
Telephone tax	2,487	-	2,487
Earnings on investments	90,902	-	90,902
State aid to town	1,074,236	-	1,074,236
Group home aid	617,155	-	617,155
Medicaid	146,300	-	146,300
Miscellaneous	86,799	-	86,799
	59,517,256	-	59,517,256
Transfers			
Transfers in (out)	138,810	(138,810)	-
	138,810	(138,810)	-
Total general revenues and transfers	59,656,066	(138,810)	59,517,256
Changes in net position	(179,339)	420,961	241,622
Net position - July 1, 2020	(54,966,160)	(55,559)	(55,021,719)
Net position - June 30, 2021	\$ (55,145,499)	\$ 365,402	\$ (54,780,097)

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Governmental Funds

Balance Sheet

June 30, 2021

	Major Fund				Non-Major	Total
	General Fund	School Unrestricted Fund	Town Capital Project Fund	Special Fund Warrant 12-13	Governmental Funds	Governmental Funds
Assets						
Cash and cash equivalents	\$ 9,424,693	\$ 2,523,057	\$ 6,275	\$ -	\$ 636,908	\$ 12,590,933
Investments	-	-	-	-	76,128	76,128
Receivables:						
Property taxes, net	1,045,404	-	-	-	-	1,045,404
Intergovernmental	-	-	-	-	277,482	277,482
Ambulance receivable	409,868	-	-	-	-	409,868
Other	647,912	46,313	-	-	86,268	780,493
Due from other funds	7,001	-	749,158	-	2,449,558	3,205,717
Inventory	33,602	-	-	-	-	33,602
Prepaid items	245,759	418,328	-	-	-	664,087
Total assets	11,814,239	2,987,698	755,433	-	3,526,344	19,083,714
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	11,814,239	2,987,698	755,433	-	3,526,344	19,083,714
Liabilities						
Accounts payable and accrued expenses	379,869	481,171	39,143	-	201,735	1,101,918
Other liabilities	478,667	-	-	-	-	478,667
Due to other funds	660,086	1,105,652	-	1,343,170	295,263	3,404,171
Total liabilities	1,518,622	1,586,823	39,143	1,343,170	496,998	4,984,756
Deferred inflows of resources						
Unavailable ambulance revenue	409,868	-	-	-	-	409,868
Deferred revenue - other	103,079	50,976	-	-	16,125	170,180
Total deferred inflows of resources	512,947	50,976	-	-	16,125	580,048
Fund balance						
Nonspendable	279,361	418,328	-	-	167,452	865,141
Restricted	-	-	716,290	-	2,407,558	3,123,848
Committed	160,908	931,571	-	-	341,351	1,433,830
Unassigned	9,342,401	-	-	(1,343,170)	96,860	8,096,091
Total fund balance	9,782,670	1,349,899	716,290	(1,343,170)	3,013,221	13,518,910
Total liabilities, deferred inflows of resources, and fund balance	\$ 11,814,239	\$ 2,987,698	\$ 755,433	\$ -	\$ 3,526,344	\$ 19,083,714

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, 2021

Total governmental fund balances	\$ 13,518,910
Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, net	47,102,337
TSB net pension asset	4,360,405
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.	580,048
Other long-term assets related to net pension and OPEB activity and therefore, are deferred inflows of resources in the funds.	
Pension related inflows	(15,747,804)
OPEB related inflows	(3,731,792)
Other long-term liabilities related to net pension and OPEB activity and therefore, are deferred outflows of resources in the funds.	
Pension related outflows	8,818,056
OPEB related outflows	4,703,169
In the statement of activities, interest is accrued on outstanding long-term debt whereas in governmental funds interest is not reported until due.	(247,886)
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	(17,485,894)
Capital leases	(1,954,153)
Compensated absences	(2,397,978)
Other postemployment benefits	(24,217,521)
Town net pension liability	(36,921,612)
MERS net pension liability	(6,670)
ERS net pension liability	(31,517,114)
Net position (deficit) of governmental activities	<u>\$ (55,145,499)</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, 2021

	Major Fund				Non-Major	Total
	General Fund	School Unrestricted Fund	Town Capital Project Fund	Special Fund Warrant 12-13	Governmental Funds	Governmental Funds
Revenues						
General property taxes and interest	\$ 58,300,557	\$ -	\$ -	\$ -	\$ -	\$ 58,300,557
State aid and grants	942,970	4,174,768	-	-	3,202,506	8,320,244
Licenses, permits, and fees	3,224,080	-	-	-	-	3,224,080
Charges for services	226,872	1,560,914	-	-	251,497	2,039,283
Investment income	12,736	-	-	-	78,166	90,902
Other revenue	290,966	12,038	582,311	-	278,329	1,163,644
State contribution to pension plan	-	1,986,465	-	-	-	1,986,465
Total revenues	62,998,181	7,734,185	582,311	-	3,810,498	75,125,175
Expenditures						
General government	5,671,020	-	-	-	845,189	6,516,209
Public safety	13,311,554	-	-	-	446,134	13,757,688
Public works	4,531,900	-	-	-	10,720	4,542,620
Public and social services	925,040	-	-	-	154,365	1,079,405
Parks and recreation	311,484	-	-	-	14,932	326,416
Education	-	41,907,012	-	-	2,477,822	44,384,834
Capital outlay	-	-	1,847,903	-	234,425	2,082,328
Debt service						
Principal	1,959,066	-	-	-	-	1,959,066
Interest	640,451	-	-	-	-	640,451
Total expenditures	27,350,515	41,907,012	1,847,903	-	4,183,587	75,289,017
Excess (deficiency) of revenues over expenditures	35,647,666	(34,172,827)	(1,265,592)	-	(373,089)	(163,842)
Other financing sources (uses)						
Transfers in	241,290	34,574,913	655,340	349,082	795,248	36,615,873
Transfers out	(35,567,140)	(720,389)	-	-	(189,534)	(36,477,063)
Total other financing sources (uses)	(35,325,850)	33,854,524	655,340	349,082	605,714	138,810
Net change in fund balance	321,816	(318,303)	(610,252)	349,082	232,625	(25,032)
Fund balance, July 1, 2020 restated	9,460,854	1,668,202	1,326,542	(1,692,252)	2,780,596	13,543,942
Fund balance, June 30, 2021	<u>\$ 9,782,670</u>	<u>\$ 1,349,899</u>	<u>\$ 716,290</u>	<u>\$ (1,343,170)</u>	<u>\$ 3,013,221</u>	<u>\$ 13,518,910</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, 2021

Net change in fund balances - total governmental funds	\$ (25,032)
<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	2,377,947
Depreciation expense	(2,931,782)
	(553,835)
<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	(1,078,659)
Deferred ambulance revenue	(95,453)
<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>	
Debt principal payments	1,955,094
Bond premium amortized	69,630
Capital lease payments	(460,784)
Bond refundings for long term debt are amortized over the course of the payable but are not reported as an expenditure in governmental fund statements	(9,951)
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest, is not reported until due.	21,616
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.	(363,271)
<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	1,854,915
Change in OPEB related inflows	690,152
Change in net OPEB liability	(2,765,494)
<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	(70,801)
Change in pension related outflows	(8,153,387)
Change in pension related inflows	(11,199,900)
Change in net pension liability	20,005,821
Change in net position of governmental activities	\$ (179,339)

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Enterprise Funds

Statement of Net Position

June 30, 2021

	School Cafeteria Fund	Transfer Station	Wind Turbine Generator Fund	Summer School	Septic System Loan Program	Glen Farm Equestrian	Arthur Daniel House	Glen Manor House	Total
Assets									
Current assets									
Cash and cash equivalents	\$ 48,743	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,743
Restricted cash	-	-	-	-	282,466	-	-	-	282,466
Receivables, net:									
Intergovernmental	68,478	-	-	-	-	-	-	-	68,478
Other	-	57,567	-	-	45,969	-	-	-	103,536
Due from other funds	-	-	-	-	35,899	61,427	7,500	5,279	110,105
Inventory	20,088	-	-	-	-	-	-	-	20,088
Total current assets	<u>137,309</u>	<u>57,567</u>	<u>-</u>	<u>-</u>	<u>364,334</u>	<u>61,427</u>	<u>7,500</u>	<u>5,279</u>	<u>633,416</u>
Non-current assets									
Nondepreciable	-	37,251	-	-	-	-	-	-	37,251
Depreciable, net	115,615	426,566	-	-	-	-	-	-	542,181
Total non-current assets	<u>115,615</u>	<u>463,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>579,432</u>
Total assets	<u>252,924</u>	<u>521,384</u>	<u>-</u>	<u>-</u>	<u>364,334</u>	<u>61,427</u>	<u>7,500</u>	<u>5,279</u>	<u>1,212,848</u>
Deferred outflows of resources									
Deferred outflows	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 252,924</u>	<u>\$ 521,384</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 364,334</u>	<u>\$ 61,427</u>	<u>\$ 7,500</u>	<u>\$ 5,279</u>	<u>\$ 1,212,848</u>

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Enterprise Funds

Statement of Net Position

June 30, 2021

	<u>School Cafeteria Fund</u>	<u>Transfer Station</u>	<u>Wind Turbine Generator Fund</u>	<u>Summer School</u>	<u>Septic System Loan Program</u>	<u>Glen Farm Equestrian</u>	<u>Arthur Daniel House</u>	<u>Glen Manor House</u>	<u>Total</u>
Liabilities									
Current liabilities:									
Accounts payable and accrued expenses	\$ 59,505	\$ 83,551	\$ -	\$ -	\$ 1,600	\$ 2,993	\$ 7,500	\$ 5,279	\$ 160,428
Accrued interest payable	-	4,749	-	-	-	-	-	-	4,749
Due to other funds	45,543	224,408	-	-	-	-	-	-	269,951
Current portion of lease payable	-	31,526	-	-	-	-	-	-	31,526
Current portion of bonds payable	-	19,934	-	-	40,000	-	-	-	59,934
Total current liabilities	<u>105,048</u>	<u>364,168</u>	<u>-</u>	<u>-</u>	<u>41,600</u>	<u>2,993</u>	<u>7,500</u>	<u>5,279</u>	<u>526,588</u>
Non-current liabilities:									
Lease payable	-	101,058	-	-	-	-	-	-	101,058
Bonds payable	-	59,800	-	-	160,000	-	-	-	219,800
Total non-current liabilities	<u>-</u>	<u>160,858</u>	<u>-</u>	<u>-</u>	<u>160,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>320,858</u>
Total liabilities	<u>105,048</u>	<u>525,026</u>	<u>-</u>	<u>-</u>	<u>201,600</u>	<u>2,993</u>	<u>7,500</u>	<u>5,279</u>	<u>847,446</u>
Deferred inflows of resources									
Deferred revenue	-	-	-	-	-	-	-	-	-
Total liability and deferred inflows of resources	<u>105,048</u>	<u>525,026</u>	<u>-</u>	<u>-</u>	<u>201,600</u>	<u>2,993</u>	<u>7,500</u>	<u>5,279</u>	<u>847,446</u>
Net position									
Net investment in capital assets	115,615	246,750	-	-	-	-	-	-	362,365
Restricted	-	-	-	-	162,734	-	-	-	162,734
Unrestricted	32,261	(250,392)	-	-	-	58,434	-	-	(159,697)
Total net position	<u>\$ 147,876</u>	<u>\$ (3,642)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,734</u>	<u>\$ 58,434</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 365,402</u>

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Enterprise Funds

Statement Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2021

	School Cafeteria Fund	Transfer Station	Wind Turbine Generator Fund	Summer School	Septic System Loan Program	Glen Farm Equestrian	Arthur Daniel House	Glen Manor House	Total
Operating revenues									
Charges for services	\$ 27,785	\$ 750,452	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 778,237
Other revenue	-	34,137	387,418	-	2,535	13,500	30,000	393,481	861,071
Intergovernmental	458,359	-	-	-	-	-	-	-	458,359
Total operating revenues	486,144	784,589	387,418	-	2,535	13,500	30,000	393,481	2,097,667
Operating expenses									
Cafeteria operations	544,453	-	-	-	-	-	-	-	544,453
Transfer station expenses	-	680,614	-	-	-	-	-	-	680,614
Septic system loan program	-	-	-	-	260	-	-	-	260
Arthur D. House	-	-	-	-	-	-	30,000	-	30,000
Glen Manor House	-	-	-	-	-	-	-	207,497	207,497
Interest expense	-	8,288	-	-	6,454	-	-	-	14,742
Depreciation and amortization	19,935	40,395	-	-	-	-	-	-	60,330
Total operating expenses	564,388	729,297	-	-	6,714	-	30,000	207,497	1,537,896
Operating income (loss)	(78,244)	55,292	387,418	-	(4,179)	13,500	-	185,984	559,771
Nonoperating revenues (expenses)									
Interest income (expense)	-	-	-	-	-	-	-	-	-
Income (loss) before transfers	(78,244)	55,292	387,418	-	(4,179)	13,500	-	185,984	559,771
Transfers									
Transfers in (out)	-	-	-	234	46,940	-	-	(185,984)	(138,810)
Total transfers	-	-	-	234	46,940	-	-	(185,984)	(138,810)
Change in net position	(78,244)	55,292	387,418	234	42,761	13,500	-	-	420,961
Net position, July 1, 2020	226,120	(58,934)	(387,418)	(234)	119,973	44,934	-	-	(55,559)
Net position, June 30, 2021	\$ 147,876	\$ (3,642)	\$ -	\$ -	\$ 162,734	\$ 58,434	\$ -	\$ -	\$ 365,402

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Enterprise Funds

Statement of Cash Flows

For the Year Ended June 30, 2021

	<u>School Cafeteria Fund</u>	<u>Transfer Station</u>	<u>Wind Turbine Generator Fund</u>	<u>Summer School</u>	<u>Septic System Loan Program</u>	<u>Glen Farm Equestrian</u>	<u>Arthur Daniel House</u>	<u>Glen Manor House</u>	<u>Total</u>
Cash flows from operating activities:									
Receipts from customers and users	\$ 27,785	\$ 750,452	\$ -	\$ -	\$ 10,337	\$ -	\$ 30,000	\$ 393,481	\$ 1,212,055
Receipts from others	-	2,435	387,418	-	2,535	13,500	-	-	405,888
Receipts from interfund activities	389,881	-	-	-	-	-	-	-	389,881
Payments to suppliers of goods and services	(515,345)	(602,806)	-	-	1,340	832	(22,500)	(202,218)	(1,340,697)
Net cash provided (used) by operating activities	(97,679)	150,081	387,418	-	14,212	14,332	7,500	191,263	667,127
Cash flows from noncapital financing activities:									
Tranfers To/From other funds	-	-	-	234	46,940	-	-	(191,263)	(144,089)
Due to/from other funds	181,044	(92,955)	(387,418)	(234)	-	(14,332)	(7,500)	-	(321,395)
Net cash provided (used) by noncapital financing activities	181,044	(92,955)	(387,418)	-	46,940	(14,332)	(7,500)	(191,263)	(465,484)
Cash flows from capital and related financing activities:									
Capital asset purchase	(54,158)	571	-	-	-	-	-	-	(53,587)
Bond principal payments	-	(50,437)	-	-	(40,000)	-	-	-	(90,437)
Bond interest payments	-	(7,260)	-	-	(8,540)	-	-	-	(15,800)
Net cash provided (used) by capital and related financing activities	(54,158)	(57,126)	-	-	(48,540)	-	-	-	(159,824)
Cash flows from investing activities:									
Interest received	-	-	-	-	-	-	-	-	-
Net cash provided by investing activities	-	-	-	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	29,207	-	-	-	12,612	-	-	-	41,819
Balances-beginning of the year	19,536	-	-	-	269,854	-	-	-	289,390
Balances-end of the year	<u>\$ 48,743</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282,466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,209</u>
Displayed as:									
Cash and cash equivalents	48,743	-	-	-	-	-	-	-	48,743
Restricted cash	-	-	-	-	282,466	-	-	-	282,466
Total	<u>\$ 48,743</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282,466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,209</u>

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Enterprise Funds

Statement of Cash Flows

For the Year Ended June 30, 2021

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	School Cafeteria Fund	Transfer Station	Wind Turbine Generator Fund	Summer School	Septic System Loan Program	Glen Farm Equestrian	Arthur Daniel House	Glen Manor House	Total
Operating income (loss)	\$ (78,244)	\$ 55,292	\$ 387,418	\$ -	\$ (4,179)	\$ 13,500	\$ -	\$ 185,984	\$ 559,771
Adjustments to reconcile operating income to net cash provided (used) by operating activities:									
Depreciation expense	19,935	40,395	-	-	-	-	-	-	60,330
Change in assets and liabilities:									
(Increase) decrease in user charges receivables, net	-	(31,702)	-	-	10,337	-	-	-	(21,365)
(Increase) decrease in intergovernmental receivable	(68,478)	-	-	-	-	-	-	-	(68,478)
(Increase) decrease in inventory	1,720	-	-	-	-	-	-	-	1,720
Increase (decrease) in accounts payable	27,388	77,808	-	-	-	832	7,500	-	113,528
Increase (decrease) in due to other funds	-	8,288	-	-	8,054	-	-	5,279	21,621
Net cash provided (used) by operating activities	<u>\$ (97,679)</u>	<u>\$ 150,081</u>	<u>\$ 387,418</u>	<u>\$ -</u>	<u>\$ 14,212</u>	<u>\$ 14,332</u>	<u>\$ 7,500</u>	<u>\$ 191,263</u>	<u>\$ 667,127</u>

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2021

	Employee Benefit Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ 1,010,706	\$ 1,016,544
Investments, at fair value		
Mutual funds	72,210,256	-
Prepaid expenses	478,677	-
Due from other funds	25,000	333,300
	<u>73,724,639</u>	<u>1,349,844</u>
Total assets	<u>73,724,639</u>	<u>1,349,844</u>
Deferred outflows of resources		
Deferred outflows	-	-
	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 73,724,639</u>	<u>\$ 1,349,844</u>
Liabilities		
Due to other funds	-	-
	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
Deferred inflows of resources		
Unearned revenue	-	-
	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>
Net Position		
Restricted for pension	71,509,342	-
Restricted for OPEB	2,215,297	-
Restricted for Custodial Funds	-	1,349,844
	<u>73,724,639</u>	<u>1,349,844</u>
Total net position	<u>73,724,639</u>	<u>1,349,844</u>
Total liabilities and net position	<u>\$ 73,724,639</u>	<u>\$ 1,349,844</u>

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, 2021

	Employee Benefit Trust Funds	Custodial Funds
	<u> </u>	<u> </u>
Additions		
Employer contributions	\$ 6,047,095	\$ -
Plan member contributions	292,090	-
Funds received on behalf of others	-	446,028
Net investment income	<u>16,379,449</u>	<u>118</u>
Total additions	<u>22,718,634</u>	<u>446,146</u>
Deductions		
Benefits paid	6,260,698	-
Funds distributed on behalf of others	-	259,675
Net investment loss	-	-
Administrative expenses	<u>44,239</u>	<u>-</u>
Total deductions	<u>6,304,937</u>	<u>259,675</u>
Changes in net position held in trust for individuals, organizations, and other governments	16,413,697	186,471
Net position, July 1, 2020, restated	<u>57,310,942</u>	<u>1,163,373</u>
Net position, June 30, 2021	<u><u>\$ 73,724,639</u></u>	<u><u>\$ 1,349,844</u></u>

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, 2021

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 2021:

- * Portsmouth Water and Fire District

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of significant accounting policies (continued):

Reporting Entity (continued)

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.

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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of significant accounting policies (continued):

Basis of presentation (continued):

Fund financial statements (continued)

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.

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 Department, which provides primary education to the Town's children.

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 eight enterprise funds, the School's Cafeteria 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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of significant accounting policies (continued):

Basis of presentation (continued):

Fund financial statements – Governmental Funds (continued):

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.

The following fiduciary funds are used by the Town:

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.

Custodial funds:

Custodial funds are established when the Town holds assets in custody for others in a custodial capacity. The reporting entity includes eleven custodial funds (Soil Fund, Glen Manor House Deposit Fund, Road Bond, Glen Park Damage Deposit Fund, Probate Court Fund, Prescott Point Fund, Library Aid Pass Through 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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of significant accounting policies (continued):

Basis of presentation (continued):

Measurement focus and basis of accounting (continued)

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.

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 eight enterprise funds (School Cafeteria Fund, Transfer Station Fund, Wind Turbine Generator Fund, Summer School 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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of significant accounting policies (continued):

Basis of presentation (continued):

Measurement focus and basis of accounting (continued):

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 maturities. The Town complied with these requirements.

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

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.

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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of significant accounting policies (continued):

Real Estate and Personal Property Taxes (continued):

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 \$633,550 at June 30, 2021 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.

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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of significant accounting policies (continued):

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

	<u>Years</u>
Land improvements	20
Buildings and improvements	10-50
Machinery & equipment	4-20
Construction equipment	10
Infrastructure	10-50
Motor vehicles	6-20

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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of significant accounting policies (continued):

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 position that apply to a future period, and which will not be recognized as an outflow of resources (expense/expenditure) until that later date. At June 30, 2021 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 \$8,818,056 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 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 \$4,703,169 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 the acquisition of net position that applies to a future period and, therefore, will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2021, the Town had two 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, 2020, and prior and are not collected within 60 days of June 30, 2021. Net unavailable property tax revenue included in the fund financial statements was \$1,045,404 at June 30, 2021. The unavailable ambulance revenue represents ambulance rescue fee receivables that are not collected as of June 30, 2021. Net unavailable ambulance rescue fee revenue included in the fund financial statements was \$409,868 at June 30, 2021. Deferred revenues - other totaled \$170,180 as of June 30, 2021. These amounts are deferred and will be recognized as an inflow of resources in the year in which the amounts become available.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of significant accounting policies (continued):

Deferred Inflows and Outflows of Resources (continued):

At June 30, 2021 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 \$15,747,804 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 \$3,731,792 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).

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, 2021.

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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of significant accounting policies (continued):

Accrued Liabilities and Long-Term Debt (continued):

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.

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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of significant accounting policies (continued):

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.

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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of significant accounting policies (continued):

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

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.

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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of significant accounting policies (continued):

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 services and is considered revenue when it is both measurable and available. In the current year, only charges for services and fund received from other governments 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.

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".

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of significant accounting policies (continued):

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.

New Accounting Standard Adopted:

GASB Statement 84, Fiduciary Activities was originally effective for periods beginning after December 15, 2018, however it was postponed an additional year by GASB Statement 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The Statement is now effective for reporting periods after December 15, 2019. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should present a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

Statement No. 98, establishes the term Annual Comprehensive Financial Report and its acronym ACFR. The new term replaces Comprehensive Annual Financial Report and its acronym in generally accepted accounting principles for state and local governments. The Town has decided to early implement this pronouncement and has applied the change as of the issuance of this report.

Pronouncements Issued But Not Yet Effective:

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Town upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement 87, Leases was originally effective for periods beginning after December 15, 2019, however it was postponed by an additional eighteen months by GASB 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The Statement is now effective for reporting periods after December 15, 2020. The objective of this Statement is to improve accounting and financial reporting for leases by governments. It requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. **Effective fiscal year 2022.**

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of significant accounting policies (continued):

Pronouncements Issued But Not Yet Effective (continued):

GASB Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* was originally effective for periods beginning after December 15, 2019, however, it was postponed an additional year by GASB Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is now effective for reporting periods after December 15, 2020. The objectives of this statements are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period and requires that interest cost incurred before the end of a construction period be recognized as an expense for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. **Effective fiscal year 2022.**

GASB Statement 91, *Conduit Debt Obligations* was originally effective for reporting periods beginning after December 15, 2020, however, it was postponed an additional year by GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is now effective for reporting periods after December 15, 2021. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. A conduit debt obligation is defined as a debt instrument having *all* of the following characteristics: (a) There are at least three parties involves: (1) an issuer, (2) a third-party obligor and (3) a debt holder or a debt trustee; (b) The issuer and the third party obligor are not within the same financial reporting entity; (c) The debt obligation is not a parity bond of the issuer, not is it cross-collateralized with other debt of the issuer; (d) The third party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuances; and (5) The third party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments.) This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. **Effective fiscal year 2023.**

GASB Statement No. 92, *Omnibus 2020* was originally effective for reporting periods beginning after June 15, 2020, however, it was postponed an additional year by GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is now effective for reporting periods after June 15, 2021. This statement enhances the consistency of authoritative literature by addressing practice issues identified during implementation and application of certain GASB Statements. The statement addresses a variety of topics including, but not limited to: effective dates of GASB 87 Leases for interim financial reports, reporting of transfers between the primary government and component unit defined benefit or defined benefit other postretirement benefit (OPEB) plan and the applicability of GASB 84 Fiduciary Activities to post employment benefit arrangements. **Effective fiscal year 2022.**

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

1. Summary of significant accounting policies (continued):

Pronouncements Issued But Not Yet Effective (continued):

GASB Statement No. 93, *Replacement of Interbank Offered Rates* was originally effective for reporting periods beginning after June 15, 2020, however, it was postponed an additional year by GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is now effective for reporting periods after June 15, 2021. The objective of this statement is to address those and other accounting and financial implications that result from the replacement of an IBOR. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR, most notably the London Interbank Offered Rate (LIBOR.) LIBOR is expected to cease to exist in its current form at the end of 2021 prompting governments to amend or replace certain financial instruments. **Effective fiscal year 2022.**

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* is effective for fiscal years beginning after June 15, 2022. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs.) A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying the control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset for a period in time in an exchange or an exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs.) An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. **Effective fiscal year 2023.**

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* is effective for fiscal years beginning after June 15, 2022. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments.) This Statement (1) defines an SBITA, (2) establishes that an SBITA results in a right-to-use subscription asset, and intangible asset, and a corresponding subscription liability, (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of SBITA, and (4) requires note disclosures regarding a SBITA. **Effective fiscal year 2023.**

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* is effective for fiscal years beginning after June 30, 2021. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform, (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. **Effective fiscal year 2022.**

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

1. 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

At June 30, 2021, the carrying amount of the Town's cash and cash equivalents was \$15,025,520 (including Fiduciary Funds and cash held in escrow) while the bank balance was \$14,679,791. Of the bank balance, \$1,756,334 was covered by federal depository insurance, \$1,918,252 was covered by collateralization agreements and \$11,005,205 was uninsured. Reconciliation to Government-wide.

Statement of Net Position:

	<u>Carrying Amount</u>
Total Cash and Cash Equivalents	\$ 15,025,520
Less: Fiduciary fund cash, including time deposits (not included in the Government-wide statement)	<u>(2,027,250)</u>
Total Cash and Cash Equivalents Reported in the Financial Statements	<u><u>\$ 12,998,270</u></u>
	 <u>Bank Balance</u>
Insured (Federal depository insurance funds)	\$ 1,867,274
Collateralized with securities held by pledging financial institution or its agent in the Town's name	3,597,115
Uninsured and uncollateralized	<u>8,932,936</u>
Total	<u><u>\$ 14,397,325</u></u>

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 \$282,466 reported in the Statement of Net Position at June 30, 2021 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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

2. Cash Deposits and Investments (continued):

Investments (continued)

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.

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, 2021:

Description	Fair Value	Level 1	Level 2	Level 3
Mutual Funds				
Bond funds				
Global Fix	\$ 3,962,729	\$ 3,962,729	\$ -	\$ -
Vanguard Total Bond Mark	9,322,221	9,322,221	-	-
Vanguard Total Intl BD	6,262,892	6,262,892	-	-
Equity Funds				
Emerging Markets	6,871,078	6,871,078	-	-
International Equity	9,627,178	9,627,178	-	-
Global Real Estate	3,816,349	3,816,349	-	-
Large Cap Multi-Style Fund	7,203,703	7,203,703	-	-
DFA US Core Equity	10,683,484	10,683,484	-	-
DFA US Vector Equity	12,270,325	12,270,325	-	-
VT II Model Port Moderate	2,190,297	2,190,297	-	-
Stocks	76,128	76,128	-	-
	<u>\$ 72,286,384</u>	<u>\$ 72,286,384</u>	<u>\$ -</u>	<u>\$ -</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

2. Cash Deposits and Investments (continued):

Investments (continued)

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

<u>Description</u>	<u>Fair Value</u>	<u>0-3 Years</u>	<u>3-5 Years</u>	<u>Over 5 Years</u>
Fixed Income Securities	\$ 19,547,842	\$ 3,962,729	\$ 6,262,892	\$ 9,322,221

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

	Fixed Income Securities
AAA	\$ 8,712,945
AA	4,308,658
A	2,970,815
BBB	<u>3,555,425</u>
Total	<u>\$ 19,547,842</u>

Concentration of Credit Risk

At June 30, 2021, 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.

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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

2. Cash Deposits and Investments (continued):

Investments (continued):

Credit Risk Policies

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

As of June 30, 2021, the following pension investments represent 5% or more of the Town Plan's net position:

Dimensional Fund Advisors:	
Vanguard Total Bond	\$ 9,322,221
Vanguard Total International Bond	\$ 6,262,892
Five Year Fixed Income	\$ 3,962,729
US Core Equity 2 Portfolio	\$ 10,683,484
International Vector Equity	\$ 4,458,016
US Vector Equity Portfolio	\$ 12,270,325
Global Real Estate	\$ 3,816,349
Emerging Market Core	\$ 4,506,156
AQR Large Cap Multi-Style	\$ 7,203,703

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.

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, 2021.

<u>Town Special Revenue Funds</u>	
NCPC Compliance	802
SAFER Grant	\$ 1,727
<u>Town Capital Projects Funds</u>	
08-09 Warrants	19,027
09-10 Warrants	5,743
<u>Major Special Fund Warrant 12-13</u>	
12-13 Warrants	<u>1,343,170</u>
<u>Enterprise funds</u>	
Transfer Station	<u>3,642</u>
Total	<u><u>\$ 1,374,111</u></u>

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

4. Capital Assets

Capital asset activity for the year ended June 30, 2021 is as follows:

	<i>Balance July 1, 2020</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance June 30, 2021</i>
<i>Governmental Activities:</i>				
Nondepreciable assets:				
Land	\$ 4,755,279	\$ -	\$ -	\$ 4,755,279
Land easements	1,420,000	-	-	1,420,000
Construction in progress	54,957	157,412	54,957	157,412
Total capital assets not being depreciated	6,230,236	157,412	54,957	6,332,691
Depreciable assets:				
Land improvements	1,057,687	374,324	-	1,432,011
Buildings	32,344,285	-	-	32,344,285
Buildings and improvements	13,629,489	705,753	-	14,335,242
Machinery and equipment	10,495,209	292,665	-	10,787,874
Construction equipment	396,909	-	-	396,909
Infrastructure	31,176,282	704,291	-	31,880,573
Vehicles	6,928,343	198,459	-	7,126,802
Total Capital assets being depreciated	96,028,204	2,275,492	-	98,303,696
Total Capital Assets	102,258,440	2,432,904	54,957	104,636,387
Less accumulated depreciation for:				
Land improvements	644,623	41,341	-	685,964
Buildings	17,537,106	502,969	-	18,040,075
Buildings and improvements	5,463,766	766,259	-	6,230,025
Machinery and equipment	7,118,145	426,095	-	7,544,240
Construction equipment	396,908	-	-	396,908
Infrastructure	19,153,181	873,560	-	20,026,741
Vehicles	4,288,539	321,558	-	4,610,097
Total Accumulated Depreciation	54,602,268	2,931,782	-	57,534,050
Governmental Activities Capital Assets, Net	\$ 47,656,172	\$ (498,878)	\$ 54,957	\$ 47,102,337
 <i>Business-Type Activities</i>				
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	319,622	54,157	-	373,779
Total Capital assets being depreciated	777,733	54,157	-	831,890
Total Capital Assets	814,984	54,157	-	869,141
Less accumulated depreciation for:				
Buildings and improvements	90,073	34,085	-	124,158
Machinery and equipment	138,736	26,815	-	165,551
Total Accumulated Depreciation	228,809	60,900	-	289,709
Business-Type Activities Capital Assets, Net	\$ 586,175	\$ (6,743)	\$ -	\$ 579,432

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

4. Capital Assets (continued):

Depreciation expense was charged to governmental functions as follows:

General government	\$ 326,602
Public safety	596,243
Public works	930,802
Community service	56,620
Education	<u>1,021,515</u>
Total Depreciation Expense	<u><u>\$ 2,931,782</u></u>

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

School lunch	\$ 20,505
Transfer Station	<u>40,395</u>
Total Depreciation Expense	<u><u>\$ 60,900</u></u>

5. Lease Revenue

The Town receives lease payments for a communication tower leased to several communication companies. Future minimum rental payments to be received for these leases are as follows:

Lease Revenue	
<u>Year Ended June 30,</u>	<u>Governmental Activities</u>
2022	120,146
2023	123,514
2024	127,049
2025	<u>136,042</u>
Total	<u><u>\$ 506,751</u></u>

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 \$113,862,823 at the State level and \$75,908,549 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, 2021, the Town's bonds outstanding totaled \$16,931,266.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

7. Long-Term Obligations

The following is a summary of changes in long-term debt for the year ended June 30, 2021:

Description of Purpose	Amount of Original Issue	Date of Issue	Interest Rates	Date of Maturity	Balance 6/30/2020	Transfers in & Additions	Transfers Out & Retirements	Balance 6/30/2021	Amounts Due Within One Year
Governmental Activities issued through public sale:									
<i>General obligation, revenue bonds, and loans:</i>									
School Improvements (refunding bond)	\$ 4,665,000	6/4/2009	2.00-5.00%	6/30/2021	\$ 460,000	\$ -	\$ 460,000	\$ -	\$ -
Open Space/Recreation Bond	1,980,000	6/15/2010	2.00-4.00%	6/15/2025	605,000	-	125,000	480,000	125,000
General Obligation Refunding Bond - Series A									
Open Space/Recreation Bond	250,000	5/23/2013	2.35%	2/15/2028	133,928	-	16,626	117,302	16,626
Town Improvements	562,000	5/23/2013	2.35%	2/15/2028	301,072	-	37,374	263,698	37,374
Town Projects	1,305,000	10/23/2014	1.75%-4%	10/15/2024	650,334	-	130,066	520,268	130,066
Open Space	600,000	11/18/2015	2.00-4.00%	10/1/2035	478,575	-	30,375	448,200	30,375
School Projects	471,500	11/18/2015	2.00-4.00%	10/1/2035	376,123	-	23,872	352,251	23,873
Town Projects	3,373,500	11/18/2015	2.00-4.00%	10/1/2035	2,690,302	-	170,753	2,519,549	170,753
School Projects	1,575,000	12/22/2015	3.00-5.00%	5/15/2026	887,000	-	198,000	689,000	198,000
School Projects	605,000	12/22/2015	3.00-5.00%	5/15/2022	283,000	-	77,000	206,000	77,000
Town Projects-Police Station	10,000,000	2/9/2017	3.00-5.00%	2/1/2038	9,280,576	-	376,640	8,903,936	393,567
Town Projects-Recreational	520,000	2/9/2017	3.00-5.00%	2/1/2038	482,590	-	19,587	463,003	20,466
Town Projects	648,861	2/9/2017	3.00-5.00%	2/1/2038	602,180	-	24,439	577,741	25,537
School Improvements	646,139	2/9/2017	3.00-5.00%	2/1/2038	599,654	-	24,336	575,318	25,430
Town Legal Settlement	600,000	2/9/2017	2.25-2.65%	2/1/2023	370,000	-	120,000	250,000	125,000
Total General Obligation Bonds, Revenue Bonds, and Loans issued through public sale					<u>\$ 18,200,334</u>	<u>\$ -</u>	<u>\$ 1,834,068</u>	<u>\$ 16,366,266</u>	<u>\$ 1,399,067</u>
Governmental Activities issued through direct placements:									
<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	\$ 280,000	\$ -	\$ 70,000	\$ 210,000	\$ 70,000
General Obligation Refunding Bond - Series A									
School Projects	1,100,000	8/28/2013	3.06%	6/30/2028	410,000	-	55,000	355,000	55,000
Total General Obligation Bonds, Revenue Bonds, and Loans issued through direct placements					<u>690,000</u>	<u>-</u>	<u>125,000</u>	<u>565,000</u>	<u>125,000</u>
Total General Obligation Bonds, Revenue Bonds, and Loans					<u>\$ 18,890,334</u>	<u>\$ -</u>	<u>\$ 1,959,068</u>	<u>\$ 16,931,266</u>	<u>\$ 1,524,067</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

7. Long-Term Obligations (continued)

Description of Purpose	Amount of Original Issue	Date of Issue	Interest Rates	Date of Maturity	Balance 6/30/2020	Transfers in & Additions	Transfers Out & Retirements	Balance 6/30/2021	Amounts Due Within One Year
Governmental Activities (continued):									
<i>Capital lease obligations:</i>									
Town Vehicles	\$ 393,991	8/12/2016	4.01%	8/15/2022	\$ 175,355	\$ -	\$ 56,100	\$ 119,255	\$ 58,420
School	289,974	7/15/2016	2.42%	7/15/2020	49,950	-	49,950	-	-
Town Vehicles & Equipment	239,942	8/2/2017	4.59%	8/4/2021	97,945	-	47,931	50,014	52,047
School IT	268,344	7/19/2017	4.46%	8/1/2021	23,246	-	11,876	11,370	-
DPW Vehicle	148,638	8/18/2017	2.87%	8/18/2023	86,051	-	20,609	65,442	21,200
Town Vehicles & Equipment	328,495	8/6/2018	3.26%	8/6/2024	206,458	-	58,577	147,881	60,487
School IT	315,251	6/25/2018	3.14%	7/1/2022	175,730	-	63,050	112,680	63,050
Ambulance	253,845	9/27/2018	3.34%	9/27/2024	181,122	-	33,884	147,238	35,016
Town Vehicles & Equipment	483,548	8/28/2019	2.39%	8/16/2022	334,424	-	58,577	275,847	60,487
School IT	261,810	7/15/2020	2.16%	7/15/2024	-	261,810	54,375	207,435	50,208
Town Fire Boat	450,000	9/29/2020	1.97%	9/29/2029	-	450,000	49,052	400,948	49,052
Town Vehicles & Equipment	581,363	9/24/2020	1.648%	9/24/2024	-	581,363	165,320	416,043	165,320
Total capital lease obligations					<u>1,330,281</u>	<u>1,293,173</u>	<u>669,301</u>	<u>1,954,153</u>	<u>615,287</u>
Deferred amount for issuance premiums					624,258	-	69,630	554,628	72,858
Compensated absences					2,034,707	363,271	-	2,397,978	119,899
Net pension liability					88,225,959	-	19,780,563	68,445,396	-
Net OPEB Liability					21,452,027	2,765,494	-	24,217,521	-
Total governmental funds long-term debt					<u>\$ 131,867,566</u>	<u>\$ 4,421,938</u>	<u>\$ 22,353,562</u>	<u>\$ 113,935,942</u>	<u>\$ 2,207,111</u>
Business-Type Activities:									
<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	99,668	-	19,934	79,734	19,934
Septic Loan Program	415,000	11/18/2015	2.34-3.236%	10/1/2025	240,000	-	40,000	200,000	40,000
Total general obligation bonds and loans issued through public sale					<u>339,668</u>	<u>-</u>	<u>59,934</u>	<u>279,734</u>	<u>59,934</u>
<i>Capital lease obligations:</i>									
TS Compactor	228,509	6/29/2018	3.31%	7/2/2024	163,088	-	30,504	132,584	31,526
Total capital lease obligations					<u>163,088</u>	<u>-</u>	<u>30,504</u>	<u>132,584</u>	<u>31,526</u>
Total business type long-term debt					<u>502,756</u>	<u>-</u>	<u>90,438</u>	<u>412,318</u>	<u>91,460</u>
Total long-term obligations					<u>\$ 132,370,322</u>	<u>\$ 4,421,938</u>	<u>\$ 22,444,000</u>	<u>\$ 114,348,260</u>	<u>\$ 2,298,571</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, 2021, the Town General Fund paid \$58,951 and the School Unrestricted Fund paid \$50,424 in compensated absences.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

7. Long-Term Obligations (continued):

The debt service requirements for long-term debt at June 30, 2021 were as follows:

	<i>Issued Through Public Sale</i>					
	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 1,399,066	\$ 557,983	\$ 1,957,049	\$ 59,934	\$ 7,220	\$ 67,154
2023	1,294,066	508,011	1,802,077	59,934	5,528	65,462
2024	1,184,066	461,005	1,645,071	59,934	3,834	63,768
2025	1,184,066	420,536	1,604,602	59,934	2,140	62,074
2026	960,002	377,075	1,337,077	39,998	647	40,645
2027-2031	4,160,000	1,191,319	5,351,319	-	-	-
2032-2036	4,605,000	931,038	5,536,038	-	-	-
2037-2039	1,580,000	80,494	1,660,494	-	-	-
	<u>\$ 16,366,266</u>	<u>\$ 4,527,461</u>	<u>\$ 20,893,727</u>	<u>\$ 279,734</u>	<u>\$ 19,369</u>	<u>\$ 299,103</u>

	Governmental Activities			Governmental Activities			Business-Type Activities		
	Governmental Activities (Direct Placements)			Capital Leases			Capital Leases		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 125,000	\$ 21,101	\$ 146,101	\$ 730,259	\$ 41,984	\$ 772,243	\$ 31,526	\$ 5,465	\$ 36,991
2023	120,000	16,093	136,093	532,727	25,281	558,008	32,582	4,443	37,025
2024	120,000	11,150	131,150	336,053	10,309	346,362	33,674	3,386	37,060
2025	50,000	6,120	56,120	123,708	5,837	129,545	34,802	2,494	37,296
2026	50,000	9,180	59,180	44,493	4,559	49,052	-	-	-
2027-2028	100,000	-	100,000	186,913	9,295	196,208	-	-	-
	<u>\$ 565,000</u>	<u>\$ 63,644</u>	<u>\$ 628,644</u>	<u>\$ 1,954,153</u>	<u>\$ 97,265</u>	<u>\$ 2,051,418</u>	<u>\$ 132,584</u>	<u>\$ 15,788</u>	<u>\$ 148,372</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 \$554,628 of deferred amount for issuance premiums totaling \$17,485,894.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2021 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, 2021

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:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Other Financing Sources</u>	<u>Other Financing Uses</u>
<u>Major Governmental Funds</u>				
General fund	\$ 7,001	\$ 660,086	\$ 241,290	\$ 35,567,140
School unrestricted fund	-	1,105,652	34,574,913	720,389
Town capital projects	749,158	-	655,340	-
Special Revenue 12-13	-	1,343,170	349,082	-
<u>Non-Major Governmental Funds</u>				
Town special revenue	763,493	81,459	7,790	184,127
School special revenue	488,310	188,954	720,155	4,036
Town capital projects	341,345	24,770	67,303	1,371
School capital projects	845,641	-	-	-
Permanent funds	10,769	80	-	-
<u>Fiduciary Funds</u>				
Custodial funds	333,300	-	-	-
OPEB fund	25,000	-	-	-
<u>Proprietary Funds</u>				
School cafeteria fund	-	45,543	-	-
Transfer station	-	224,408	-	-
Wind turbine generator fund	-	-	-	-
Summer school	-	-	234	-
Septic system loan program	35,899	-	46,940	-
Glen farm equestrian	61,427	-	-	-
Arthur Daniel house	7,500	-	-	-
Glen Manor house	5,279	-	-	185,984
Totals	<u>\$ 3,674,122</u>	<u>\$ 3,674,122</u>	<u>\$ 36,663,047</u>	<u>\$ 36,663,047</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

10. Fund Balances

The Town has classified governmental fund balances at June 30, 2021 as follows:

	Major Funds				Non-Major Funds					Total
	General Fund	School Unrestricted	Town Capital Project Fund	Special Fund Warrant 12-13	Town Special Revenue	School Special Revenue	Town Capital Projects	School Capital Projects	Permanent Funds	
Fund Balances										
Nonspendable										
In Form	\$ 279,361	\$ 418,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,452	\$ 865,141
Restricted for										
General government	-	-	-	-	21,116	-	-	-	-	21,116
Public safety programs	-	-	-	-	749,941	-	-	-	-	749,941
Educational purposes	-	-	-	-	-	512,847	-	-	-	512,847
Public works and social services	-	-	-	-	293,628	-	-	-	-	293,628
Community services	-	-	-	-	37,602	-	-	-	-	37,602
Capital projects	-	-	716,290	-	-	-	-	711,492	-	1,427,782
Expendable	-	-	-	-	-	-	-	-	80,932	80,932
Committed to										
Educational purposes	-	931,571	-	-	-	-	-	-	-	931,571
Warrant 12-13 paydown	160,908	-	-	-	-	-	-	-	-	160,908
Capital projects	-	-	-	-	-	-	341,351	-	-	341,351
Unassigned	9,342,401	-	-	(1,343,170)	121,630	-	(24,770)	-	-	8,096,091
Total	<u>\$9,782,670</u>	<u>\$ 1,349,899</u>	<u>\$ 716,290</u>	<u>\$ (1,343,170)</u>	<u>\$ 1,223,917</u>	<u>\$ 512,847</u>	<u>\$ 316,581</u>	<u>\$ 711,492</u>	<u>\$ 248,384</u>	<u>\$13,518,910</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2021.

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 \$998,793 for the year ended June 30, 2021.

Public Works, Fire and Police contributed 0.25%, 1.5% and 1.0% of salary respectively, to the OPEB Trust which amounted to \$61,988 in employee contributions and \$1,128,104 in employer contributions for the year ended June 30, 2021.

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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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

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

As of June 30, 2021, the plan membership data is as follows:

<u>Description</u>	<u>Active Employees</u>	<u>Inactive or Beneficiaries Receiving Benefits</u>	<u>Total</u>
Number	135	57	192

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, 2021.

<u>Asset Class</u>	<u>Target Allocation</u>
US Large Cap Equity	42.12%
US Mid Cap Equity	2.14%
US Small Cap Equity	0.83%
International Equity	11.04%
EM Equity	2.42%
US Aggregate Bonds	15.55%
U.S. Short Duration	10.50%
US High Yield Bonds	5.00%
TIPS	3.40%
Diversifying Strategies	7.00%
Total	<u>100.00%</u>

Concentrations:

There were no concentrations noted as of June 30, 2021.

Rate of return:

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense was 26.17%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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

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

Net OPEB Liability of the Town:

The components of the net OPEB liability of the Town at June 30, 2021 were as follows:

Total OPEB liability	\$ 22,862,258
Plans fiduciary net position	<u>2,215,297</u>
Town's net OPEB liability	<u><u>\$ 20,646,961</u></u>
Plan net position as a percentage of the total OPEB liability	9.69%

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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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

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

Key assumptions

Valuation Date:	Actuarially Determined Contribution was calculated as of June 30, 2021
Actuarial Cost Method:	Entry Age Normal Level % of salary method where: <ul style="list-style-type: none">•Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and•Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to Payroll Growth.
Asset-Valuation Method:	Market Value of Assets as of the Measurement Date, June 30, 2021
Actuarial Assumptions:	
Investment Rate of Return:	5.00%, net of OPEB plan investment expense
Medical inflation	For medical/rx benefits, the trend rates have been reset to an initial rate of 8.00% decreasing by 0.50% annually to an ultimate rate of 4.50%
Inflation:	2.50% as of June 30, 2021 and for future periods
Salary Increases:	3.50% annually as of July 1, 2021 and for future periods
Pre-Retirement Mortality:	SOA Pub-2010 Mortality Table fully generational using Scale MP-2019.
Assumed rate of retirement:	40% for 20 or more years of service, 5% for 21-22 years of service, 25% for 23-24 years of service and 100% for 25+ years of service.
Marriage assumptions	80% of males and 80% of females assumed to be married with wives to be three years younger than their husbands
Changes in Assumptions:	Effective June 30, 2021 <ul style="list-style-type: none">• Discount rate is 2.50% previously 2.94%

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 weighting 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, 2021 are summarized in the following table:

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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

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

Asset Class	Long-term Expected Real Rate of Return
US Large Cap Equity	5.90%
US Mid Cap Equity	7.30%
US Small Cap Equity	5.90%
International Equity	5.40%
EM Equity	8.90%
US Aggregate Bonds	3.10%
U.S. Short Duration	3.00%
US High Yield Bonds	4.90%
TIPS	2.80%
Diversifying Strategies	4.78%

Changes in the Net OPEB Liability

	Total OPEB Liability	Increase (Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 20,042,158	\$ 1,604,142	\$ 18,438,016
Service cost	789,052	-	789,052
Interest on net OPEB liability and service cost	597,862	-	597,862
Differences between actual and expected experience	477,405	-	477,405
Changes in assumptions	1,954,574	-	1,954,574
Benefit payments, including refunds	(998,793)	(998,793)	-
Trust administrative expenses	-	(6,739)	6,739
Contributions - employer	-	1,128,104	(1,128,104)
Contributions - active employees	-	61,988	(61,988)
Net investment income	-	426,595	(426,595)
Net changes	2,820,100	611,155	2,208,945
Balances at June 30, 2021	\$ 22,862,258	\$ 2,215,297	\$ 20,646,961

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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

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

Discount rate

The discount rate used to measure the total OPEB liability was 2.50 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 (1.50 percent) or 1- percentage-point higher (3.50 percent) than the current discount rate:

	Impact of 1% Change in Discount Rate		
	1% Decrease (1.50%)	Current discount rate (2.50%)	1% Increase (3.50%)
Total OPEB liability	\$ 23,030,945	\$ 20,646,961	\$ 18,564,972

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 3.50 percent) or 1-percentage-point higher (9.0 percent decreasing to 5.50 percent) than the current healthcare cost trend rates:

	Impact of 1% Change in Healthcare Trend Rate		
	1% Decrease (7.00% decreasing to 3.50%)	Current trend rate (8.00% decreasing to 4.50%)	1% Increase (9.00% decreasing to 5.50%)
Total OPEB liability	\$ 18,335,317	\$ 20,646,961	\$ 23,363,164

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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, 2021 the Town recognized OPEB expense of \$1,407,612. At June 30, 2021, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

Deferred outflows of resources	
Differences between actual and expected experience	\$ 1,155,438
Changes in assumptions	2,660,853
Deferred inflows of resources	
Differences between actual and expected experience	(2,335,597)
Changes in assumptions	(356,081)
Net difference between projected and actual earnings on OPEB plan investments	<u>(280,062)</u>
Total	<u>\$ 844,551</u>

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

Year ended June 30:	
2022	\$ 169,386
2023	176,871
2024	(151,620)
2025	244,585
2026	405,329
Thereafter	-
Total	<u>\$ 844,551</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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

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.

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, 2021 the School Department paid 100% of the cost of individual health care insurance and dental insurance benefits for all retired eligible employees, AFSCME and At-Will employees for six years, NEA (Teachers) and Administrators for nine years, capped at the premium cost at the time of retirement. The amounts due for these benefits are funded on an at-will basis. Employees who decline health coverage at retirement are eligible to receive a one-time payment of \$3,500.

In 2012, the School Department changed the retiree health benefits provisions. The School Department's explicit subsidy will be discontinued once the retiree becomes Medicare eligible, even if they are still within the first six years of retirement. Medicare eligible retirees may not be enrolled in the School Department's plan unless they are among the grandfathered current retirees who can remain in the School Department's Medicare Supplement plan. Premium reimbursement benefit for employees who decline health care at retirement will be discontinued once the retiree is eligible for Medicare, even if they are still within the first six years of retirement.

Effective July 1, 2015, individual contract employees, which includes At-Will employees and those that are non-NEA and non-AFSCME are no longer eligible for retiree health benefits.

School Department funds post-retirement benefits on a pay-as-you go basis, which totaled \$194,426 for the year ended June 30, 2021.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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

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

As of June 30, 2021, the plan membership data is as follows:

<u>Description</u>	<u>Active Employees</u>	<u>Inactive or Beneficiaries Receiving Benefits</u>	<u>Total</u>
Number	295	21	316

Net OPEB Liability of the School:

The components of the net OPEB liability of the School at June 30, 2021 were as follows:

Total OPEB liability	\$ 3,570,560
Plans fiduciary net position	-
Town's net OPEB liability	<u>\$ 3,570,560</u>
Plan net position as a percentage of the total OPEB liability	0.00%

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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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

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

Key assumptions

Notes to Required Supplementary Information:

Valuation Date: Actuarially Determined Contribution was calculated as of June 30, 2021
 Actuarial Cost Method: Entry Age Normal Actuarial Cost Method

Actuarial Assumptions:

Investment Rate of Return: 2.19%, net of OPEB plan investment expense
 Medical inflation: 8.00% trending to an ultimate rate of 4.50%
 Inflation: 3.00% per year
 Salary Increases: 3.00% annually as of June 30, 2021 and for future periods
 Pre-Retirement Mortality: Certified Teacher Participants: SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generationally using Scale MP-2021
 All Other Participants: SOA Pub - 2010 General Headcount Weighted Mortality Table fully generationally using Scale MP-2021
 Assumed rate of retirement: Annural rates of retirement by group (AFSCME, Teachers & Admin) are based on historical experience from 2010 through 2016:
 AFSCME: Ages 55 through 64 ranges from 5% - 35%
 Ages 65+ ranges from 50% - 100%
 Teachers & Admin: Ages 55 through 64 ranges from 15% - 40%
 Ages 65+ ranges from 50% - 100%
 Marriage assumptions: 70% of employees are assumed to be married at retirement. Husbands are assumed to be three years older than wives.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 3,014,011	\$ -	\$ 3,014,011
Service cost	70,573	-	70,573
Interest on net OPEB liability and service cost	79,481	-	79,481
Differences between actual and expected experience	383,759	-	383,759
Changes in assumptions	217,162	-	217,162
Benefit payments, including refunds	(194,426)	(194,426)	-
Contributions - employer	-	194,426	(194,426)
Net changes	556,549	-	556,549
Balances at June 30, 2021	\$ 3,570,560	\$ -	\$ 3,570,560

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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

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

Discount rate

The discount rate used to measure the total OPEB liability was 2.19 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 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 (1.19 percent) or 1-percentage-point higher (3.19 percent) than the current discount rate:

	<u>Impact of 1% Change in Discount Rate</u>		
	1% Decrease (1.19%)	Current discount rate (2.19%)	1% Increase (3.19%)
Total OPEB liability	\$ 3,872,752	\$ 3,570,560	\$ 3,300,519

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 3.5 percent) or 1-percentage-point higher (9.0 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	<u>Impact of 1% Change in Healthcare Trend Rate</u>		
	1% Decrease (7.00%) decreasing to 3.50%)	Current trend rate (8.00%) decreasing to 4.50%)	1% Increase (9.00%) decreasing to 5.50%)
Total OPEB liability	\$ 3,293,076	\$ 3,570,560	\$ 3,886,737

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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

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

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

For the year ended June 30, 2021 the School recognized OPEB expense of \$135,345. At June 30, 2021, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

Deferred outflows of resources	
Change in assumptions	\$ 462,390
Differences between actual and expected experience	424,488
Deferred inflows of resources	
Change in assumptions	(94,939)
Differences between actual and expected experience	<u>(665,113)</u>
Total	<u>\$ 126,826</u>

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

Year ended June 30:	
2022	\$ (14,709)
2023	(14,709)
2024	(14,709)
2025	(25,119)
2026	29,428
Thereafter	<u>166,644</u>
Total	<u>\$ 126,826</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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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

	Town Plan	School Plan	Total
Deferred Outflows of Resources - OPEB	\$ 3,816,291	\$ 886,878	\$ 4,703,169
Deferred Inflows of Resources - OPEB	2,971,740	760,052	3,731,792
Net OPEB Liability	20,646,961	3,570,560	24,217,521
OPEB Expense	1,407,612	135,345	1,542,957
Total	<u>\$ 28,842,604</u>	<u>\$ 5,352,835</u>	<u>\$ 34,195,439</u>

12. Pension Plans

Plan Description:

The Retirement Plan for the Employees of Portsmouth is a single employer defined benefit plan - administered by the Town. Under a single employer defined benefit pension plan the plan is used to provide pensions to employees of only one employer.

Town of Portsmouth Retirement Plan

Plan Membership

The Town participates in a single employer defined benefit plan. At June 30, 2021, pension plan membership consisted of the following:

Retired employees and beneficiaries receiving benefits	192
Inactive employees with a vested right to a deferred or immediate benefit	14
Active plan members	<u>133</u>
Subtotal	<u>339</u>

Benefit Provisions and Contributions

The following benefit provision and contribution requirements were established and may be amended by Town ordinance.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plans (continued)

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

Benefit Provisions and Contributions (continued):

Any participant, who has attained his or her normal retirement date, as defined in the plan, is eligible for a normal retirement benefit. The monthly benefit payable upon normal retirement is based on average monthly salary multiplied by credited service as follows:

Police Employees

20 years of credited service.

60% of average monthly earnings reduced plus 2% for each year beyond 20 years subject to a maximum of 70%. Employees hired after July 1, 2010 are not entitled to Normal Retirement Benefits.

An employee's average monthly earnings are defined as the highest gross annual salary during the last three years of employment. Gross annual salary includes base salary, longevity and \$5,000 retirement bonus, but excludes overtime, clothing allowance, holiday pay and any other forms of compensation. The retirement bonus is only payable to those employees who give at least one year's advance notice of their retirement date.

Fire Employees

20 years of credited service.

For service before July 1, 2013: 3% of average monthly earnings per year of credited service to a maximum of 20 years plus 2% for each year beyond 20 years.

For service on or after July 1, 2013 and before June 30, 2016: 1% of average monthly earnings per year of credited service.

For service on or after July 1, 2016: 2% of average monthly earnings per year of credited service.

The maximum benefit is 74% of average monthly earnings per year of credited service

Fire Deputy and Fire Chief: 3% of average monthly earnings per year of credited service to a maximum of 20 years plus 2% for each year beyond 20 years. The maximum benefit is 74% of average monthly earnings.

An employee's average monthly earnings are defined as the highest gross annual salary during the last three years of employment. Gross annual salary includes base salary, longevity and E.M.T bonus, but excludes overtime, clothing allowance, holiday pay and any other forms of compensation. Employees hired on or after July 1, 2013 are not entitled to Normal Retirement Benefits.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plans (continued):

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

Benefit Provisions and Contribution (continued):

Town Non-Management Age 60 with 10 years of credited service.

For service before July 1, 2013: 2.5% of average monthly earnings per year of credited service to a maximum of 27 years.

For service on or after July 1, 2013 and before July 1, 2016: 1% of average monthly earnings per year of credited service.

For service on or after July 1, 2016: 2% of average monthly earnings per year of credited service.

The maximum benefit is 67.5% of average monthly earnings. Benefit is reduced pro-rata if less than 20 years of service.

Town Management Age 60 with 10 years of credited service.

3.0% of average monthly earnings per year of credited service for up to 20 years of service, plus 2.0% of average monthly earnings per year of credited service to a maximum of 74%. For benefit accrual purposes, credited service is frozen as of July 1, 2014.

An employee's average monthly earnings are defined as the highest annual salary (base salary and longevity) during the final three years of employment.

Town Hall employees hired on or after July 1, 2012 are not eligible to participate in this Plan.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plans (continued):

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

Benefit Provisions and Contribution (continued):

School Employees

Age 60 with 10 years of credited service.

Non-Certified:

For service before October 1, 2013: 2.5% of average monthly earnings per year of credited service.

For service on or after October 1, 2013: 1% of average monthly earnings per year of credited service.

Benefit is reduced pro-rata if less than 20 years of service.

Non-certified employees hired after July 1, 2012 and before October 1, 2013 were transferred to the defined contribution plan effective October 1, 2013.

Management:

2.5% of average monthly earnings per year of credited service. Benefit is reduced pro-rata for less than 20 years of service.

An employee's average monthly earnings are defined as base annual salary and longevity pay averaged over the final three years of employment.

School Department employees who are not School Management and who are hired on or after October 1, 2013 are not eligible to participate in this Plan.

Public Works Employees

Age 60 with 10 years of credited service.

For employees with less than 10 years of credited service at July 1, 2013 who were hired before June 30, 2010: 2.5% of average monthly earnings per year of credited service up to a maximum of 25%. Benefit is reduced pro-rata if less than 20 years of service.

For employees with 10 or more years of service as of June 30, 2013: 2.5% of average monthly earnings per year of credited service prior to July 1, 2013 to a maximum of 67.5%. Benefit is reduced pro-rata if less than 20 years of service.

An employee's average monthly earnings are defined as annual salary (base salary and longevity) averaged over the final five years of employment.

Employees hired on or after July 1, 2010 are not entitled to Normal Retirement Benefits.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plans (continued):

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

Benefit Provisions and Contribution (continued):

	No contributions for employees hired on or after July 1, 2010
Fire employees	4.0% of gross annual earnings inclusive of base salary, longevity, EMT bonus and holiday pay (previously, 4.0% of base pay). Fire Deputy and Fire Chief: 10.0% of gross annual earnings inclusive of base salary, longevity, EMT bonus and holiday pay. No contribution for employees hired on or after July 1, 2013.
Town employees	Non-management: Effective July 1, 2016, 5.0% (previously, 6.0%) of base salary. Management: No employee contributions after July 1, 2014.
School employees	Non-Certified: 4% of gross annual salary. Management: 6% of gross annual salary. 2% of gross annual salary for employees hired before July 1, 1991.
Public Works employees	For participants with less than 10 years of service who are eligible for an Option 1 benefit, 4.0% of annual salary, until participant has accrued 10 years of service. No employee contributions after July 1, 2013 for other employees.

The Town is required to contribute an amount determined in accordance with the actuarial valuation. The Town's contributions for the Town's Retirement Plan for the fiscal years ended June 30, 2021, 2020 and 2019 were \$4,918,997, \$4,484,385 and \$4,324,4361, respectively.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plans (continued):

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

Actuarial Methods and Significant Assumptions

Basis of Accounting - The Town Retirement Trust Fund's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with terms of the plan.

Method Used to Value Investments - Investments are reportable at fair value.

Investments

Investments are reported at fair value, based on quotations from applicable national securities exchanges. 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.

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	40.35%
International developed markets equity	13.91%
International emerging markets equity	9.74%
Core fixed income	24.00%
High-yield fixed income	6.00%
Real estate	6.00%
Total	<u>100%</u>

Pension assets are valued at their fair value as established by quotations from applicable national securities exchanges. Valuations of accrued liabilities, pension assets and annual requirement contributions for the Plan were performed annually through June 30, 2021.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plans (continued):

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

Net Pension Liability

The components of the net pension liability of the Pension System at June 30, 2021 were as follows:

Total pension liability	\$ 108,430,954
Plan fiduciary net position	<u>(71,509,342)</u>
Town's net pension liability	<u>\$ 36,921,612</u>
Plan fiduciary net position as a percentage of the total pension liability	65.95%

Actuarial Assumptions

For healthy and disabled employees, the mortality tables utilized for valuation purposes were changed from the RP-2006 Employee and Healthy Annuitant Mortality Tables to the RP-2006 White Collar Employee and Healthy Annuitant Mortality Tables, and the projection scale for future mortality improvement applied to the mortality tables was updated from the SSA-2014 2d scale to the MP-2019 scale.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net position plan 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 weighting 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 pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equities	6.28%
International developed market equities	7.00%
International emerging market equities	8.82%
Core fixed income	0.38%
High-yield fixed income	2.97%
Real estate	3.50%

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plans (continued):

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made as the current contribution rate and that the Town of Portsmouth's contributions will be made as the actuarially determined contribution rates. 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 to Changes in the Discount Rate

The following presents the net pension liability of the Pension System, calculated using the discount rate of 6.75%, as well as what the Pension System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Plan's Net Pension Liability	\$ 51,540,042	\$ 36,921,612	\$ 25,022,398

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

For the year ended June 30, 2021, the Town recognized pension expense of \$4,373,729. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 608,766	\$ 1,045,658
Changes of assumptions	2,397,798	3,949,504
Difference between projected and actual earnings on plan investments	-	6,376,380
Total deferred outflows / (inflows)	<u>\$ 3,006,564</u>	<u>\$ 11,371,542</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plans (continued):

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

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:	
2022	\$ (695,171)
2023	(3,635,897)
2024	(1,555,425)
2025	<u>(2,478,485)</u>
	<u>\$ (8,364,978)</u>

Changes in the Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance as of 7/1/2020	\$ 112,486,446	\$ 55,706,800	\$ 56,779,646
Changes for the year:			
Service cost	1,217,126	-	1,217,126
Interest on total pension liability	7,108,648	-	7,108,648
Change of benefit terms	373,382	-	373,382
Differences between expected and actual experience	(1,568,488)	-	(1,568,488)
Changes in assumptions	(5,924,255)	-	(5,924,255)
Contributions - employer	-	4,918,997	(4,918,997)
Contributions - employee	-	230,102	(230,102)
Net investment income	-	15,952,848	(15,952,848)
Benefit payments	(5,261,905)	(5,261,905)	-
Administrative expense	-	(37,500)	37,500
Net changes	<u>(4,055,492)</u>	<u>15,802,542</u>	<u>(19,858,034)</u>
Balance as of 6/30/2021	<u>\$ 108,430,954</u>	<u>\$ 71,509,342</u>	<u>\$ 36,921,612</u>

(b) Employees' Retirement System - Teachers (ERS)

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 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 employer's payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plans (continued):

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

General Information about the Pension Plan (continued):

Plan Description (continued)

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.

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 2019, 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 10.75% and 14.50% of annual covered payroll for the fiscal year ended June 30, 2020 for the State and Portsmouth School Department, respectively. The Portsmouth School Department contributed \$1,986,464, \$2,624,299, and \$2,460,253 for the fiscal years ended June 30, 2021, 2020 and 2019, 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, 2021

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

At June 30, 2021, the Portsmouth School Department reported a liability of \$31,517,114 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	\$ 31,517,114
State's proportionate share of the net pension liability associated with the Portsmouth School Department	<u>23,417,987</u>
Total net pension liability	<u>\$ 54,935,101</u>

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

The net pension liability was measured as of June 30, 2020, 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, 2019 rolled forward to June 30, 2020. 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, 2020 the Portsmouth School Department's proportion was 0.98644934%.

For the year ended June 30, 2021 the Portsmouth School Department recognized gross pension expense of \$2,364,179 and revenue of \$2,369,928 for support provided by the State. At June 30, 2021 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, 2021

12. Pension Plans (continued):

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

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 308,153	\$ 614,221
Changes of assumptions	1,406,974	734,454
Net difference between projected and actual earnings on pension plan investments	639,861	-
Changes in proportion and differences between System contributions and proportionate share contributions	123,841	1,675,128
Contributions subsequent to the measurement date	1,986,464	-
	\$ 4,465,293	\$ 3,023,803
Net amount of deferred outflows and (inflows) excluding PSD contributions subsequent to measurement date		\$ (544,974)

\$1,986,464 reported as deferred outflows of resources related to pensions resulting from the Portsmouth School Department contributions in fiscal year 2021 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:	
2022	\$ (679,575)
2023	(43,820)
2024	280,168
2025	160,524
2026	(144,880)
Thereafter	(117,391)
	\$ (544,974)

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plans (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, 2019 valuation rolled forward to June 30, 2020 and the calculation of the total pension liability at June 30, 2020 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 39 sources. The June 30, 2020 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
Global equity:		
U.S. equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
Private Growth		
Private Equity	11.25%	9.71%
Non-Core RE	2.25%	5.66%
Opportunistic Private Credit	1.50%	9.71%
Income		
High Yield Infrastructure	1.00%	3.88%
REITS	1.00%	5.66%
Equity Options	2.00%	6.04%
EMD (50/50 Blend)	2.00%	2.28%
Liquid Credit	2.80%	3.88%
Private Credit	3.20%	3.88%
Crisis Protection Class		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Inflation Protection		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Volatility Protection		
IG Corp Credit	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
Total	100.00%	

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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.

1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$ 37,815,551	\$ 31,517,114	\$ 23,915,934

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, 2021

12. Pension Plans (continued):

(c) 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 \$440,810, for the fiscal year ended June 30, 2021.

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>.

(d) 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, 2021

12. Pension Plans (continued):

(d) 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 \$27,374, \$27,381 and \$27,652 for the fiscal years ended June 30, 2021, 2020 and 2019, 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, 2021

12. Pension Plans (continued):

(d) Teachers Survivor Benefits (continued):

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

At June 30, 2021, the Portsmouth School Department reported an asset of \$4,360,405 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, 2020, 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, 2019, rolled forward to 2020. The Portsmouth School Department proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2020 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2020, the Portsmouth School Department proportion was 3.67%.

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

For the year ended June 30, 2021 the Town recognized pension expense of \$(148,083) – an increase in the net pension asset. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 373,979	\$ 929,807
Changes of assumptions	294,212	301,315
Net difference between projected and actual earnings on pension plan investments	212,788	-
Changes in proportion and differences between System contributions and proportionate share contributions	232,372	120,433
Contributions subsequent to the measurement date	27,374	-
	<u>\$ 1,140,725</u>	<u>\$ 1,351,555</u>
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		<u>\$ (238,204)</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plans (continued):

(d) Teachers Survivor Benefits (continued):

\$27,374 reported as deferred outflows of resources related to pensions resulting from the Portsmouth School Department contributions in fiscal year 2021 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:	
2022	\$ (31,659)
2023	57,068
2024	79,246
2025	(19,850)
2026	(115,806)
Thereafter	(207,203)
	<u>\$ (238,204)</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, 2019 valuation and the calculation of the total pension liability at June 30, 2020 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 39 sources. The June 30, 2020 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, 2021

12. Pension Plans (continued):

(d) Teachers Survivor Benefits (continued):

Asset class	Target allocation	Long-term expected real rate of return
Global equity:		
U.S. equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
Private Growth		
Private Equity	11.25%	9.71%
Non-Core RE	2.25%	5.66%
Opportunistic Private Credit	1.50%	9.71%
Income		
High Yield Infrastructure	1.00%	3.88%
REITS	1.00%	5.66%
Equity Options	2.00%	6.04%
EMD (50/50 Blend)	2.00%	2.28%
Liquid Credit	2.80%	3.88%
Private Credit	3.20%	3.88%
Crisis Protection Class		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Inflation Protection		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Volatility Protection		
IG Corp Credit	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
Total	<u>100.00%</u>	

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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plans (continued):

(d) Teachers Survivor Benefits (continued):

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.

1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$ (3,627,006)	\$ (4,360,405)	\$ (5,245,739)

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>.

(e) 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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

13. Pension Plans (continued)

(e) Municipal Employees' Retirement System (MERS) (continued)

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.

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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plans (continued)

(e) Municipal Employees' Retirement System (MERS) (continued)

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.

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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plan (continued)

(e) Municipal Employees' Retirement System (MERS) (continued)

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.

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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plan (continued)

(e) Municipal Employees' Retirement System (MERS) (continued)

Employees covered by benefit terms

At the June 30, 2020 valuation date, the following employees were covered by the benefit terms:

	Fire Department
Retirees and Beneficiaries	0
Inactive, Non-retired Members	0
Active Members	10
Total	10

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 contributed \$332,208 in the year ended June 30, 2020 which was 56.17% of annual covered payroll.

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2019 and rolled forward to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement.

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2020 measurement date (June 30, 2019 valuation rolled forward to June 30, 2020)	
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 - 3.50% 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	A 2.1% COLA is assumed for all MERS units with the COLA provision.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plan (continued)

(e) Municipal Employees' Retirement System (MERS) (continued)

The actuarial assumptions used in the June 30, 2019 valuation rolled forward to June 30, 2020 and the calculation of the total pension liability at June 30, 2020 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 39 sources. The June 30, 2020 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
Global equity:		
U.S. equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
Private Growth		
Private Equity	11.25%	9.71%
Non-Core RE	2.25%	5.66%
Opportunistic Private Credit	1.50%	9.71%
Income		
High Yield Infrastructure	1.00%	3.88%
REITS	1.00%	5.66%
Equity Options	2.00%	6.04%
EMD (50/50 Blend)	2.00%	2.28%
Liquid Credit	2.80%	3.88%
Private Credit	3.20%	3.88%
Crisis Protection Class		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Inflation Protection		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Volatility Protection		
IG Corp Credit	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plan (continued)

(f) Municipal Employees' Retirement System (MERS) (continued)

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.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance as of June 30, 2020	\$ -	\$ -	\$ -
Changes for the year:			
Service cost	398,475	-	398,475
Interest on total pension liability	13,947	-	13,947
Differences between expected and actual experience of the total pension liability	-	-	-
Changes in assumptions	-	-	-
Contributions - employer	-	332,208	(332,208)
Contributions - employee	-	59,139	(59,139)
Net investment income	-	14,813	(14,813)
Benefit payments, including employee refunds	-	-	-
Administrative expense	-	(408)	408
Other changes	-	-	-
Net changes	412,422	405,752	6,670
Balance as of June 30, 2021	\$ 412,422	\$ 405,752	\$ 6,670

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.

Fire Department Plan		
Current		
1% Decrease	Discount Rate	1% Increase
6%	7%	8%
\$ 43,675	\$ 6,670	\$ (37,208)

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plan (continued)

(e) Municipal Employees' Retirement System (MERS) (continued)

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

For the year ended June 30, 2021 the employer recognized pension expense of \$339,782. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ -	\$ -
Difference between expected and actual experience	-	-
Net difference between projected and actual earnings on pension plan investments	-	904
Contributions subsequent to the measurement date	205,474	-
	<u>\$ 205,474</u>	<u>\$ 904</u>
Net amount of deferred outflows and (inflows) excluding contributions subsequent to measurement date		<u>\$ (904)</u>

\$205,474 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:

Year ended June 30:	
2022	\$ (226)
2023	(226)
2024	(226)
2025	(226)
2026	-
	<u>\$ (904)</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

12. Pension Plan (continued)

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.

	<u>ERS Teachers</u>	<u>TSB Teachers</u>	<u>MERS Fire</u>	<u>Town Plan</u>	<u>Total</u>
Net Pension Asset	\$ -	\$ 4,360,405	\$ -	\$ -	\$ 4,360,405
Deferred Outflows of Resources - Pension	4,465,293	1,140,725	205,474	3,006,564	8,818,056
Deferred Inflows of Resources - Pension	3,023,803	1,351,555	904	11,371,542	15,747,804
Net Pension Liability	31,517,114	-	6,670	36,921,612	68,445,396
Pension Expense	<u>3,069,288</u>	<u>(148,083)</u>	<u>339,782</u>	<u>4,373,729</u>	<u>7,634,716</u>
Total	<u>\$ 42,075,498</u>	<u>\$ 6,704,602</u>	<u>\$ 552,830</u>	<u>\$ 55,673,447</u>	<u>\$ 105,006,377</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

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

	Town Pension Trust	OPEB Trust	Total
Assets			
Cash and cash equivalents	\$ 1,010,706	\$ -	\$ 1,010,706
Investments, at fair value			
Mutual funds	70,019,959	2,190,297	72,210,256
Fixed income securities	-	-	-
Due from other funds	-	25,000	25,000
Prepaid expenses	478,677	-	478,677
Total assets	71,509,342	2,215,297	73,724,639
Deferred outflows of resources			
Deferred outflows	-	-	-
Total assets and deferred outflows of resources	71,509,342	2,215,297	73,724,639
Liabilities			
Due to other funds	-	-	-
Total liabilities	-	-	-
Deferred inflows of resources			
Unearned revenue	-	-	-
Total deferred inflows of resources	-	-	-
Net Position			
Restricted for pension	71,509,342	-	71,509,342
Restricted for OPEB	-	2,215,297	2,215,297
Total net position	71,509,342	2,215,297	73,724,639
Total liabilities and net position	\$ 71,509,342	\$ 2,215,297	\$ 73,724,639

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

Statement of Changes in Fiduciary Net Position

	<u>Town Pension Trust</u>	<u>OPEB Trust</u>	<u>Total</u>
Additions			
Employer contributions	\$ 4,918,997	1,128,098	\$ 6,047,095
Plan member contributions	230,102	61,988	292,090
Net investment income	<u>15,952,848</u>	<u>426,601</u>	<u>16,379,449</u>
Total additions	<u>21,101,947</u>	<u>1,616,687</u>	<u>22,718,634</u>
Deductions			
Benefits paid	5,261,905	998,793	6,260,698
Administrative expenses	<u>37,500</u>	<u>6,739</u>	<u>44,239</u>
Total deductions	<u>5,299,405</u>	<u>1,005,532</u>	<u>6,304,937</u>
Changes in net position held in trust for individuals, organizations, and other governments	15,802,542	611,155	16,413,697
Net position, July 1, 2020	<u>55,706,800</u>	<u>1,604,142</u>	<u>57,310,942</u>
Net position, June 30, 2021	<u><u>\$ 71,509,342</u></u>	<u><u>\$ 2,215,297</u></u>	<u><u>\$ 73,724,639</u></u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

14. 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.

15. 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 \$2,009,632 for the year ended June 30, 2021. Estimated costs to be incurred over the remaining 5-year life of this contract is approximately \$12,837,78. At June 30, 2021 the Town (including the School Department) had a contract with Aramark Management Services through fiscal year 2024 for purposes of facilities management.

16. Tax Abatements

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

map/lot	Address	State Code	Original AV	Exemption	Post Exemption	Tax Rate	Amt Tax Credit	Year Started
61-3A	AMH PROPERTIES LLC	66	\$ 548,600	\$236,460	\$ 312,140	15.305	\$3,619	2019

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2021

17. Restatement

For fiscal year 2021, the Town made prior period adjustments to the general fund and warrant 12-13 fund. Additionally, the Town implemented GASB Statement No. 84 as described in the accounting pronouncements, which requires the restatement of June 30, 2020.

	Major General Fund	Major Warrant 12 - 13	Custodial Funds	Governmental Funds
Beginning balance, July 1, 2020	\$9,367,374	\$(1,792,252)	\$ -	\$ 13,350,462
Entry to reconcile a variance in prior year recording	93,480	-	-	93,480
Entry to record a transfer that should have been made to the Warrant 12-13 in fiscal year 18 and 19	-	100,000	-	100,000
GASB Statement No. 84 Implementation	-	-	1,163,373	-
Beginning balance, July 1, 2020, restated	<u>\$9,460,854</u>	<u>\$(1,692,252)</u>	<u>\$1,163,373</u>	<u>\$ 13,543,942</u>

18. Subsequent Events

Management reviewed subsequent events through the report date of December 31, 2021. No material events have occurred that require disclosures.

During FY 21 the General fund had a surplus of \$321,816, a transfer of \$160,980 was made on December 28th to the Warrant 12-13. This transfer was made due to the Town approval of using ½ of the surplus from the general fund until the Warrant 12-13 is liquidated. Transfers for prior years were made prior to year-end close in the amount of \$349,082.

On March 9, 2020 the governor of the State of Rhode Island declared a State of Emergency in response to limit the spread of COVID-19 Coronavirus, which the World Health Organization characterized as being a pandemic. As a result of the spread of COVID-19, there is considerable uncertainty around the duration of the pandemic accordingly, the financial impact related to State funding and other revenues and other potential financial impacts cannot be reasonably estimated at this time. Management is carefully monitoring the situation.

Required Supplementary Information Section

Town of Portsmouth, Rhode Island

Required Supplementary Information

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2021

	Budget Amounts		Actual	Variance
	Original	Final	Amounts (Budgetary Basis)	Over (Under)
Revenues:				
Property taxes				
Current collections	\$ 56,140,015	\$ 56,140,015	\$ 57,157,032	\$ 1,017,017
Prior year collections	1,300,000	1,300,000	1,085,203	(214,797)
Prorated collections	55,000	55,000	58,322	3,322
PILOT - housing authority	10,000	10,000	11,000	1,000
School housing aid	552,754	552,754	593,006	40,252
Hotel and meal	332,650	332,650	277,479	(55,171)
Public service corporation	220,104	220,104	2,487	(217,617)
MV excise tax	671,814	671,814	233,872	(437,942)
School Aid	3,846,384	3,846,384	4,039,087	192,703
State library	116,067	116,067	116,092	25
Fees and licenses	2,991,650	2,991,650	3,236,816	245,166
Leases and rentals	224,040	224,040	226,872	2,832
Total revenues	66,460,478	66,460,478	67,037,267	576,789
Expenditures:				
Town council	11,366	11,366	12,097	731
Town administration	309,725	309,725	343,910	34,185
Town clerk	366,925	366,925	405,166	38,241
Canvassing	268,760	268,760	276,429	7,669
Information technology	215,667	215,667	202,157	(13,510)
Human resources	2,137,231	2,137,231	2,370,265	233,034
Contingency	255,926	255,926	255,926	-
Finance	808,989	808,989	846,080	37,091
Legal	388,690	388,690	206,599	(182,091)
Tax assessor / collector	531,201	531,201	714,020	182,819
Economic development	42,532	42,532	38,371	(4,161)
Police	6,886,605	6,886,605	6,407,249	(479,356)
Animal control	119,393	119,393	115,142	(4,251)
Harbormaster	104,318	104,318	93,661	(10,657)
Fire	6,932,581	6,932,581	6,695,503	(237,078)
Public works	3,917,610	3,917,610	3,802,465	(115,145)
Building inspection	344,015	344,015	352,417	8,402
Planning	375,773	375,773	343,741	(32,032)
Board and committees	37,642	37,642	33,276	(4,366)
Recreation / beach	208,411	208,411	195,392	(13,019)
Glen park	8,200	8,200	9,746	1,546
Melville park	13,950	13,950	3,160	(10,790)
Civic support	727,832	727,832	727,832	-
Library	116,092	116,092	116,092	-
Prudence island vol. fire dept.	184,302	184,302	184,302	-
Debt service	2,595,556	2,595,556	2,599,517	3,961
Total expenditures	27,909,292	27,909,292	27,350,515	558,777

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, 2021

	Budget Amounts		Actual Amounts (Budgetary Basis)	Variance Over (Under)
	Original	Final		
Excess (deficiency) of revenues over expenditures	38,551,186	38,551,186	39,686,753	1,135,567
Other financing sources and (uses):				
State aid	(3,845,864)	(3,845,864)	(4,039,087)	(193,223)
School local appropriation	(34,570,875)	(34,570,875)	(34,570,875)	-
School capital	(200,000)	(200,000)	(200,000)	-
Transfer from other funds	147,493	147,493	241,290	93,797
Transfer to other funds	(81,940)	(81,940)	(408,847)	(326,907)
Wind Turbine bad debt	-	-	(387,418)	(387,418)
Total other financing sources and uses	(38,551,186)	(38,551,186)	(39,364,937)	(813,751)
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	<u>\$ -</u>	<u>\$ -</u>	321,816	<u>\$ 321,816</u>
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			<u>321,816</u>	
Fund balance, beginning of year restated			<u>9,460,854</u>	
Fund balance, end of year			<u>\$ 9,782,670</u>	

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, 2021

	Original Budget		Actual	Variance Over (Under)
	Original Budget	Final Budget		
Revenues				
State aid for education	\$ 3,330,709	\$ 3,330,709	\$ 3,318,299	\$ (12,410)
State aid: group home aid	515,155	515,155	617,155	102,000
Impact aid	230,000	230,000	239,314	9,314
Tuition - Little Compton / individuals	1,598,059	1,598,059	1,414,614	(183,445)
Medicaid	260,000	260,000	146,300	(113,700)
Miscellaneous	35,000	35,000	12,038	(22,962)
Total revenues	5,968,923	5,968,923	5,747,720	(221,203)
Expenditures				
Salaries	23,616,606	23,616,606	23,714,553	97,947
Employee benefits	8,552,269	8,552,269	8,515,832	(36,437)
Purchased services	6,291,900	6,291,900	5,689,115	(602,785)
Supplies and materials	1,244,315	1,244,315	1,208,687	(35,628)
Other	89,379	89,379	59,176	(30,203)
Capital outlay	737,330	737,329	733,182	(4,147)
Total expenditures	40,531,799	40,531,799	39,920,545	(611,253)
Excess of expenditures over revenues, budgetary basis	(34,562,876)	(34,562,876)	(34,172,825)	390,050
Other financing sources (uses)				
Appropriation from Town's general fund	34,570,876	34,570,876	34,570,876	-
Transfer to other funds	(8,000)	(8,000)	(716,353)	(708,353)
Total other financing sources (uses)	34,562,876	34,562,876	33,854,523	(708,353)
Excess of revenues and other financing sources over expenditures and other financing uses, budgetary basis	\$ -	\$ -	(318,303)	\$ (318,303)
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			(318,303)	
Fund balance, beginning of year			1,668,202	
Fund balance, end of year			\$ 1,349,899	

See independent auditor's report

Town of Portsmouth, Rhode Island

Required Supplementary Information

Notes to Required Supplementary Information – Budgetary Comparison

For the Year Ended June 30, 2021

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, 2021, 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 no differences between budgetary basis and GAAP basis of accounting for the Town's General Fund for the year ended June 30, 2021. There were differences between the budgetary basis and GAAP Basis of accounting for the School Unrestricted Fund for the year ended June 30, 2021.

See independent auditor's report

Town of Portsmouth, Rhode Island

Required Supplementary Information

Combining General Fund and School Unrestricted Statements of Revenue, Expenditures and Changes in
Fund Balance

For the Year Ended June 30, 2021

	<u>School Unrestricted</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (budgetary basis)	\$ (318,303)
State contribution to teachers' pension plan revenue on behalf	(1,986,465)
State contribution to teacher's pension plan expense on behalf	<u>1,986,465</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ (318,303)</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>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	0.98644934%	0.98554032%	0.98734301%	0.99184793%	1.06672268%	1.05741609%	1.17765085%
Employer's proportionate share of the net pension liability	\$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>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>\$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	\$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	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	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

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,986,464	\$ 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	1,986,464	2,624,299	2,460,253	2,318,997	2,273,897	2,406,202	2,304,139
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$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	10.75%	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

	<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 asset	3.67%	3.59%	3.59%	3.64%	3.83%	3.78%	3.91%
Employer's proportionate share of the net pension asset	\$ 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	\$ 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	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	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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily determined contribution	\$ 27,374	\$ 27,381	\$ 27,652	\$ 26,703	\$ 21,486	\$ 24,622	\$ 22,815
Contributions in relation to the statutorily determined contribution	<u>27,374</u>	<u>27,381</u>	<u>27,652</u>	<u>26,703</u>	<u>21,486</u>	<u>24,622</u>	<u>22,815</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 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%	0.12%	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

	<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2015</u>	<u>Year Ended June 30, 2014</u>
A. Total pension liability							
1. Service Cost	\$ 398,475	N/A	N/A	N/A	N/A	N/A	N/A
2. Interest on the Total Pension Liability	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	-	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	412,422	-	-	-	-	-	-
8. Total pension liability – beginning	-	N/A	N/A	N/A	N/A	N/A	N/A
9. Total pension liability – ending (a)	<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. Plan fiduciary net position							
1. Contributions – employer	332,208	N/A	N/A	N/A	N/A	N/A	N/A
2. Contributions – employee	59,139	N/A	N/A	N/A	N/A	N/A	N/A
3. Net investment income	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	(408)	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
7. Net change in plan fiduciary net position	405,752	N/A	N/A	N/A	N/A	N/A	N/A
8. Plan fiduciary net position – beginning	-	N/A	N/A	N/A	N/A	N/A	N/A
9. Plan fiduciary net position – ending (b)	<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>
C. Net pension liability - ending (a) - (b)	\$ 6,670	N/A	N/A	N/A	N/A	N/A	N/A
D. Plan fiduciary net position as a percentage of the total pension liability	98.38%	N/A	N/A	N/A	N/A	N/A	N/A
E. Covered payroll	\$ 591,394	N/A	N/A	N/A	N/A	N/A	N/A
F. Net pension liability as a percentage of covered payroll	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

	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
Actuarially determined contribution	\$ 205,474	\$ 332,208	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the actuarially determined contribution	205,474	332,208	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,030,904	\$ 591,394	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	19.93%	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 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 Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, 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

Notes to State ERS, TSB and MERS Plans

For the Year Ended June 30, 2021

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, 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, 2021

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:

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, 2021

- 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.
- 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, 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>
Total pension liability								
Service cost	\$ 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	7,108,648	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	(1,568,488)	682,436	1,525,148	1,978,473	-	1,024,895	1,229,633	2,000,989
Changes in assumptions	(5,924,255)	5,424,302	2,358,787	487,587	-	-	2,343,849	(203,891)
Changes of benefit terms	373,382	-	-	(15,093)	-	1,122,120	-	(879,278)
Benefit payments, including refunds of participant contributions	(5,261,905)	(5,591,756)	(5,640,660)	(4,675,839)	(3,917,789)	(4,353,001)	(3,727,333)	(3,417,068)
Net change in total pension liability	<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>
Total pension liability - beginning	<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>
Total pension liability - ending	<u><u>\$ 108,430,954</u></u>	<u><u>\$ 112,486,446</u></u>	<u><u>\$ 103,976,616</u></u>	<u><u>\$ 98,072,246</u></u>	<u><u>\$ 92,748,476</u></u>	<u><u>\$ 89,361,468</u></u>	<u><u>\$ 84,662,311</u></u>	<u><u>\$ 78,330,009</u></u>
Pension fiduciary net position								
Contributions - employer	\$ 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	230,102	246,659	271,175	301,399	334,211	347,245	348,380	388,692
Net investment income	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	(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	(37,500)	-	(36,000)	(46,104)	(33,000)	(45,000)	(30,000)	(61,112)
Net change in plan fiduciary net position	<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>
Plan fiduciary net position - beginning	<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>
Plan fiduciary net position - ending	<u><u>\$ 71,509,342</u></u>	<u><u>\$ 55,706,800</u></u>	<u><u>\$ 57,341,324</u></u>	<u><u>\$ 56,716,068</u></u>	<u><u>\$ 52,916,280</u></u>	<u><u>\$ 46,929,737</u></u>	<u><u>\$ 47,752,905</u></u>	<u><u>\$ 46,829,397</u></u>
Town's net pension liability (asset) - ending	<u><u>\$ 36,921,612</u></u>	<u><u>\$ 56,779,646</u></u>	<u><u>\$ 46,635,292</u></u>	<u><u>\$ 41,356,178</u></u>	<u><u>\$ 39,832,196</u></u>	<u><u>\$ 42,431,731</u></u>	<u><u>\$ 36,909,406</u></u>	<u><u>\$ 31,500,612</u></u>

*Schedule is intended to show information for ten years – additional years will be displayed as they become available.

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability	\$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	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)	<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>
Plan fiduciary net position as a percentage of the total pension liability	65.95%	49.52%	55.15%	57.83%	57.05%	52.52%	56.40%	59.78%
Covered payroll	\$ 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	631.81%	782.09%	601.74%	528.84%	476.68%	525.57%	463.15%	401.93%

*Schedule is intended to show information for ten years – additional years will be displayed as they become available

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

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$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	4,918,997	4,484,385	4,324,436	4,322,591	3,955,207	3,623,290	4,054,721	2,792,576
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (106,067)	\$ 884,624
Covered payroll	\$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	84.18%	61.77%	55.80%	55.28%	47.33%	44.88%	50.88%	35.63%

*Schedule is intended to show information for ten years – additional years will be displayed as they become available

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, 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	28.64%	-1.35%	3.04%	7.37%	12.03%	-0.83%	0.59%	15.52%

*Schedule is intended to show information for ten years – additional years will be displayed as they become available

Notes to the Schedules:

Valuation Date:	Actuarially determined contribution for 2021 was determined with the July 1, 2019 actuarial valuation.
Actuarial cost method	Entry age normal cost method
Amortization method	Level dollar closed
Remaining amortization period	21 years from July 1, 2019.
Asset valuation method	Market value of assets as reported by the Town less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual and expected return on a market value basis, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.

Actuarial Assumptions:

Investment rate of return	6.75%
Discount rate	6.75%
Wage inflation rate	2.75%
Projected salary increases	3.5% per year
Cost of living adjustments	Cost-of-living increases for pensioners whose COLAs were based in 50% of the percentage salary increase received the previous July 1 by the active bargaining unit from which the employee retired or whose COLAs were based on the annual CPI adjustment are assumed to be 2% annually. Cost-of-living increases for all other pensioners were provided by the Town.

Mortality Rates:

Pre-Retirement: RP-2006 white collar employee mortality table projected generationally using Scale MP-2019.
 Healthy-Retirement: RP-2006 white collar healthy annuitant mortality table projected generationally using Scale MP-2019.
 Disable Retirement: RP-2006 white collar healthy annuitant mortality table set 5 years and projected generationally using Scale MP-2019.

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

	<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>
Total OPEB liability					
Service cost	\$ 789,052	\$ 685,689	\$ 782,916	\$ 887,744	\$ 826,446
Interest on net OPEB liability and service cost	597,862	740,008	807,833	825,756	564,081
Change of benefit terms	-	-	-	(8,005)	-
Differences between actual and expected experience	477,405	(1,273,550)	(966,904)	(2,179,438)	2,651,611
Changes of assumptions	1,954,574	1,517,261	35,933	(607,184)	(335,511)
Benefit payments, including refunds	(998,793)	(1,027,477)	(1,034,008)	(1,019,210)	(890,092)
Net change in total OPEB liability	2,820,100	641,931	(374,230)	(2,100,337)	2,816,535
Total OPEB liability - beginning	20,042,158	19,400,227	19,774,457	21,874,794	19,058,259
Total OPEB liability - ending	<u>\$ 22,862,258</u>	<u>\$ 20,042,158</u>	<u>\$ 19,400,227</u>	<u>\$ 19,774,457</u>	<u>\$ 21,874,794</u>
OPEB fiduciary net position					
Benefit payments, including refunds	\$ (998,793)	\$ (1,027,477)	\$ (1,034,008)	\$ (1,019,210)	\$ (890,092)
Trust administrative expenses	(6,739)	(5,000)	(14,515)	(10,486)	(458)
Contributions - employer	1,128,104	1,052,477	1,059,008	1,069,210	1,169,270
Contribution - active employees	61,988	58,601	53,312	53,958	55,310
Net investment income	426,595	65,540	85,681	101,350	90,454
Net change in plan fiduciary net position	611,155	144,141	149,478	194,822	424,484
Plan fiduciary net position - beginning	1,604,142	1,460,001	1,310,523	1,115,701	691,217
Plan fiduciary net position - ending	<u>\$ 2,215,297</u>	<u>\$ 1,604,142</u>	<u>\$ 1,460,001</u>	<u>\$ 1,310,523</u>	<u>\$ 1,115,701</u>
Plan's net pension liability - ending	<u>\$ 20,646,961</u>	<u>\$ 18,438,016</u>	<u>\$ 17,940,226</u>	<u>\$ 18,463,934</u>	<u>\$ 20,759,093</u>

* Fifth year of implementation of GASB 74/75, therefore only five 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

Actuarial Valuation Date	Fiduciary Net Position	Total OPEB Liability (TOL)	Net OPEB Liability (NOL)	Funded Ratio	Covered Payroll	NOL as a % of Covered Payroll
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%

* Fifth year of implementation of GASB 74/75, only five 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

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Actuarial determined contribution	\$ 1,522,495	\$ 1,586,153	\$ 1,695,662	\$ 1,629,782	\$ 1,739,943
Contributions in relation to the actuarially determined contribution	<u>1,128,104</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>\$ 394,391</u>	<u>\$ 533,676</u>	<u>\$ 636,654</u>	<u>\$ 560,572</u>	<u>\$ 570,673</u>
Covered payroll	\$ 8,987,551	\$ 7,902,464	\$ 7,635,231	\$ 7,441,122	\$ 7,189,490
Contributions as a percentage of covered payroll	12.55%	13.32%	13.87%	14.37%	16.26%

* Fifth year of implementation of GASB 74/75, therefore only five 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

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Annual money-weighted rate of return, net of investment expense	26.17%	6.46%	7.33%	8.80%	5.50%

* Fifth year of implementation of GASB 74/75, therefore only five years of the ten required data is available.

Notes to Required Supplementary Information:

Valuation Date:	Actuarially Determined Contribution was calculated as of June 30, 2021
Actuarial Cost Method:	Entry Age Normal Level % of salary method where: <ul style="list-style-type: none"> • Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and • Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to Payroll Growth.
Asset-Valuation Method:	Market Value of Assets as of the Measurement Date, June 30, 2021
Actuarial Assumptions:	
Investment Rate of Return:	5.00%, net of OPEB plan investment expense
Medical inflation	For medical/rx benefits, the trend rates have been reset to an initial rate of 8.00% decreasing by 0.50% annually to an ultimate rate of 4.50%
Inflation:	2.50% as of June 30, 2021 and for future periods
Salary Increases:	3.50% annually as of July 1, 2021 and for future periods
Pre-Retirement Mortality:	SOA Pub-2010 Mortality Table fully generational using Scale MP-2019.
Assumed rate of retirement:	40% for 20 or more years of service, 5% for 21-22 years of service, 25% for 23-24 years of service and 100% for 25+ years of service.
Marriage assumptions	80% of males and 80% of females assumed to be married with wives to be three years younger than their husbands
Changes in Assumptions:	Effective June 30, 2021 <ul style="list-style-type: none"> • Discount rate is 2.50% previously 2.94%

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, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Total OPEB liability					
Service cost	\$ 70,573	\$ 61,389	\$ 83,679	\$ 86,311	\$ 98,924
Interest on net OPEB liability and service cost	79,481	104,155	130,322	137,405	111,824
Change of benefit terms	-	-	-	22,101	-
Differences between actual and expected experience	383,759	(161,761)	(545,866)	(350,776)	222,319
Changes of assumptions	217,162	194,887	176,668	(85,586)	(139,055)
Benefit payments, including refunds	<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	556,549	18,915	(419,727)	(523,632)	(73,653)
Total OPEB liability - beginning	<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>\$ 3,570,560</u>	<u>\$ 3,014,011</u>	<u>\$ 2,995,096</u>	<u>\$ 3,414,823</u>	<u>\$ 3,938,455</u>
OPEB fiduciary net position					
Benefit payments, including refunds	\$ (194,426)	\$ (179,755)	\$ (264,530)	\$ (333,087)	\$ (367,665)
Contributions - employer	194,426	179,755	264,530	333,087	367,665
Net investment income	<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>
Plan fiduciary net position - ending	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan's net pension liability - ending	<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>

* Fifth year of implementation of GASB 75, therefore only five 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

Net OPEB Liability and Related Ratios

Last 10 Years

Actuarial Valuation Date	Fiduciary Net Position	Total OPEB Liability (TOL)	Net OPEB Liability (NOL)	Funded Ratio	Covered Payroll	NOL as a % of Covered Payroll
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%

* Fifth year of implementation of GASB 75, only five 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

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Actuarial determined contribution	\$ 194,426	\$ 179,755	\$ 264,530	\$ 333,087	\$ 367,665
Contributions in relation to the actuarially determined contribution	194,426	179,755	264,530	333,087	367,665
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
 Covered payroll	 \$ 19,698,136	 \$ 18,850,532	 \$ 18,518,146	 \$ 19,626,791	 \$ 18,963,083
 Contributions as a percentage of covered payroll	 0.99%	 0.95%	 1.43%	 1.70%	 1.94%

* Fifth year of implementation of GASB 75, therefore only five years of the ten required data is available.

Notes to Required Supplementary Information:

Valuation Date: Actuarially Determined Contribution was calculated as of June 30, 2021
 Actuarial Cost Method: Entry Age Normal Actuarial Cost Method

Actuarial Assumptions:

Investment Rate of Return: 2.19%, net of OPEB plan investment expense
 Medical inflation: 8.00% trending to an ultimate rate of 4.50%
 Inflation: 3.00% per year
 Salary Increases: 3.00% annually as of June 30, 2021 and for future periods
 Pre-Retirement Mortality: Certified Teacher Participants: SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generationally using Scale MP-2021
 All Other Participants: SOA Pub - 2010 General Headcount Weighted Mortality Table fully generationally using Scale MP-2021
 Assumed rate of retirement: Annular rates of retirement by group (AFSCME, Teachers & Admin) are based on historical experience from 2010 through 2016:
 AFSCME: Ages 55 through 64 ranges from 5% - 35%
 Ages 65+ ranges from 50% - 100%
 Teachers & Admin: Ages 55 through 64 ranges from 15% - 40%
 Ages 65+ ranges from 50% - 100%
 Marriage assumptions: 70% of employees are assumed to be married at retirement. Husbands are assumed to be three years older than wives.

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, 2021

	Town Special Revenue	School Special Revenue	Town Capital Projects	School Capital Projects	Permanent Trust Funds	Total Non-Major Funds
Assets						
Cash and cash equivalent	\$ 475,335	\$ -	\$ 6	\$ -	\$ 161,567	\$ 636,908
Investment	-	-	-	-	76,128	76,128
Due from other governments	-	277,482	-	-	-	277,482
Due from other funds	763,493	488,310	341,345	845,641	10,769	2,449,558
Other receivables, net	76,257	10,011	-	-	-	86,268
Total assets	<u>1,315,085</u>	<u>775,803</u>	<u>341,351</u>	<u>845,641</u>	<u>248,464</u>	<u>3,526,344</u>
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>1,315,085</u>	<u>775,803</u>	<u>341,351</u>	<u>845,641</u>	<u>248,464</u>	<u>3,526,344</u>
Liabilities						
Accounts payable	9,709	49,389	-	134,149	-	193,247
Accrued expenses	-	8,488	-	-	-	8,488
Due to other funds	81,459	188,954	24,770	-	80	295,263
Total liabilities	<u>91,168</u>	<u>246,831</u>	<u>24,770</u>	<u>134,149</u>	<u>80</u>	<u>496,998</u>
Deferred inflows of resources						
Deferred revenue	-	16,125	-	-	-	16,125
Total deferred inflows of resources	-	16,125	-	-	-	16,125
Fund balance						
Nonspendable	-	-	-	-	167,452	167,452
Restricted	1,102,287	512,847	-	711,492	80,932	2,407,558
Committed	-	-	341,351	-	-	341,351
Unassigned	121,630	-	(24,770)	-	-	96,860
Total fund balance	<u>1,223,917</u>	<u>512,847</u>	<u>316,581</u>	<u>711,492</u>	<u>248,384</u>	<u>3,013,221</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,315,085</u>	<u>\$ 775,803</u>	<u>\$ 341,351</u>	<u>\$ 845,641</u>	<u>\$ 248,464</u>	<u>\$ 3,526,344</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 Statement of Revenue, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2021

	Town Special Revenue	School Special Revenue	Town Capital Projects	School Capital Projects	Permanent Trust Funds	Total Non Major Funds
Revenues						
Federal and state grants	\$ 1,401,939	\$ 1,800,567	\$ -	\$ -	\$ -	\$ 3,202,506
Charges for services	247,452	4,045	-	-	-	251,497
Interest and investment income	179	-	-	-	77,987	78,166
Other revenues	278,329	-	-	-	-	278,329
Total revenue	1,927,899	1,804,612	-	-	77,987	3,810,498
Expenditures						
General government	825,614	-	-	19,575	-	845,189
Public safety	446,134	-	-	-	-	446,134
Public works	10,720	-	-	-	-	10,720
Public and social services	154,365	-	-	-	-	154,365
Parks and recreation	14,932	-	-	-	-	14,932
Education	-	2,373,820	-	104,002	-	2,477,822
Capital	-	14,087	47,414	172,924	-	234,425
Total Expenditures	1,451,765	2,387,907	47,414	296,501	-	4,183,587
Excess (deficiency) of revenues over expenditures	476,134	(583,295)	(47,414)	(296,501)	77,987	(373,089)
Other financing sources (uses)						
Transfers in	7,790	720,155	67,303	-	-	795,248
Transfers out	(184,127)	(4,036)	(1,371)	-	-	(189,534)
Total other financing sources (uses)	(176,337)	716,119	65,932	-	-	605,714
Net change in fund balance	299,797	132,824	18,518	(296,501)	77,987	232,625
Fund balance, July 1, 2020 restated	924,120	380,023	298,063	1,007,993	170,397	2,780,596
Fund balance, June 30, 2021	\$ 1,223,917	\$ 512,847	\$ 316,581	\$ 711,492	\$ 248,384	\$ 3,013,221

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, 2021

	NHTSA	SAFER Grant	Fire Boat	Covid Food Bank	Town Wide Contingency	Energy Efficiency - Nat'l Grid	Accident Reconstruction
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	4,739	6,006	182,804	16,950	-
Other receivables, net	16,395	24,129	-	-	17,921	-	-
Total assets	<u>16,395</u>	<u>24,129</u>	<u>4,739</u>	<u>6,006</u>	<u>200,725</u>	<u>16,950</u>	<u>-</u>
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>16,395</u>	<u>24,129</u>	<u>4,739</u>	<u>6,006</u>	<u>200,725</u>	<u>16,950</u>	<u>-</u>
Liabilities							
Accounts payable	-	2,031	94	-	-	-	-
Due to other funds	12,104	23,825	-	-	-	-	-
Total liabilities	<u>12,104</u>	<u>25,856</u>	<u>94</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources							
Deferred revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund balance							
Restricted	4,291	-	-	6,006	200,725	16,950	-
Unassigned	-	(1,727)	4,645	-	-	-	-
Total fund balance	<u>4,291</u>	<u>(1,727)</u>	<u>4,645</u>	<u>6,006</u>	<u>200,725</u>	<u>16,950</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 16,395</u>	<u>\$ 24,129</u>	<u>\$ 4,739</u>	<u>\$ 6,006</u>	<u>\$ 200,725</u>	<u>\$ 16,950</u>	<u>\$ -</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, 2021

	Covid - Take It Outside	Enbridge Smoke Alarm	Police Misc. Restricted	NCPC Compliance Check	Portsmouth Pre Coalition	CDBG	CDBG - Disaster Recovery	Bullet Proof Vest Grant
Assets								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	7,500	2,708	-	3,585	-	-	-
Other receivables, net	-	-	-	959	-	-	-	-
Total assets	-	7,500	2,708	959	3,585	-	-	-
Deferred outflows of resources								
Deferred outflows	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	-	7,500	2,708	959	3,585	-	-	-
Liabilities								
Accounts payable	-	-	2,708	70	12	-	-	-
Due to other funds	-	-	-	1,691	-	-	-	-
Total liabilities	-	-	2,708	1,761	12	-	-	-
Deferred inflows of resources								
Unearned revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balance								
Restricted	-	-	-	-	3,573	-	-	-
Unassigned	-	7,500	-	(802)	-	-	-	-
Total fund balance	-	7,500	-	(802)	3,573	-	-	-
Total liabilities, deferred inflows of resources and fund balance	\$ -	\$ 7,500	\$ 2,708	\$ 959	\$ 3,585	\$ -	\$ -	\$ -

See independent auditor's report

Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

June 30, 2021

	Evidence Fund - (Non Narcotic)	Police Buela Jr. Bequest	EDC Workshop	EMW SHSP Heavy Rescue Squad	RIEMA EMPG	AFG	Bench Program	Impact Fees School
Assets								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 465,470
Due from other funds	3,155	74	138	3,249	3,005	-	2,657	-
Other receivables, net	-	-	-	-	-	-	-	-
Total assets	<u>3,155</u>	<u>74</u>	<u>138</u>	<u>3,249</u>	<u>3,005</u>	<u>-</u>	<u>2,657</u>	<u>465,470</u>
Deferred outflows of resources								
Deferred outflows	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>3,155</u>	<u>74</u>	<u>138</u>	<u>3,249</u>	<u>3,005</u>	<u>-</u>	<u>2,657</u>	<u>465,470</u>
Liabilities								
Accounts payable	-	-	-	70	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	40,461
Total liabilities	-	-	-	70	-	-	-	40,461
Deferred inflows of resources								
Unearned revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balance								
Restricted	3,155	74	138	3,179	3,005	-	2,657	425,009
Unassigned	-	-	-	-	-	-	-	-
Total fund balance	<u>3,155</u>	<u>74</u>	<u>138</u>	<u>3,179</u>	<u>3,005</u>	<u>-</u>	<u>2,657</u>	<u>425,009</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 3,155</u>	<u>\$ 74</u>	<u>\$ 138</u>	<u>\$ 3,249</u>	<u>\$ 3,005</u>	<u>\$ -</u>	<u>\$ 2,657</u>	<u>\$ 465,470</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, 2021

	New Police Station	RIEMA - PDM	Town Commons	RIDEM Recreation Grant	Hazardous Materials Mitigation	Marine Salvage Ops	Fire Mitigation	AIPC West Side Project
Assets								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	3,884	-	289	200	17,874	-	4,114	20,000
Other receivables, net	-	-	-	-	-	-	-	-
Total assets	<u>3,884</u>	<u>-</u>	<u>289</u>	<u>200</u>	<u>17,874</u>	<u>-</u>	<u>4,114</u>	<u>20,000</u>
Deferred outflows of resources								
Deferred outflows	-	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>3,884</u>	<u>-</u>	<u>289</u>	<u>200</u>	<u>17,874</u>	<u>-</u>	<u>4,114</u>	<u>20,000</u>
Liabilities								
Accounts payable	-	-	-	-	94	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources								
Unearned revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance								
Restricted	3,884	-	289	200	17,780	-	4,114	-
Unassigned	-	-	-	-	-	-	-	20,000
Total fund balance	<u>3,884</u>	<u>-</u>	<u>289</u>	<u>200</u>	<u>17,780</u>	<u>-</u>	<u>4,114</u>	<u>20,000</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 3,884</u>	<u>\$ -</u>	<u>\$ 289</u>	<u>\$ 200</u>	<u>\$ 17,874</u>	<u>\$ -</u>	<u>\$ 4,114</u>	<u>\$ 20,000</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, 2021

	Explorer Program	Fire Alarm Maintenance	Fire Plan Review	Historical Records	Joan Haskins Memorial	Veterans Wall	Fed Equitable Sharing	Melville Recreation
Assets								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,100	\$ -	\$ -
Due from other funds	1,266	67,778	23,370	44,881	3,715	-	2,425	942
Other receivables, net	-	-	-	-	-	-	-	-
Total assets	<u>1,266</u>	<u>67,778</u>	<u>23,370</u>	<u>44,881</u>	<u>3,715</u>	<u>2,100</u>	<u>2,425</u>	<u>942</u>
Deferred outflows of resources								
Deferred outflows	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>1,266</u>	<u>67,778</u>	<u>23,370</u>	<u>44,881</u>	<u>3,715</u>	<u>2,100</u>	<u>2,425</u>	<u>942</u>
Liabilities								
Accounts payable	-	-	76	-	-	-	-	-
Due to other funds	-	-	-	-	-	180	-	-
Total liabilities	-	-	<u>76</u>	-	-	<u>180</u>	-	-
Deferred inflows of resources								
Unearned revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balance								
Restricted	1,266	-	-	44,881	3,715	1,920	2,425	-
Unassigned	-	67,778	23,294	-	-	-	-	942
Total fund balance	<u>1,266</u>	<u>67,778</u>	<u>23,294</u>	<u>44,881</u>	<u>3,715</u>	<u>1,920</u>	<u>2,425</u>	<u>942</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,266</u>	<u>\$ 67,778</u>	<u>\$ 23,370</u>	<u>\$ 44,881</u>	<u>\$ 3,715</u>	<u>\$ 2,100</u>	<u>\$ 2,425</u>	<u>\$ 942</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, 2021

	NARC Forfeiture (PPD & A/G Holding)	ICAC	FDA - Tobacco Survey	Dog Park Fund	COPS SRO	Tank Farm	Marshall Service	Tech Upgrade & Document Preservation
Assets								
Cash and cash equivalents	\$ 3,532	\$ -	\$ -	\$ 4,233	\$ -	\$ -	\$ -	\$ -
Due from other funds	1,861	-	506	-	-	26,077	-	135,527
Other receivables, net	-	706	-	-	-	-	647	-
Total assets	5,393	706	506	4,233	-	26,077	647	135,527
Deferred outflows of resources								
Deferred outflows	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	5,393	706	506	4,233	-	26,077	647	135,527
Liabilities								
Accounts payable	3,534	-	-	-	-	-	-	-
Due to other funds	-	706	-	2,492	-	-	-	-
Total liabilities	3,534	706	-	2,492	-	-	-	-
Deferred inflows of resources								
Unearned revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balance								
Restricted	1,859	-	506	1,741	-	26,077	647	135,527
Unassigned	-	-	-	-	-	-	-	-
Total fund balance	1,859	-	506	1,741	-	26,077	647	135,527
Total liabilities, deferred inflows of resources and fund balance	\$ 5,393	\$ 706	\$ 506	\$ 4,233	\$ -	\$ 26,077	\$ 647	\$ 135,527

See independent auditor's report

Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

June 30, 2021

	Tobacco Survey/Checks	Glen Farm Donation	Fire Smoke Detector	Byrne Grant	EMA Med Plan	Med PODS	Low Income Spay-Neuter	Shelter Spay- Neuter
Assets								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	443	55,552	8,330	-	30,678	8,165	12,053
Other receivables, net	-	-	-	-	-	15,500	-	-
Total assets	-	443	55,552	8,330	-	46,178	8,165	12,053
Deferred outflows of resources								
Deferred outflows	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	-	443	55,552	8,330	-	46,178	8,165	12,053
Liabilities								
Accounts payable	-	-	1,020	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	-	-	1,020	-	-	-	-	-
Deferred inflows of resources								
Unearned revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balance								
Restricted	-	443	54,532	8,330	-	46,178	8,165	12,053
Unassigned	-	-	-	-	-	-	-	-
Total fund balance	-	443	54,532	8,330	-	46,178	8,165	12,053
Total liabilities, deferred inflows of resources and fund balance	\$ -	\$ 443	\$ 55,552	\$ 8,330	\$ -	\$ 46,178	\$ 8,165	\$ 12,053

See independent auditor's report

Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

June 30, 2021

	Conserv. Common.	Trust Safety Grant	Portsmouth Tree Commission	Friends of Glen Park	Conservation Comm. Grant	RI Senate Grant	Coronavirus Relief Fund	Van Beuren Grant	Total Town Special Revenue
Assets									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 475,335
Due from other funds	50	-	15	178	500	-	-	56,250	763,493
Other receivables, net	-	-	-	-	-	-	-	-	76,257
Total assets	50	-	15	178	500	-	-	56,250	1,315,085
Deferred outflows of resources									
Deferred outflows	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	50	-	15	178	500	-	-	56,250	1,315,085
Liabilities									
Accounts payable	-	-	-	-	-	-	-	-	9,709
Due to other funds	-	-	-	-	-	-	-	-	81,459
Total liabilities	-	-	-	-	-	-	-	-	91,168
Deferred inflows of resources									
Unearned revenue	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-
Fund balance									
Restricted	50	-	15	178	500	-	-	56,250	1,102,287
Unassigned	-	-	-	-	-	-	-	-	121,630
Total fund balance	50	-	15	178	500	-	-	56,250	1,223,917
Total liabilities, deferred inflows of resources and fund balance	\$ 50	\$ -	\$ 15	\$ 178	\$ 500	\$ -	\$ -	\$ 56,250	\$ 1,315,085

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, 2021

	NHTSA	SAFER Grant	Fire Boat	Covid Food Bank	Town Wide Contingency	Energy Efficiency - Nat'l Grid	Accident Reconstruction
Revenues:							
Federal and state grants	\$ 114,334	\$ 181,871	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	15,100	-	-	-	-
Interest and investment income	-	-	-	-	-	-	-
Other revenues	-	-	-	11,137	218,943	-	-
Total revenues	114,334	181,871	15,100	11,137	218,943	-	-
Expenditures :							
General government	-	-	-	-	-	-	-
Public safety	106,772	183,598	10,455	-	3,287	-	11,000
Public works	-	-	-	-	-	-	-
Public and social services	-	-	-	16,901	14,931	-	-
Parks and recreation	-	-	-	-	-	-	-
Total expenditures	106,772	183,598	10,455	16,901	18,218	-	11,000
Excess (deficiency) of revenues over expenditures	7,562	(1,727)	4,645	(5,764)	200,725	-	(11,000)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balance	7,562	(1,727)	4,645	(5,764)	200,725	-	(11,000)
Fund balance - beginning	(3,271)	-	-	11,770	-	16,950	11,000
Fund balance - ending	\$ 4,291	\$ (1,727)	\$ 4,645	\$ 6,006	\$ 200,725	\$ 16,950	\$ -

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, 2021

	Covid - Take It Outside	Enbridge Smoke Alarm	Police Misc. Restricted	NCPC Compliance Check	Portsmouth Pre Coalition	CDBG	CDBG - Disaster Recovery	Bullet Proof Vest Grant
Revenues:								
Federal and state grants	\$ 51,000	\$ -	\$ -	\$ 13,569	\$ 66,997	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Interest and investment income	-	-	-	-	-	-	-	-
Other revenues	-	-	2,708	-	-	-	-	-
Total revenues	51,000	-	2,708	13,569	66,997	-	-	-
Expenditures :								
General government	-	-	-	-	-	-	6,919	-
Public safety	-	-	2,708	14,005	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public and social services	51,000	-	-	-	66,283	5,250	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Total expenditures	51,000	-	2,708	14,005	66,283	5,250	6,919	-
Excess (deficiency) of revenues over expenditures	-	-	-	(436)	714	(5,250)	(6,919)	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	7,290
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	7,290
Net change in fund balance	-	-	-	(436)	714	(5,250)	(6,919)	7,290
Fund balance - beginning	-	7,500	-	(366)	2,859	5,250	6,919	(7,290)
Fund balance - ending	\$ -	\$ 7,500	\$ -	\$ (802)	\$ 3,573	\$ -	\$ -	\$ -

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, 2021

	Evidence Fund - (Non Narcotic)	Police Buela Jr. Bequest	EDC Workshop	EMW SHSP Heavy Rescue Squad	RIEMA EMPG	AFG	Bench Program	Impact Fees School
Revenues:								
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ 10,866	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	178,640
Interest and investment income	-	-	-	-	-	-	-	179
Other revenues	108	-	-	-	-	-	4,414	-
Total revenues	<u>108</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>10,866</u>	<u>4,414</u>	<u>178,819</u>
Expenditures :								
General government	-	-	-	-	-	-	-	-
Public safety	27,763	-	193	11,397	2,500	-	-	-
Public works	-	-	-	-	-	-	-	-
Public and social services	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	4,932	-
Total expenditures	<u>27,763</u>	<u>-</u>	<u>193</u>	<u>11,397</u>	<u>2,500</u>	<u>-</u>	<u>4,932</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(27,655)	-	(193)	(11,397)	-	10,866	(518)	178,819
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(182,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(182,000)</u>
Net change in fund balance	(27,655)	-	(193)	(11,397)	-	10,866	(518)	(3,181)
Fund balance - beginning	30,810	74	331	14,576	3,005	(10,866)	3,175	428,190
Fund balance - ending	<u>\$ 3,155</u>	<u>\$ 74</u>	<u>\$ 138</u>	<u>\$ 3,179</u>	<u>\$ 3,005</u>	<u>\$ -</u>	<u>\$ 2,657</u>	<u>\$ 425,009</u>

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, 2021

	New Police Station	RIEMA - PDM	Town Commons	RIDEM Recreation Grant	Hazardous Materials Mitigation	Marine Salvage Ops	Fire Mitigation	AIPC West Side Project
Revenues:								
Federal and state grants	\$ -	\$ 3,750	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	6,750	-	-	-
Interest and investment income	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	1,707	-
Total revenues	-	3,750	-	200	6,750	-	1,707	-
Expenditures :								
General government	-	-	-	-	-	-	-	-
Public safety	595	-	-	-	-	-	-	-
Public works	-	-	-	-	7,720	-	-	-
Public and social services	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	10,000	-	-
Total expenditures	595	-	-	-	7,720	10,000	-	-
Excess (deficiency) of revenues over expenditures	(595)	3,750	-	200	(970)	(10,000)	1,707	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balance	(595)	3,750	-	200	(970)	(10,000)	1,707	-
Fund balance - beginning	4,479	(3,750)	289	-	18,750	10,000	2,407	20,000
Fund balance - ending	\$ 3,884	\$ -	\$ 289	\$ 200	\$ 17,780	\$ -	\$ 4,114	\$ 20,000

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, 2021

	Explorer Program	Fire Alarm Maintenance	Fire Plan Review	Historical Records	Joan Haskins Memorial	Veterans Wall	Fed Equitable Sharing	Melville Recreation
Revenues:								
Federal and state grants	\$ -	\$ -	\$ 13,203	\$ 6,565	\$ -	\$ 126	\$ -	\$ -
Charges for services	-	31,248	-	-	-	-	-	-
Interest and investment income	-	-	-	-	-	-	-	-
Other revenues	-	-	1,565	-	-	-	-	-
Total revenues	-	31,248	14,768	6,565	-	126	-	-
Expenditures :								
General government	-	-	-	-	-	-	-	-
Public safety	-	4,353	699	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public and social services	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Total expenditures	-	4,353	699	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	26,895	14,069	6,565	-	126	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balance	-	26,895	14,069	6,565	-	126	-	-
Fund balance - beginning	1,266	40,883	9,225	38,316	3,715	1,794	2,425	942
Fund balance - ending	\$ 1,266	\$ 67,778	\$ 23,294	\$ 44,881	\$ 3,715	\$ 1,920	\$ 2,425	\$ 942

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, 2021

	NARC Forfeiture (PPD & A/G Holding)	ICAC	FDA - Tobacco Survey	Dog Park Fund	COPS SRO	Tank Farm	Marshall Service	Tech Upgrade & Document Preservation
Revenues:								
Federal and state grants	\$ -	\$ 13,556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,691
Charges for services	-	-	-	-	-	-	-	-
Interest and investment income	-	-	-	-	-	-	-	-
Other revenues	7,581	-	-	3,536	-	-	10,673	13,387
Total revenues	7,581	13,556	-	3,536	-	-	10,673	33,078
Expenditures :								
General government	-	-	-	3,679	-	-	-	-
Public safety	23,761	7,616	-	-	-	-	10,026	-
Public works	-	-	-	-	-	-	-	-
Public and social services	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Total expenditures	23,761	7,616	-	3,679	-	-	10,026	-
Excess (deficiency) of revenues over expenditures	(16,180)	5,940	-	(143)	-	-	647	33,078
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(2,127)	-	-	-
Total other financing sources (uses)	-	-	-	-	(2,127)	-	-	-
Net change in fund balance	(16,180)	5,940	-	(143)	(2,127)	-	647	33,078
Fund balance - beginning	18,039	(5,940)	506	1,884	2,127	26,077	-	102,449
Fund balance - ending	\$ 1,859	\$ -	\$ 506	\$ 1,741	\$ -	\$ 26,077	\$ 647	\$ 135,527

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, 2021

	Tobacco Survey/Checks	Glen Farm Donation	Fire Smoke Detector	Byrne Grant	EMA Med Plan	Med PODS	Low Income Spay-Neuter	Shelter Spay- Neuter
Revenues:								
Federal and state grants	\$ 2,712	\$ -	\$ -	\$ -	\$ -	\$ 30,250	\$ 83	\$ -
Charges for services	-	-	14,955	-	-	-	-	759
Interest and investment income	-	-	-	-	-	-	-	-
Other revenues	-	-	1,892	-	-	-	678	-
Total revenues	2,712	-	16,847	-	-	30,250	761	759
Expenditures :								
General government	-	-	-	-	-	-	-	-
Public safety	563	-	15,110	-	3,553	-	150	-
Public works	-	-	-	-	-	-	-	-
Public and social services	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Total expenditures	563	-	15,110	-	3,553	-	150	-
Excess (deficiency) of revenues over expenditures	2,149	-	1,737	-	(3,553)	30,250	611	759
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balance	2,149	-	1,737	-	(3,553)	30,250	611	759
Fund balance - beginning	(2,149)	443	52,795	8,330	3,553	15,928	7,554	11,294
Fund balance - ending	\$ -	\$ 443	\$ 54,532	\$ 8,330	\$ -	\$ 46,178	\$ 8,165	\$ 12,053

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, 2021

	Conserv. Commom.	Trust Safety Grant	Portsmouth Tree Commission	Friends of Glen Park	Conservation Comm. Grant	RI Senate Grant	Coronavirus Relief Fund	Van Beuren Grant	Total Town Special Revenue
Revenues:									
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 814,416	\$ 56,250	\$ 1,401,939
Charges for services	-	-	-	-	-	-	-	-	247,452
Interest and investment income	-	-	-	-	-	-	-	-	179
Other revenues	-	-	-	-	-	-	-	-	278,329
Total revenues	-	-	-	-	-	-	814,416	56,250	1,927,899
Expenditures :									
General government	-	-	-	-	-	600	814,416	-	825,614
Public safety	-	6,030	-	-	-	-	-	-	446,134
Public works	-	-	3,000	-	-	-	-	-	10,720
Public and social services	-	-	-	-	-	-	-	-	154,365
Parks and recreation	-	-	-	-	-	-	-	-	14,932
Total expenditures	-	6,030	3,000	-	-	600	814,416	-	1,451,765
Excess (deficiency) of revenues over expenditures	-	(6,030)	(3,000)	-	-	(600)	-	56,250	476,134
Other financing sources (uses):									
Transfers in	-	500	-	-	-	-	-	-	7,790
Transfers out	-	-	-	-	-	-	-	-	(184,127)
Total other financing sources (uses)	-	500	-	-	-	-	-	-	(176,337)
expenditures and other uses	-	(5,530)	(3,000)	-	-	(600)	-	56,250	299,797
Fund balance - beginning	50	5,530	3,015	178	500	600	-	-	924,120
Fund balance - ending	\$ 50	\$ -	\$ 15	\$ 178	\$ 500	\$ -	\$ -	\$ 56,250	\$ 1,223,917

See independent auditor's report

Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

School Special Revenue

June 30, 2021

	SPED Part B	IDEA Preschool	Title I Part A	Title II Part A	Title III	Perkins
Assets						
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	144,138	470	50,567	16,961	-	16,048
Due from other funds	-	-	-	-	-	-
Other receivables, net	-	-	-	-	-	-
Total assets	<u>144,138</u>	<u>470</u>	<u>50,567</u>	<u>16,961</u>	<u>-</u>	<u>16,048</u>
Deferred outflows of resources						
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>144,138</u>	<u>470</u>	<u>50,567</u>	<u>16,961</u>	<u>-</u>	<u>16,048</u>
Liabilities						
Accounts payable	44,057	-	-	-	-	-
Accrued expenses	150	-	2,969	-	-	-
Due to other funds	99,588	470	47,598	16,961	-	16,048
Total liabilities	<u>143,795</u>	<u>470</u>	<u>50,567</u>	<u>16,961</u>	<u>-</u>	<u>16,048</u>
Deferred inflows of resources						
Deferred revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance						
Restricted	343	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	<u>343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 144,138</u>	<u>\$ 470</u>	<u>\$ 50,567</u>	<u>\$ 16,961</u>	<u>\$ -</u>	<u>\$ 16,048</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, 2021

	<u>SAMSHA DFC</u>	<u>Literacy Set Aside</u>	<u>VIS</u>	<u>RISCA - Big Yellow Bus</u>	<u>Career & Tech Odd Year</u>	<u>Career & Tech Even Year</u>
Assets						
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	843	-	-	-	48,455	-
Due from other funds	15,342	49,539	3,880	-	4,043	14,301
Other receivables, net	-	-	-	-	-	-
Total assets	<u>16,185</u>	<u>49,539</u>	<u>3,880</u>	<u>-</u>	<u>52,498</u>	<u>14,301</u>
Deferred outflows of resources						
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>16,185</u>	<u>49,539</u>	<u>3,880</u>	<u>-</u>	<u>52,498</u>	<u>14,301</u>
Liabilities						
Accounts payable	-	-	-	-	2,191	-
Accrued expenses	60	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>60</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,191</u>	<u>-</u>
Deferred inflows of resources						
Deferred revenue	16,125	-	-	-	-	-
Total deferred inflows of resources	<u>16,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance						
Restricted	-	49,539	3,880	-	50,307	14,301
Unassigned	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>49,539</u>	<u>3,880</u>	<u>-</u>	<u>50,307</u>	<u>14,301</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 16,185</u>	<u>\$ 49,539</u>	<u>\$ 3,880</u>	<u>\$ -</u>	<u>\$ 52,498</u>	<u>\$ 14,301</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, 2021

	COVID 19 Projects - SBA Capital Fund	Restr State Grant - Science Mini Grant	COVID 19 Funding Restricted Local Revenue	Rhode Island Foundation	CARES Act - Take It Outside Grant	Prevention Coalition Task Force
Assets						
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-
Due from other funds	-	-	186,219	4,399	-	46,516
Other receivables, net	-	-	-	-	-	-
Total assets	-	-	186,219	4,399	-	46,516
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	-	-	186,219	4,399	-	46,516
Liabilities						
Accounts payable	-	-	-	-	-	82
Accrued expenses	-	-	3,587	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	3,587	-	-	82
Deferred inflows of resources						
Deferred revenue	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund balance						
Restricted	-	-	182,632	4,399	-	46,434
Unassigned	-	-	-	-	-	-
Total fund balance	-	-	182,632	4,399	-	46,434
Total liabilities, deferred inflows of resources and fund balance	\$ -	\$ -	\$ 186,219	\$ 4,399	\$ -	\$ 46,516

See independent auditor's report

Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

School Special Revenue

June 30, 2021

	Concord Consortium	Boston Museum of Science	Building Use	CARES Act- ESSER	CARES Act- Coronavirus	Athletic Event Gate Revenue	Total School Special Revenue Funds
Assets							
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	277,482
Due from other funds	-	-	88,597	-	-	75,474	488,310
Other receivables, net	-	-	-	10,011	-	-	10,011
Total assets	-	-	88,597	10,011	-	75,474	775,803
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	-	-	88,597	10,011	-	75,474	775,803
Liabilities							
Accounts payable	-	-	-	-	-	3,059	49,389
Accrued expenses	-	-	-	1,722	-	-	8,488
Due to other funds	-	-	-	8,289	-	-	188,954
Total liabilities	-	-	-	10,011	-	3,059	246,831
Deferred inflows of resources							
Deferred revenue	-	-	-	-	-	-	16,125
Total deferred inflows of resources	-	-	-	-	-	-	16,125
Fund balance							
Restricted	-	-	88,597	-	-	72,415	512,847
Unassigned	-	-	-	-	-	-	-
Total fund balance	-	-	88,597	-	-	72,415	512,847
Total liabilities, deferred inflows of resources and fund balance	\$ -	\$ -	\$ 88,597	\$ 10,011	\$ -	\$ 75,474	\$ 775,803

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, 2021

	SPED Part B	IDEA Preschool	Title I Part A	Title II Part A	Title III	Perkins
Revenues:						
Federal and state grants	\$ 556,138	\$ 18,379	\$ 279,548	\$ 94,861	\$ -	\$ 48,512
Charges for services	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>556,138</u>	<u>18,379</u>	<u>279,548</u>	<u>94,861</u>	<u>-</u>	<u>48,512</u>
Expenditures :						
Education	556,138	18,379	279,548	94,861	-	48,512
Capital	-	-	-	-	-	-
Total expenditures	<u>556,138</u>	<u>18,379</u>	<u>279,548</u>	<u>94,861</u>	<u>-</u>	<u>48,512</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
Other financing sources (uses):						
Transfers in	-	-	-	51	-	-
Transfers out	-	-	-	-	(670)	(176)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>51</u>	<u>(670)</u>	<u>(176)</u>
Net change in fund balance	-	-	-	51	(670)	(176)
Fund balance, July 1, 2020	<u>343</u>	<u>-</u>	<u>-</u>	<u>(51)</u>	<u>670</u>	<u>176</u>
Fund balance, June 30, 2021	<u>\$ 343</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, 2021

	SAMSHA DFC	Literacy Set Aside	VIS	RISCA - Big Yellow Bus	Career & Tech Odd Year	Career & Tech Even Year
Revenues:						
Federal and state grants	\$ 100,145	\$ -	\$ -	\$ -	\$ 48,455	\$ -
Charges for services	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>100,145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,455</u>	<u>-</u>
Expenditures :						
Education	100,145	-	-	-	38,426	50,551
Capital	-	-	-	-	-	-
Total expenditures	<u>100,145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,426</u>	<u>50,551</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	10,029	(50,551)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(400)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(400)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	(400)	10,029	(50,551)
Fund balance, July 1, 2020	-	49,539	3,880	400	40,278	64,852
Fund balance, June 30, 2021	<u>\$ -</u>	<u>\$ 49,539</u>	<u>\$ 3,880</u>	<u>\$ -</u>	<u>\$ 50,307</u>	<u>\$ 14,301</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, 2021

	COVID 19 Projects - SBA Capital Fund	Restr State Grant - Science Mini Grant	COVID 19 Funding Restricted Local Revenue	Rhode Island Foundation	CARES Act - Take It Outside Grant	Prevention Coalition Task Force
Revenues:						
Federal and state grants	\$ 14,046	\$ -	\$ -	\$ -	54,882	\$ 50,832
Charges for services	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>14,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,882</u>	<u>50,832</u>
Expenditures :						
Education	14,046	-	537,472	4,000	54,882	37,320
Capital	-	-	-	-	-	-
Total expenditures	<u>14,046</u>	<u>-</u>	<u>537,472</u>	<u>4,000</u>	<u>54,882</u>	<u>37,320</u>
Excess (deficiency) of revenues over expenditures	-	-	(537,472)	(4,000)	-	13,512
Other financing sources (uses):						
Transfers in	-	-	720,104	-	-	-
Transfers out	-	(1)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(1)</u>	<u>720,104</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(1)	182,632	(4,000)	-	13,512
Fund balance, July 1, 2020	<u>-</u>	<u>1</u>	<u>-</u>	<u>8,399</u>	<u>-</u>	<u>32,922</u>
Fund balance, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,632</u>	<u>\$ 4,399</u>	<u>\$ -</u>	<u>\$ 46,434</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, 2021

	Concord Consortium	Boston Museum of Science	Building Use	CARES Act- ESSER	CARES Act- Coronavirus	Athletic Event Gate Revenue	Total School Special Revenue Funds
Revenues:							
Federal and state grants	\$ -	\$ -	\$ -	\$ 243,214	291,555	\$ -	\$ 1,800,567
Charges for services	-	-	4,045	-	-	-	4,045
Other revenues	-	-	-	-	-	-	-
Total revenues	-	-	4,045	243,214	291,555	-	1,804,612
Expenditures :							
Education	-	-	2,661	243,214	284,028	9,637	2,373,820
Capital	-	-	-	-	7,527	6,560	14,087
Total expenditures	-	-	2,661	243,214	291,555	16,197	2,387,907
Excess (deficiency) of revenues over expenditures	-	-	1,384	-	-	(16,197)	(583,295)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	720,155
Transfers out	(886)	(1,903)	-	-	-	-	(4,036)
Total other financing sources (uses)	(886)	(1,903)	-	-	-	-	716,119
Net change in fund balance	(886)	(1,903)	1,384	-	-	(16,197)	132,824
Fund balance, July 1, 2020	886	1,903	87,213	-	-	88,612	380,023
Fund balance, June 30, 2021	\$ -	\$ -	\$ 88,597	\$ -	\$ -	\$ 72,415	\$ 512,847

See independent auditor's report

Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Capital Projects

June 30, 2021

	Capital Project Reserve	Glen Manor House	05-06 Warrants	06-07 Warrants	07-08 Warrants	08-09 Warrants	09-10 Warrants	Total Town Capital Project
Assets								
Cash and cash equivalent	\$ -	\$ 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6
Due from other funds	228,268	113,077	-	-	-	-	-	341,345
Total assets	228,268	113,083	-	-	-	-	-	341,351
Deferred outflows of resources								
Deferred outflows	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	228,268	113,083	-	-	-	-	-	341,351
Liabilities								
Accounts payable	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	19,027	5,743	24,770
Total liabilities	-	-	-	-	-	19,027	5,743	24,770
Deferred inflows of resources								
Unearned revenues	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balance								
Restricted	-	-	-	-	-	-	-	-
Committed	228,268	113,083	-	-	-	-	-	341,351
Unassigned	-	-	-	-	-	(19,027)	(5,743)	(24,770)
Total fund balance	228,268	113,083	-	-	-	(19,027)	(5,743)	316,581
Total liabilities, deferred inflows of resources, and fund balances	\$ 228,268	\$ 113,083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 341,351

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, 2021

	Capital Project Reserve	Glen Manor House	05-06 Warrants	06-07 Warrants	07-08 Warrants	08-09 Warrants	09-10 Warrants	Total Town Capital Project
Revenues								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment income	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-	-
Expenditures								
General government	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Capital	-	47,415	-	-	-	-	-	47,414
Total expenditures	-	47,415	-	-	-	-	-	47,414
Excess (deficiency) of revenues over expenditures	-	(47,415)	-	-	-	-	-	(47,414)
Other financing sources (uses)								
Issuance of capital leases	-	-	-	-	-	-	-	-
Transfers in	20,807	46,496	-	-	-	-	-	67,303
Transfers out	(1,307)	-	(3)	(57)	(3)	-	-	(1,371)
Total other financing sources (uses)	19,500	46,496	(3)	(57)	(3)	-	-	65,932
Net change in fund balance	19,500	(919)	(3)	(57)	(3)	-	-	18,518
Fund balance, July 1, 2020	208,768	114,002	3	57	3	(19,027)	(5,743)	298,063
Fund balance, June 30, 2021	\$ 228,268	\$ 113,083	\$ -	\$ -	\$ -	\$ (19,027)	\$ (5,743)	\$ 316,581

See independent auditor's report

Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

School Capital Projects

June 30, 2021

	School Capital Projects	Phase 2 Project	Athletic Improvements	Total School Capital Project
Assets				
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -
Due from other funds	119,027	725,184	1,430	845,641
Total assets	119,027	725,184	1,430	845,641
Deferred outflows of resources				
Deferred outflows	-	-	-	-
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	119,027	725,184	1,430	845,641
Liabilities				
Accounts payable	-	134,149	-	134,149
Due to other funds	-	-	-	-
Total liabilities	-	134,149	-	134,149
Deferred inflows of resources				
Unearned revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balance				
Restricted	119,027	591,035	1,430	711,492
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balance	119,027	591,035	1,430	711,492
Total liabilities, deferred inflows of resources, and fund balances	\$ 119,027	\$ 725,184	\$ 1,430	\$ 845,641

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, 2021

	School Capital Projects	Phase 2 Project	Athletic Improvements	Total School Capital Project
Revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Interest and investment income	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
General government	-	19,575	-	19,575
Education	-	104,002	-	104,002
Capital	-	172,924	-	172,924
Total expenditures	-	296,501	-	296,501
Excess (deficiency) of revenues over expenditures	-	(296,501)	-	(296,501)
Other financing sources (uses)				
Issuance of capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	(296,501)	-	(296,501)
Fund balance, July 1, 2020	119,027	887,536	1,430	1,007,993
Fund balance, June 30, 2021	\$ 119,027	\$ 591,035	\$ 1,430	\$ 711,492

See independent auditor's report

Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Permanent Funds

June 30, 2021

	<u>Sherman Trust</u>	<u>Cemetery Fund</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 17,222	\$ 144,345	\$ 161,567
Investment	-	76,128	76,128
Due from other funds	-	10,769	10,769
Total assets	<u>17,222</u>	<u>231,242</u>	<u>248,464</u>
Deferred outflows of resources			
Deferred outflows	-	-	-
Total assets and deferred outflows of resources	<u>17,222</u>	<u>231,242</u>	<u>248,464</u>
Liabilities			
Due to other funds	80	-	80
Total liabilities	<u>80</u>	<u>-</u>	<u>80</u>
Deferred inflows of resources			
Deferred revenue	-	-	-
Fund Balances			
Nonspendable	17,023	150,429	167,452
Restricted - Expendable	119	80,813	80,932
Unassigned	-	-	-
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,222</u>	<u>\$ 231,242</u>	<u>\$ 248,464</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, 2021

	Sherman Trust	Cemetery Fund	Total
Revenues			
Investment income	\$ 2	\$ 77,985	\$ 77,987
Total revenues	2	77,985	77,987
Expenditures			
None	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenue over expenditures	2	77,985	77,987
Other financing sources (uses)			
Transfer from (to) other funds	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	2	77,985	77,987
Fund Balance, July 1, 2020	17,140	153,257	170,397
Fund Balance, June 30, 2021	\$ 17,142	\$ 231,242	\$ 248,384

See independent auditor's report

Town of Portsmouth, Rhode Island

Supplementary Information

Combining Town Custodial Funds Statement of Fiduciary Net Position

June 30, 2021

	Soil Erosion	Glen Manor House Deposit	New Development - Road Bonds	Glen Park Damage Deposit	Probate Court	Prescott Point	Total Town Custodial Funds
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ 241,533	\$ -	\$ 236,409	\$ 111,268	\$ 589,210
Due from other funds	320,850	11,500	-	950	-	-	333,300
Total assets	<u>320,850</u>	<u>11,500</u>	<u>241,533</u>	<u>950</u>	<u>236,409</u>	<u>111,268</u>	<u>922,510</u>
Liabilities							
Accounts payable	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position Restricted	<u>\$ 320,850</u>	<u>\$ 11,500</u>	<u>\$ 241,533</u>	<u>\$ 950</u>	<u>\$ 236,409</u>	<u>\$ 111,268</u>	<u>\$ 922,510</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, 2021

	Soil Erosion	Glen Manor House Deposit	New Development - Road Bonds	Glen Park Damage Deposit	Probate Court	Prescott Point	Total Town Custodial Funds
Additions							
Net investment income	\$ -	\$ -	\$ -	\$ -	\$ 118	\$ -	\$ 118
Funds received on behalf of others	197,215	19,500	-	-	-	91	216,806
Total additions	<u>197,215</u>	<u>19,500</u>	<u>-</u>	<u>-</u>	<u>118</u>	<u>91</u>	<u>216,924</u>
Deductions							
Funds distributed on behalf of others	73,720	9,500	11,331	-	-	-	94,551
Total deductions	<u>73,720</u>	<u>9,500</u>	<u>11,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,551</u>
Change in net position	123,495	10,000	(11,331)	-	118	91	122,373
Net position - beginning restated	<u>197,355</u>	<u>1,500</u>	<u>252,864</u>	<u>950</u>	<u>236,291</u>	<u>111,177</u>	<u>800,137</u>
Net position - ending	<u>\$ 320,850</u>	<u>\$ 11,500</u>	<u>\$ 241,533</u>	<u>\$ 950</u>	<u>\$ 236,409</u>	<u>\$ 111,268</u>	<u>\$ 922,510</u>

See independent auditor's report

Town of Portsmouth, Rhode Island

Supplementary Information

Combining School Custodial Funds Statement of Fiduciary Net Position

June 30, 2021

	<u>Hathaway</u>	<u>Melville</u>	<u>PMS</u>	<u>PHS</u>	<u>Total School Custodial Funds</u>
Assets					
Cash and cash equivalents	\$ 101,354	\$ 53,830	\$ 18,925	\$ 253,225	\$ 427,334
Receivables from external parties	-	-	-	-	-
Total assets	<u>101,354</u>	<u>53,830</u>	<u>18,925</u>	<u>253,225</u>	<u>427,334</u>
Liabilities					
Accounts payable	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position Restricted	<u>\$ 101,354</u>	<u>\$ 53,830</u>	<u>\$ 18,925</u>	<u>\$ 253,225</u>	<u>\$ 427,334</u>

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, 2021

	<u>Hathaway</u>	<u>Melville</u>	<u>PMS</u>	<u>PHS</u>	<u>Total School Custodial Funds</u>
Additions					
Net investment income	\$ -	\$ -	\$ -	\$ -	\$ -
Funds received on behalf of others	<u>39,501</u>	<u>36,531</u>	<u>29,493</u>	<u>123,697</u>	<u>229,222</u>
Total additions	<u>39,501</u>	<u>36,531</u>	<u>29,493</u>	<u>123,697</u>	<u>229,222</u>
Deductions					
Funds distributed on behalf of others	<u>6,566</u>	<u>4,996</u>	<u>23,527</u>	<u>130,035</u>	<u>165,124</u>
Total deductions	<u>6,566</u>	<u>4,996</u>	<u>23,527</u>	<u>130,035</u>	<u>165,124</u>
Change in net position	32,935	31,535	5,966	(6,338)	64,098
Net position - beginning restated	<u>68,419</u>	<u>22,295</u>	<u>12,959</u>	<u>259,563</u>	<u>363,236</u>
Net position - ending	<u>\$ 101,354</u>	<u>\$ 53,830</u>	<u>\$ 18,925</u>	<u>\$ 253,225</u>	<u>\$ 427,334</u>

See independent auditor's report

Town of Portsmouth, Rhode Island

Tax Collector's Annual Report

For the Year Ended June 30, 2021

<u>Tax Roll Year</u>	<u>Balance July 1, 2020</u>	<u>Assessment</u>	<u>Additions</u>	<u>Abatements & Adjustments</u>	<u>Amount to be collected</u>	<u>Current Year Collections</u>	<u>Refunds</u>	<u>Balance June 30, 2021</u>
2020	\$ -	\$ 57,734,217	\$ 90,766	\$ (11,920)	\$ 57,836,903	\$ 56,795,878	\$ 45,715	\$ 1,086,740
2019	1,966,914		-	(14,270)	1,981,184	1,890,699	440	90,925
2018	100,970		-	-	100,970	18,581	-	82,389
2017	72,140		-	1	72,139	3,939	144	68,344
2016	77,088		-	2	77,086	2,404	-	74,682
2015	54,724		-	-	54,724	1,411	-	53,313
2014	53,358		-	-	53,358	1,271	-	52,087
2013	46,990		-	1,500	45,490	680	-	44,810
2012	42,446		-	-	42,446	1,451	-	40,995
2011	39,960		-	-	39,960	1,947	-	38,013
2010	36,173		-	-	36,173	1,134	-	35,039
2009	24,090		-	15,826	8,264	986	-	7,278
2008 and prior	14,785		-	7,675	7,110	2,771	-	4,339
	<u>\$ 2,529,638</u>	<u>\$ 57,734,217</u>	<u>\$ 90,766</u>	<u>\$ (1,186)</u>	<u>\$ 60,355,807</u>	<u>\$ 58,723,152</u>	<u>\$ 46,299</u>	<u>\$ 1,678,954</u>
Less: Allowance for Uncollectible accounts	(435,652)							(633,550)
	<u>\$ 2,093,986</u>							<u>\$ 1,045,404</u>

See independent auditor's report

Town of Portsmouth, Rhode Island

Tax Collector's Annual Report

For the Year Ended June 30, 2021

FY 2020 Cash Collections Summary

July - August 2020 Collections Subject to 60-day FY20 Accrual	September - June-21 Collections	Total FY 2021 Cash Collections	July - August 2021 (FY 21) Cash Collections Subject to 60-day FY 22 Accrual
\$ -	\$ 56,795,878	\$ 57,215,353	\$ 419,475
834,446	1,056,253	1,890,699	3,058
2,858	15,723	18,581	-
1,641	2,298	3,939	23
721	1,683	2,404	32
550	861	1,411	14
446	825	1,271	300
662	18	680	75
624	827	1,451	-
460	1,487	1,947	280
733	401	1,134	-
705	281	986	-
1,300	1,471	2,771	-
<u>\$ 845,146</u>	<u>\$ 57,878,006</u>	<u>\$ 59,142,627</u>	<u>\$ 423,257</u>

Schedule of property valuation assessed as of December 31, 2019:

	<u>Valuation</u>	<u>Levy</u>
Real property	\$ 3,713,676,740	\$ 55,976,262
Motor vehicles	152,909,753	3,440,393
Tangible personal property	96,736,886	1,458,391
Total	<u>3,963,323,379</u>	<u>60,875,046</u>
Less: Exemptions and motor vehicle phase out		
Real property	(85,745,217)	(1,292,438)
Motor vehicles	<u>(82,150,716)</u>	<u>(1,848,391)</u>
Total	<u>\$ 3,795,427,445</u>	<u>\$ 57,734,217</u>

Reconciliation of Current Year Property Tax Revenue

Current Year Collections	\$ 58,723,152
60-day FY21 Accrual	423,257
<i>July-August 2021 Collections</i>	
60-day FY20 Accrual	<u>(845,146)</u>
<i>July-August 2020 Collections</i>	
Current Year Property Tax Revenue	<u>\$ 58,301,263</u>

See independent auditor's report

Town of Portsmouth, Rhode Island

Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2021

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)

Town of Portsmouth, Rhode Island

Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2021

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 57,215,354	\$ -
Last Year's Levy Tax Collection	1,057,092	-
Prior Years Property Tax Collection	28,046	-
Interest & Penalty	340,614	-
PILOT & Tax Treaty (excluded from levy) Collection	11,000	-
Other Local Property Taxes	-	-
Licenses and Permits	622,991	-
Fines and Forfeitures	82,715	-
Investment Income	12,736	-
Departmental	2,675,559	-
Rescue Run Revenue	633,505	-
Police & Fire Detail	59,041	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	1,414,385
Impact Aid	-	239,314
Medicaid	-	146,300
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	450,608
CDBG	-	-
COPS Grants	-	-
SAFER Grants	181,871	-
Other Federal Aid Funds	-	1,097,583
COVID - ESSER	-	243,214
COVID - CRF	814,416	346,437
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
COVID - ARPA	-	-
MV Excise Tax Reimbursement	94,646	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	116,092	-
Library Construction Aid	-	-
Public Service Corporation Tax	2,487	-
Meals & Beverage Tax / Hotel Tax	277,479	-
LEA Aid	-	3,935,454
Group Home	-	-
Housing Aid Capital Projects	281,105	-
Housing Aid Bonded Debt	311,901	-
State Food Service Revenue	-	7,751
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	62,502
Motor Vehicle Phase Out	139,226	-
Other Revenue	-	94,930
Local Appropriation for Education	-	34,570,876
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 64,957,876	\$ 42,609,352
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	241,290	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ 241,290	\$ -

Town of Portsmouth, Rhode Island

Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2021

<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	\$ 1,033,012	\$ 579,489	\$ -	\$ -	\$ 252,353	\$ -	\$ 1,266,306	\$ 123,367	\$ 2,757,983
Compensation - Group B	-	-	-	-	-	-	-	-	103,383
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	30,795	8,070	-	-	3,669	-	95,564	-	335,810
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	123,975	98,335	-	-	28,614	-	265,411	16,263	492,932
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	11,101	5,937	-	-	2,451	-	17,336	1,033	27,596
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	95,085	46,404	-	-	19,053	-	98,444	9,581	241,987
Life Insurance	4,531	2,944	-	-	1,579	-	6,020	575	12,769
State Defined Contribution- Group A	85,938	-	-	-	-	-	-	-	159,090
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	364,685	3,058	-	-	788	-	-	-	21,301
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	48,727	-	-	21,238	-	424,146	5,739	2,451,126
Purchased Services	427,219	41,334	-	129,971	8,729	-	151,203	13,734	69,231
Materials/Supplies	38,261	20,931	-	-	5,798	-	1,958	9,229	13,239
Software Licenses	1,932	20,155	-	26,387	-	-	-	-	-
Capital Outlays	4,072	-	-	45,799	-	-	838,238	-	262,166
Insurance	365,915	-	-	-	-	-	-	-	-
Maintenance	194	-	-	-	-	-	361,396	11,171	107,170
Vehicle Operations	4,836	63	-	-	-	-	80,744	1,338	52,170
Utilities	1,147	75,743	-	-	-	-	39,238	8,793	88,733
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	213,583	-	-
Revaluation	-	10,758	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	85,896	-	-
Trash Removal & Recycling	-	-	-	-	-	-	765,744	-	-
Claims & Settlements	11,287	-	-	-	-	-	-	-	-
Community Support	410,381	-	-	-	-	-	-	-	-
Other Operation Expenditures	296,853	123,883	-	-	5,745	644,815	13,616	6,787	84,147
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	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 3,311,222	\$ 1,085,830	\$ -	\$ 202,157	\$ 350,018	\$ 644,815	\$ 4,724,843	\$ 207,610	\$ 7,280,834

Town of Portsmouth, Rhode Island
Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2021

<u>EXPENDITURES</u>	<u>Fire</u> <u>Department</u>	<u>Centralized</u> <u>Dispatch</u>	<u>Public Safety</u> <u>Other</u>	<u>Education</u> <u>Appropriation</u>	<u>Debt</u>	<u>OPEB</u>	<u>Total</u> <u>Municipal</u>	<u>Education</u> <u>Department</u>
Compensation- Group A	\$ 2,889,301	\$ -	\$ 154,339	\$ -	\$ -	\$ -	\$ 9,056,153	\$ 18,004,406
Compensation - Group B	202,961	-	13,220	-	-	-	319,564	1,922,514
Compensation - Group C	-	-	-	-	-	-	-	4,262,023
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	765,057	-	16,064	-	-	-	1,255,030	-
Overtime - Group B	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	92,039
Police & Fire Detail	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	491,203	-	(5,104)	-	-	-	1,511,629	2,121,742
Active Medical Insurance- Group B	-	-	-	-	-	-	-	216,695
Active Medical Insurance- Group C	-	-	-	-	-	-	-	996,665
Active Dental insurance- Group A	31,598	-	1,426	-	-	-	98,478	124,981
Active Dental Insurance- Group B	-	-	-	-	-	-	-	11,921
Active Dental Insurance- Group C	-	-	-	-	-	-	-	52,624
Payroll Taxes	272,617	-	13,162	-	-	-	796,333	684,669
Life Insurance	12,382	-	751	-	-	-	41,552	41,109
State Defined Contribution- Group A	131,365	-	12,697	-	-	-	389,090	410,448
State Defined Contribution - Group B	-	-	-	-	-	-	-	39,103
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	31,529	-	1,275	-	-	-	422,636	213,026
Other Benefits- Group B	-	-	-	-	-	-	-	39,842
Other Benefits- Group C	-	-	-	-	-	-	-	47,123
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	35,455
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	646,705
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	2,476,690
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	266,771
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	1,650,467	-	-	-	-	-	4,601,443	216,788
Purchased Services	116,159	-	-	-	-	-	957,580	6,202,006
Materials/Supplies	41,690	-	571	-	-	-	131,677	779,683
Software Licenses	-	-	-	-	-	-	48,474	390,326
Capital Outlays	239,270	-	18,202	-	-	-	1,407,747	1,319,629
Insurance	-	-	-	-	-	-	365,915	264,689
Maintenance	95,246	-	17,279	-	-	-	592,455	527,242
Vehicle Operations	29,321	-	5,828	-	-	-	174,299	5,096
Utilities	13,585	-	-	-	-	-	227,239	643,561
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	213,583	-
Revaluation	-	-	-	-	-	-	10,758	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	85,896	-
Trash Removal & Recycling	-	-	-	-	-	-	765,744	-
Claims & Settlements	-	-	-	-	-	-	11,287	-
Community Support	-	-	-	-	-	-	410,381	5,754
Other Operation Expenditures	265,605	-	46,942	-	-	-	1,488,394	87,310
Tipping Fees	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	34,570,876	-	-	34,570,876	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	1,050,857	-	1,050,857	-
Municipal Debt- Interest	-	-	-	-	510,496	-	510,496	-
School Debt- Principal	-	-	-	-	908,209	-	908,209	-
School Debt- Interest	-	-	-	-	129,956	-	129,956	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	54,934
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	1,094,972	1,094,972	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 7,279,354	\$ -	\$ 296,652	\$ 34,570,876	\$ 2,599,517	\$ 1,094,972	\$ 63,648,701	\$ 43,203,566
Financing Uses: Transfer to Capital Funds	-	-	-	-	-	200,000	200,000	-
Financing Uses: Transfer to Other Funds	-	-	-	-	-	590,847	590,847	-
Financing Uses: Payment to Bond Escrow Agent	-	-	-	-	-	-	-	-
Financing Uses: Other	-	-	-	-	-	387,418	387,418	-
Total Other Financing Uses	-	-	-	-	-	\$ 1,178,265	\$ 1,178,265	-
Net Change in Fund Balance¹	-	-	-	-	-	372,200	372,200	(594,214)
Fund Balance 1- beginning of year	-	-	-	-	-	\$9,736,631	\$9,736,631	\$3,200,710
Funds removed from Reportable Government Services (RGS)	-	-	-	-	-	-	-	-
Funds added to Reportable Government Services (RGS)	-	-	-	-	-	-	-	-
Prior period adjustments	-	-	-	-	-	93,480	93,480	-
Misc. Adjustment	-	-	-	-	-	-	-	2
Fund Balance¹ - beginning of year adjusted	-	-	-	-	-	9,830,111	9,830,111	3,200,712
Rounding	-	-	-	-	-	-	-	-
Fund Balance¹ - end of year	-	-	-	-	-	\$ 10,202,311	\$ 10,202,311	\$ 2,606,498

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

See notes to accompanying supplementary information

See independent auditor's report

Town of Portsmouth, Rhode Island
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2021

Per Audited Fund Financial Statements Fund Description	Total Other		Total Other		Net Change in Fund Balance ¹	Beginning Fund		Restated Beginning		Ending Fund Balance ¹ (Deficit)
	Total Revenue	Financing Sources	Total Expenditures	Financing Uses		Fund Balance ¹ (Deficit)	Prior Period Adjustment	Fund Balance ¹ (Deficit)		
Fund Balance¹ - per MTP-2 at June 30, 2020						\$ 9,736,631	\$ 93,480	\$ 9,830,111		
<i>No funds removed from RGS for fiscal 2020</i>						-	-	-		
<i>No funds added to RGS for Fiscal 2020</i>						-	-	-		
<i>No misc. adjustments made for fiscal 2020</i>						-	-	-		
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						<u>\$ 9,736,631</u>	<u>\$ 93,480</u>	<u>\$ 9,830,111</u>		
General Fund - page 36	\$ 62,998,181	\$ 241,290	\$ 27,350,515	\$ 35,567,140	\$ 321,816	\$ 9,367,374	\$ 93,480	\$ 9,460,854	\$ 9,782,670	
Transfer Station - pg 40	784,589	-	729,297	-	55,292	(58,934)	-	(58,934)	(3,642)	
School Impact Fees - pg 158	178,819	-	-	182,000	(3,181)	428,191	-	428,191	425,010	
Safer Grant - pg 156	181,871	-	183,598	-	(1,727)	-	-	-	(1,727)	
CRF Funds - pg 163	814,416	-	814,416	-	-	-	-	-	-	
Totals per audited financial statements	<u>\$ 64,957,876</u>	<u>\$ 241,290</u>	<u>\$ 29,077,826</u>	<u>\$ 35,749,140</u>	<u>\$ 372,200</u>	<u>\$ 9,736,631</u>	<u>\$ 93,480</u>	<u>\$ 9,830,111</u>	<u>\$ 10,202,311</u>	
<u>Reconciliation from financial statements to MTP2</u>										
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 34,570,875	\$ (34,570,875)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rounding	-	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 64,957,876</u>	<u>\$ 241,290</u>	<u>\$ 63,648,701</u>	<u>\$ 1,178,265</u>	<u>\$ 372,200</u>	<u>\$ 9,736,631</u>	<u>\$ 93,480</u>	<u>\$ 9,830,111</u>	<u>\$ 10,202,311</u>	

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

See notes to accompanying supplementary information

See independent auditor's report

Town of Portsmouth, Rhode Island
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2021

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2020						\$ 3,200,710		\$ 3,200,710	
<i>No misc. adjustments made for fiscal 2020</i>						2		2	
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						<u>\$ 3,200,712</u>		<u>\$ 3,200,712</u>	
School Unrestricted Fund - pg 36	\$ 7,734,185	\$ 34,574,913	\$ 41,907,012	\$ 720,389	\$ (318,303)	\$ 1,668,202	\$ -	\$ 1,668,202	\$ 1,349,899
Enterprise Fund - School Nutrition Fund - pg 40	486,144	-	564,388	-	(78,244)	226,120	-	226,120	147,876
Enterprise Fund - School Summer School Fund - pg 40	-	234	-	-	234	(234)	-	(234)	-
School Capital Projects Fund - pg 175	-	-	296,501	-	(296,501)	1,007,993	-	1,007,993	711,492
School Special Revenue Funds - pg 171	1,804,612	720,155	2,387,907	4,036	132,824	380,023	-	380,023	512,847
Totals per audited financial statements	<u>\$ 10,024,941</u>	<u>\$ 35,295,302</u>	<u>\$ 45,155,808</u>	<u>\$ 724,426</u>	<u>\$ (559,991)</u>	<u>\$ 3,282,104</u>	<u>\$ -</u>	<u>\$ 3,282,104</u>	<u>\$ 2,722,113</u>
<u>Reconciliation from financial statements to MTP2</u>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 34,570,876	\$ (34,570,876)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(1,986,465)	-	(1,986,465)	-	-	-	-	-	-
Enterprise Fund - School Nutrition depreciation reported as an expenditure for GAAP but excluded from UCOA and MTP2	-	-	(19,935)	-	19,935	-	-	-	19,935
Enterprise Fund - School Nutrition prior year cumulative investment in net capital assets included in Fund Balance for GAAP	-	-	-	-	-	(81,392)	-	(81,392)	(81,392)
Capital asset purchase	-	-	54,158	-	(54,158)	-	-	-	(54,158)
Net transfer to School Unrestricted Fund to the School Special Revenue 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	-	(724,192)	-	(724,192)	-	-	-	-	-
Transfer from School Unrestricted Fund to the School Summer School 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.	-	(234)	-	(234)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 42,609,352</u>	<u>\$ -</u>	<u>\$ 43,203,566</u>	<u>\$ -</u>	<u>\$ (594,214)</u>	<u>\$ 3,200,712</u>	<u>\$ -</u>	<u>\$ 3,200,712</u>	<u>\$ 2,606,498</u>
<u>Reconciliation from MTP2 to UCOA</u>									
Adjustment for Custodial Funds	229,221		165,124						
Miscellaneous variances between MTP2 & UCOA	-		(2)						
Totals per UCOA Validated Totals Report - Dated 1/6/22	<u>\$ 42,838,573</u>		<u>\$ 43,368,688</u>						

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

See notes to accompanying supplementary information

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, 2021

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, 2021

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

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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, 2021, 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 31, 2021.

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. PC

Fall River, Massachusetts
December 31, 2021

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, 2021

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, 2021

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
Net Investment in Capital Assets	\$ 13,342,227	\$ 13,361,790	\$ 17,181,434	\$ 19,065,856	\$ 18,884,330	\$ 12,808,535	\$ 18,492,317	\$ 25,991,078	\$ 26,392,634	\$ 27,414,404
Permanent Trust Funds										
Expandable	-	-	-	-	-	-	-	-	-	-
Nonexpandable	-	-	-	-	-	-	-	-	-	80,932
Education	-	-	-	-	-	-	-	-	-	-
Restricted for specific programs	-	-	-	-	-	13,224,782	9,539,508	3,599,709	3,673,182	3,042,916
Unrestricted	4,868,397	7,593,977	4,978,129	(53,150,442)	(48,236,404)	(76,737,772)	(79,603,146)	(81,423,805)	(85,225,456)	(85,683,751)
Total Governmental Activities Net Position	\$ 18,210,624	\$ 20,955,767	\$ 22,159,563	\$ (34,084,586)	\$ (29,352,074)	\$ (50,704,455)	\$ (51,571,321)	\$ (51,833,018)	\$ (55,159,640)	\$ (55,145,499)
Business-type Activities:										
Net Investment in Capital Assets	\$ 337,289	\$ 558,288	\$ 778,209	\$ 1,011,013	\$ 214,640	\$ 246,923	\$ 287,681	\$ 321,499	\$ 319,699	\$ 362,365
Restricted for recycling	-	-	-	-	42,925	-	-	-	-	-
Restricted for specific programs	117,652	42,216	41,468	52,185	-	135,043	182,330	233,704	269,854	162,734
Unrestricted	(218,110)	(399,971)	64,764	(201,753)	(484,211)	(279,674)	(581,785)	(532,586)	(645,112)	(159,697)
Total Business-type Activities Net Position	\$ 236,831	\$ 200,533	\$ 884,441	\$ 861,445	\$ (226,646)	\$ 102,292	\$ (111,774)	\$ 22,617	\$ (55,559)	\$ 365,402
Primary Government:										
Net Investment in Capital Assets	\$ 13,679,516	\$ 13,920,078	\$ 17,959,643	\$ 20,076,869	\$ 19,098,970	\$ 13,055,458	\$ 18,779,998	\$ 26,312,577	\$ 26,712,333	\$ 27,776,769
Permanent Funds:										
Expandable	-	-	-	-	-	-	-	-	-	-
Nonexpandable	-	-	-	-	-	-	-	-	-	80,932
Education	-	-	-	-	-	-	-	-	-	-
Restricted for recycling	-	-	-	-	42,925	-	-	-	-	-
Restricted for specific programs	117,652	42,216	41,468	52,185	-	13,359,825	9,721,838	3,833,413	3,943,036	3,205,650
Unrestricted	4,650,287	7,194,006	5,042,893	(53,352,195)	(48,720,615)	(77,017,446)	(80,184,931)	(81,956,391)	(85,870,568)	(85,843,448)
Total Primary Government Net Position	\$ 18,447,455	\$ 21,156,300	\$ 23,044,004	\$ (33,223,141)	\$ (29,578,720)	\$ (50,602,163)	\$ (51,683,095)	\$ (51,810,401)	\$ (55,215,199)	\$ (54,780,097)

Town of Portsmouth, Rhode Island

Statistical Section

Changes in Net Position by Component

Last 10 Years

(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,457,302	\$ 325,937	\$ 207,860	\$ 321,465	\$ 779,018	\$ 1,276,782	\$ 1,301,265	\$ 1,382,222	\$ 750,332	\$ 1,115,137
General Education	1,072,173	1,095,603	1,284,080	1,190,355	1,223,557	1,324,821	1,457,114	1,675,281	1,399,538	1,564,959
Public Safety	559,735	1,916,306	1,928,936	1,593,544	810,523	1,247,938	1,296,168	1,358,718	1,065,030	736,301
Public Services	36,045	-	-	-	786,402	904,663	1,312,384	862,965	456,718	885,519
Community Service		596,985	612,272	591,755	570,530	269,131	54,321	76,294	133,965	13,878
Operating Grants and Contributions	3,351,960	2,640,398	2,872,433	4,283,641	5,581,847	5,964,893	8,142,481	8,576,083	9,422,525	9,919,166
Capital Grants and Contributions	293,313	106,790	115,000	193,000	250,313	-	11,021	35,269	281,987	582,311
Total Governmental Activities Program Revenues	6,770,528	6,682,019	7,020,581	8,173,760	10,002,190	10,988,228	13,574,754	13,966,832	13,510,095	14,817,271
Business-type Activities:										
Charges for Services:										
School Lunch Fund	458,888	439,792	474,039	485,336	504,002	526,846	505,390	537,564	357,702	27,785
Transfer Station	582,454	554,501	567,679	582,891	633,222	667,281	649,039	816,838	729,113	750,452
Wind Turbine Generator Fund	324,197	55,120	-	-	-	-	-	-	-	-
Septic System Loan Program	-	-	-	-	-	7,789	6,875	5,614	3,483	-
Non-major Funds	15,908	14,925	12,900	9,882	5,400	4,500	18,000	18,000	13,500	-
Operating Grants and Contributions	168,652	181,779	200,640	211,539	254,731	331,602	218,628	208,055	214,438	1,319,430
Total Business-type Activities	1,550,099	1,246,117	1,255,258	1,289,648	1,397,355	1,538,018	1,397,932	1,586,071	1,318,236	2,097,667
Total Primary Government Program Revenues	8,320,627	7,928,136	8,275,839	9,463,408	11,399,545	12,526,246	14,972,686	15,552,903	14,828,331	16,914,938
Expenses:										
Governmental Activities:										
General Government	4,607,181	5,022,256	5,992,387	6,635,659	5,830,129	5,631,833	7,402,421	8,256,939	11,024,983	9,636,478
General Education	38,514,354	39,516,556	38,316,994	41,397,051	40,753,345	40,978,207	42,132,819	42,596,950	42,477,570	42,127,041
Public Safety	9,185,098	9,606,117	9,860,970	11,096,478	11,371,782	13,281,332	12,902,054	13,466,990	13,668,340	15,301,872
Public Services	2,791,589	3,120,357	2,870,292	3,315,586	3,237,659	3,384,612	4,242,174	4,263,138	5,121,921	5,538,420
Community Service	1,346,146	1,045,438	1,376,200	1,269,191	1,290,100	1,297,889	1,164,372	1,093,681	2,067,949	1,426,058
Capital Outlay	320,161	106,499	2,551,459	-	-	-	-	-	-	-
Interest on Long Term Debt	524,720	392,363	466,731	428,901	556,894	640,732	838,661	749,371	699,602	622,807
Amortization Expense	47,885	50,501	29,851	29,851	-	-	-	-	-	-
Non-Operating Expense	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	57,337,134	58,860,087	61,464,884	64,172,717	63,039,909	65,214,605	68,682,501	70,427,069	75,060,365	74,652,676

Town of Portsmouth, Rhode Island

Statistical Section

Changes in Net Position by Component

Last 10 Years

(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type Activities:										
School Cafeteria Fund	628,779	649,650	644,770	655,980	711,503	752,768	728,816	723,645	581,345	564,388
Transfer Station	522,349	513,140	539,373	485,025	569,944	682,031	924,230	775,107	858,179	729,297
Wind Turbine Generator Fund	310,035	99,702	155,319	151,307	1,193,708	-	-	-	-	-
Septic System Loan Program	-	-	-	-	16,421	894	743	599	366	-
Non-major Funds	50,535	19,938	19,964	27,341	10,162	10,470	9,066	-	-	244,211
Total Business-type Activities	1,511,698	1,282,430	1,359,426	1,319,653	2,501,738	1,446,163	1,662,855	1,499,351	1,439,890	1,537,896
Total Primary Government Program Expenses	58,848,832	60,142,517	62,824,310	65,492,370	65,541,647	66,660,768	70,345,356	71,926,420	76,500,255	76,190,572
Net (Expenses)/Revenue:										
Governmental Activities	(50,566,606)	(52,178,068)	(54,444,303)	(55,998,957)	(53,037,719)	(54,226,377)	(55,107,747)	(56,460,237)	(61,550,270)	(59,835,405)
Business-type Activities	38,401	(36,313)	(104,168)	(30,005)	(1,104,383)	91,855	(264,923)	86,720	(121,654)	559,771
Total Primary Government Net Expenses	(50,528,205)	(52,214,381)	(54,548,471)	(56,028,962)	(54,142,102)	(54,134,522)	(55,372,670)	(56,373,517)	(61,671,924)	(59,275,634)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes, MV Phase Out, and PILOT	45,490,728	46,517,787	47,965,049	49,267,057	49,910,345	51,008,411	52,466,837	54,448,500	56,056,578	57,221,898
State Aid (unrestricted)	6,871,423	7,005,457	6,778,745	6,048,181	6,359,063	4,387,343	1,682,968	1,705,352	1,652,108	2,117,657
Investment Income	11,855	(123,492)	13,792	11,621	13,433	39,911	103,984	105,760	82,728	90,902
Other Revenues	1,164,085	719,182	1,678,576	1,351,979	1,452,173	61,917	48,410	1,027	488,753	86,799
Transfers	(79,435)	-	(788,063)	(7,000)	35,217	(504,341)	(61,318)	(62,099)	(53,519)	138,810
Total Governmental Activities	53,458,656	54,118,934	55,648,099	56,671,838	57,770,231	54,993,241	54,240,881	56,198,540	58,226,648	59,656,066
Business-type Activities:										
Transfers	79,435	-	788,063	7,000	10,500	254,341	61,318	62,099	(138,810)	(138,810)
Investment Income	24	15	13	9	5,792	(17,258)	(10,461)	(14,428)	-	-
Total Business-type Activities	79,459	15	788,076	7,009	16,292	237,083	50,857	47,671	(138,810)	(138,810)
Total Primary Government General Revenues and Other Changes in Net Position	53,538,115	54,118,949	56,436,175	56,678,847	57,786,523	55,230,324	54,291,738	56,246,211	58,087,838	59,517,256
Change in Net Position:										
Governmental Activities	1,280,588	(325,369)	(350,858)	3,634,119	3,543,854	766,864	(866,866)	(261,697)	(3,323,622)	(179,339)
Business-type Activities	43,146	(104,153)	758,071	(1,097,374)	108,147	328,938	(214,066)	134,391	(260,464)	420,961
Total Change in Net Position of Primary Government	\$ 1,323,734	\$ (429,522)	\$ 407,213	\$ 2,536,745	\$ 3,652,001	\$ 1,095,802	\$(1,080,932)	\$ (127,306)	\$(3,584,086)	\$ 241,622

Town of Portsmouth, Rhode Island

Statistical Section

Fund Balances, Governmental Funds

Last 10 Years

(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Nonspendable:										
Permanent Funds:										
Perpetual Care and Endowed Funds	\$ 4,821	\$ 140,468	\$ 146,218	\$ 156,385	\$ 160,404	\$ 161,552	\$ 163,633	\$ 167,452	\$ 170,397	\$ 167,452
General Fund:										
Advances to Other Funds	-	492,296	-	341,062	-	-	-	-	-	-
Prepaid Expenses	-	968	199,374	590,534	429,048	667,511	785,135	751,534	284,449	664,087
Inventory	60,892	17,450	31,236	57,173	36,300	62,208	33,287	55,470	49,577	33,602
Encumbrances	-	-	-	-	-	-	-	-	-	-
Total Nonspendable Fund Balance	\$ 65,713	\$ 651,182	\$ 376,828	\$ 1,145,154	\$ 625,752	\$ 891,271	\$ 982,055	\$ 974,456	\$ 504,423	\$ 865,141
Restricted:										
Town Special Revenue Funds	\$ 744,295	\$ 333,999	\$ 614,792	\$ 336,444	\$ 767,279	\$ 1,016,479	\$ 489,325	\$ 685,468	\$ 958,510	\$ 1,102,287
School Special Revenue Funds	-	418,230	472,711	386,627	434,041	408,188	283,973	514,174	380,074	512,847
Permanent Funds	-	-	-	-	-	-	-	-	-	80,932
Town Capital Project Funds	694,536	620,253	316,497	590,657	3,125,294	11,021,908	7,102,320	884,154	1,326,605	716,290
School Capital Project Funds	-	1,521,010	1,306,896	143,390	1,378,118	778,207	1,663,890	1,515,913	1,007,993	711,492
Total Restricted Fund Balance	\$ 1,438,831	\$ 2,893,492	\$ 2,710,896	\$ 1,457,118	\$ 5,704,732	\$ 13,224,782	\$ 9,539,508	\$ 3,599,709	\$ 3,673,182	\$ 3,123,848
Committed:										
Committed for Education	\$ 3,330,247	\$ 3,922,953	\$ 3,441,468	\$ 2,709,418	\$ 1,114,909	\$ 1,260,145	\$ 928,995	\$ 847,141	\$ 1,594,569	\$ 931,571
Committed for Department Reserved	-	-	-	-	98,739	344,658	-	-	-	341,351
Committed for Warrant 12-13	-	-	-	-	-	-	-	-	-	160,908
Committed for Preservation and Maintenance of Glen Manor Property	111,776	137,715	107,908	179,928	191,209	242,246	381,315	406,631	322,770	-
Total Committed Fund Balance	\$ 3,442,023	\$ 4,060,668	\$ 3,549,376	\$ 2,889,346	\$ 1,404,857	\$ 1,847,049	\$ 1,310,310	\$ 1,253,772	\$ 1,917,339	\$ 1,433,830
Assigned:										
Open Space	\$ 309,379	\$ 309,379	\$ 309,378	\$ 9,378	\$ 9,378	\$ 9,378	\$ 139,754	\$ -	\$ -	\$ -
Prudence Island Fire Department	-	-	-	-	-	-	-	80,000	80,000	-
Total Assigned Fund Balance	\$ 309,379	\$ 309,379	\$ 309,378	\$ 9,378	\$ 9,378	\$ 9,378	\$ 139,754	\$ 80,000	\$ 80,000	\$ -
Unassigned:										
General Fund	\$ 4,747,344	\$ 5,098,694	\$ 6,076,343	\$ 6,131,862	\$ 6,871,853	\$ 6,912,353	\$ 7,317,622	\$ 8,333,042	\$ 9,026,981	\$ 9,342,401
Town Capital Project Fund	(130,301)	(574,506)	(978,633)	-	-	-	-	-	(1,792,252)	-
Town Warrant 12-13 Fund	-	-	-	-	-	-	-	-	-	(1,343,170)
Other Governmental Funds	87,009	(7,554)	(1,189,169)	(942,669)	(941,689)	(1,246,698)	(1,330,332)	(1,895,702)	(59,211)	96,860
Total Unassigned Fund Balance	\$ 4,704,052	\$ 4,516,634	\$ 3,908,541	\$ 5,189,193	\$ 5,930,164	\$ 5,665,655	\$ 5,987,290	\$ 6,437,340	\$ 7,175,518	\$ 8,096,091

Town of Portsmouth, Rhode Island

Statistical Section

Changes in Fund Balances, Governmental Funds

Last 10 Years

(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General property taxes and interest	\$ 47,562,179	\$ 47,192,624	\$ 48,391,434	\$ 49,242,875	\$ 50,384,667	\$ 50,764,048	\$ 52,587,567	\$ 54,457,593	\$ 55,757,474	\$ 58,300,557
State aid and grants	9,070,514	9,000,037	9,228,660	9,391,037	9,608,787	10,000,238	9,709,798	10,050,391	9,572,095	10,306,709
Licenses, permits, and fees	2,388,422	2,369,864	2,430,065	2,472,821	2,530,159	2,468,756	2,721,235	2,799,577	2,676,211	3,224,080
Charges for services	2,303,163	2,285,268	2,343,319	2,384,550	2,439,840	2,428,718	2,576,007	2,341,269	2,283,107	2,039,283
Investment income	11,855	(123,492)	13,792	11,621	70,150	39,911	103,984	105,760	82,728	90,902
Other revenue	263,719	396,923	266,586	273,690	221,776	314,691	140,229	400,662	636,015	1,163,644
Total revenues	61,599,852	61,121,224	62,673,856	63,776,594	65,255,379	66,016,362	67,838,820	70,155,252	71,007,630	75,125,175
General government	4,076,596	4,179,637	4,473,710	4,477,338	4,679,504	4,856,775	5,033,136	5,129,664	5,233,057	6,516,209
Public safety	9,185,098	9,606,117	10,860,970	11,196,478	11,451,321	11,815,833	12,385,996	12,430,456	13,032,708	13,757,688
Public works	2,791,589	3,120,357	3,082,772	3,315,586	3,224,582	3,325,211	3,489,791	3,462,129	3,902,808	4,542,620
Public and social services	654,818	671,369	718,606	688,603	751,662	780,716	807,887	817,715	900,754	1,079,405
Parks and recreation	260,547	267,133	285,928	289,994	299,081	399,049	233,044	219,140	293,635	326,416
Education	34,135,385	34,696,752	36,769,353	37,067,451	38,227,325	40,105,874	40,685,778	42,370,779	41,784,315	44,384,834
Capital outlay	5,733,358	5,878,275	6,291,862	6,381,350	6,581,293	6,905,580	7,003,672	9,266,681	2,632,986	2,082,328
Principal	1,469,091	1,506,224	1,612,199	1,635,129	1,686,362	1,905,979	1,658,067	2,135,066	1,953,040	1,959,066
Interest	524,720	392,363	466,731	428,901	630,907	517,121	816,273	772,754	699,172	640,451
Total expenses	58,831,202	60,318,227	64,562,131	65,480,830	67,532,037	70,612,138	72,113,644	76,604,384	70,432,475	75,289,017
Excess (deficit) of revenues over (under) expenditures before other financing sources (uses)	2,768,650	802,997	(1,888,275)	(1,704,236)	(2,276,658)	(4,595,776)	(4,274,824)	(6,449,132)	575,155	(163,842)
Other financing sources (uses)	1,970,641	689,000	311,937	1,539,406	5,261,352	12,559,028	595,606	835,492	430,030	138,810
Total change in fund balance	4,739,291	1,491,997	(1,576,338)	(164,830)	2,984,694	7,963,252	(3,679,218)	(5,613,640)	1,005,185	(25,032)
Beginning fund balance	6,200,069	10,939,360	12,431,357	10,855,019	10,690,189	13,674,883	21,638,135	17,958,917	12,345,277	13,543,942
Ending fund balance	\$ 10,939,360	\$ 12,431,357	\$ 10,855,019	\$ 10,690,189	\$ 13,674,883	\$ 21,638,135	\$ 17,958,917	\$ 12,345,277	\$ 13,350,462	\$ 13,518,910
Ratio of total debt service expenditures to total noncapital expenditures	3.90%	3.61%	3.70%	3.62%	3.95%	3.95%	3.95%	4.51%	4.07%	3.68%

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
2012	2,903,773,900	290,414,100	58,963,767	-	167,343,161	178,571,223	3,241,923,705	\$13.908/1,000	\$22.50/1,000	3,420,494,928	94.78%
2013	2,895,214,200	288,264,200	55,698,040	-	174,418,799	171,416,932	3,242,178,307	\$14.238/1,000	\$22.50/1,000	3,413,595,239	94.98%
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%

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	2011 ROLL				2020 ROLL		
	2012			% of Total	2021		% of Total
	Taxable Assessed Value	Rank			Taxable Assessed Value	Rank	
Raytheon Corp	\$ 44,541,750	2		1.163	\$ 53,343,128	1	1.432
Carnegie @ One Tower Drive LLC	\$ -				\$ 44,501,200	2	1.195
National Grid	\$ 16,357,650	4	0.005	0.427	\$ 38,852,077	3	1.043
TDS Realty/SHM NEB LLC	\$ 11,990,150	8	0.004	0.313	\$ 29,513,207	4	0.792
Newport Water	\$ -				\$ 26,941,184	5	0.723
CA Club Acquisitions ILP/Aquidneck CC	\$ 16,722,800	3	0.005	0.437	\$ 21,727,351	6	0.583
Zucker Trustee of Bay View Realty/Bay View Holdings	\$ 8,669,650	10	0.003	0.226	\$ 18,388,260	7	0.494
Talaria RE Holdings	\$ 14,615,450	6	0.005	0.382	\$ 17,432,925	8	0.468
Northern Waterfront/Velocity NBC LLC	\$ 12,429,500	7	0.004	0.325	\$ 12,382,100	9	0.332
GMH Military Housing	\$ 15,502,600	5	0.005	0.405	\$ 11,579,100	10	0.311
Nationwide Health Properties INC	\$ 7,962,100	11	0.002	0.208	\$ -		
Carnegie Tower Development Co.	\$ 80,653,400	1	0.025	2.106	\$ -		
Conlan Rhode Island Acquisitions	\$ 9,162,000	9	0.003	0.239	\$ -		
TOTAL	\$ 238,607,050			6.230	\$ 274,660,532		7.374

Source: Town of Portsmouth Tax Assessor Office

2011 NAV = 3,829,725,643

2020 NAV = 3,724,668,408

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 6/30/2021	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2012	45,807,376	43,913,817	95.87%	45,604,015	99.56%
2013	46,892,536	45,436,722	96.90%	46,813,427	99.83%
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%

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 ^{1,3} Income	Net Bonded Debt per Capita	Population ^{1,2}	Taxable Assessed Value	Net Bonded Debt as % of Taxable Assessed Value
	General Obligation Bonds	RIHEBC	Capital Leases	Wind Turbine, Transfer Station & Septic Loan							
2012	11,179,482	4,785,000	22,010	2,394,238	18,380,730	0.2261%	41,554	1,063	17,293	3,241,923,705	0.5670%
2013	9,991,411	4,270,000	53,242	2,160,212	16,474,865	0.2721%	44,821	953	17,293	3,242,178,307	0.5081%
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%

¹ US Census Bureau

² RI Department of Planning

³ 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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Assessed Value	\$ 3,241,923,705	\$ 3,242,178,307	\$ 3,257,969,891	\$ 3,076,103,172	\$ 3,113,434,005	\$ 3,145,004,989	\$ 149,259,788	\$ 3,366,094,057	\$ 3,386,067,375	\$ 3,795,427,445
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	97,257,711	97,265,349	97,739,097	92,283,095	93,403,020	94,350,150	4,477,794	100,982,822	101,582,021	113,862,823
Total Debt Applicable to Limit General Obligation Bonds	18,358,720	16,421,623	14,900,507	13,971,094	14,727,000	25,162,000	20,283,554	21,431,605	21,504,870	17,211,000
Legal Debt Margin	\$ 78,898,991	\$ 80,843,726	\$ 82,838,590	\$ 78,312,001	\$ 78,676,020	\$ 69,188,150	\$ (15,805,760)	\$ 79,551,217	\$ 80,077,151	\$ 96,651,823
Total Net Debt Applicable to the Limit as % of Debt Limit	23.27%	20.31%	17.99%	17.84%	18.72%	36.37%	-128.33%	26.94%	26.86%	17.81%

Town of Portsmouth, Rhode Island

Statistical Section

Demographic and Economic Statistics

Last 10 Years

(Unaudited)

Fiscal Year	School June 30	Population ¹	School Enrollment ³	Poverty Population***			Per Capita Income***		Unemployment Rate**		
				Portsmouth ¹	RI ¹	US ¹	Portsmouth ^{1,2}	RI ¹	Portsmouth ²	RI ²	US ⁴
2012		17,389	2,796	1,064	148,819	48,452,035	41,968	29,277	10.30%	11.00%	8.90%
2013		17,385	2,715	1,257	138,907	48,760,123	41,554	29,389	9.30%	10.40%	8.10%
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%

¹ US Census Bureau

² RI Department of Labor & Training

³ Portsmouth School Department

⁴ US Bureau of Labor Statistic

** 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)

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
General Government:										
Council	7	7	7	7	7	7	7	7	7	7
Administration	2	2	2	2	2	2	2	2	2	2
Town Clerk	4	4	3	3	2	3	4	4	3	4
Canvassing	1	1	1	1.5	1.5	1.5	2	2	2	2
Finance/Personnel	5	5	5	5	5	5	5	5	5	6
Tax Assessment/Collection	5	5	4	5	5	5	5	5	5	4
Planning and Development	1.5	1.5	1.5	1.5	2.5	3.5	4	4	4	4
Building Inspection/Zoning	2.5	2.5	2.5	3	3	2	3	3	3	3
Total General Government	28	28	26	28	28	29	32	32	31	32
Public Safety:										
Police	32	31	31	30	33	34	36	36	36	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	33	34	35	34	34	35	36	36	38	47
Total Public Safety	67.5	67.5	68.5	66.5	69.5	71.5	74.5	74.5	76.5	88.5
Public Health:										
Public Works	16	16	16	16	16	15	19.5	19.5	18.5	18.5
Total Public Health	16	16	16	16	16	15	19.5	19.5	18.5	18.5
Public Welfare:										
Parks and Recreation	5	5	5	5	5	12	9	9	9	9
Total Public Welfare	5	5	5	5	5	12	9	9	9	9
Public Education:										
Teachers	230.9	227.6	219.9	223	210	210	220	217.4	224	218
Pupil Support	101.5	101.6	101.6	103	75	75	75	88	86	89
Executive and Administrative	15.5	14.5	15	16	16	16	16	14.5	15.5	16
Total Public Education	347.9	343.7	336.5	342	301	301	311	319.9	325.5	323
Total	464.4	460.2	452	457.5	419.5	428.5	446	454.9	460.5	471

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government:										
Building permits issued	616	682	612	535	788	803	755	690	832	938
Number of inspections made	1,795	1,852	2,304	2,210	2,188	1,416	1,827	1,886	2,021	2,537
Town Clerk:										
Number of transactions										
Beverage licenses	30	31	32	35	35	35	35	35	29	31
Dog licenses	1,589	1,608	1,651	1,652	1,584	1,714	1,735	1,675	1,427	1,733
Other licenses	166	160	213	209	191	143	143	253	246	260
Vital records	1,355	1,135	1,372	1,050	1,038	1,138	1,082	1,014	706	704
Land evidence	5,156	4,701	3,631	4,227	4,145	4,532	4,830	4,532	4,720	6,658
Probate cases	79	104	100	92	105	157	153	93	178	124
Public Safety:										
Number of police personnel and officers	31	31	30	33	35	34	34	38	38	38
Number of arrests	513	552	586	714	798	745	511	532	695	946
Number of parking violations	41	41	47	74	118	43	66	38	374	143
Number of traffic violations	1,828	2,120	2,344	1,987	3,128	3,500	5,911	8,018	8,885	9,320
Number of fatal car crashes	3	3	1	-	-	1	1	1	-	0
Number of motor vehicle accidents	149	149	159	159	147	153	527	456	499	380
Number of paid firefighters	34	35	34	34	35	35	35	35	34	47
Number of fire emergency responses	741	751	755	679	629	643	909	946	1,021	1,198
Number of fires extinguished	133	118	134	88	34	32	39	49	64	98
Number of ambulance calls	1,837	1,945	1,884	1,924	2,057	2,211	2,010	2,274	2,004	2,033
Public Works:										
Number of streets paved	-	15	26	27	20	17	15	7	8	18
Inches of snow removed (accumulative)	14	42	50	69	31	41	46	21.1	12.9	32.5
Tons collected and disposed:										
Solid waste	4,718	4,004	3,955	4,327	4,145	4,404	3,091	1,863	1,616	1,578
Metal (tons)									113	72
Mattress (each)									13	29
Tires (each)									150	195
Metal, Mattress, Tires	197	117	189	211	182	1,029	1,029	147		
Recycleable	1,924	1,931	2,134	1,981	1,257	1,101	1,304	1,137	898	874
Number of Christmas trees pickup		1,378	1,433	1,390	1,355	1,330	1,147	1,407	1,387	1,481
Wastewater										
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	86	109	41	145	60	80	80	28	88	44

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	2	2	2
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	127+	129+	129+	130+	130+	130+	130+	130+	130+	130+
Number of fire hydrants	567	574	581	578	581	581	581	581	581	581
Recreations and Parks:										
Number of parks and recreation facilities	17	17	17	17	17	17	17	22	22	22
Acres of parks and recreation facilities	354.98	354.98	354.98	354.98	354.98	354.98	354.98	386.23	386.23	386.23

Source: Various Town Departments

<http://www.city-data.com>

<http://www.portsmouthwater.org>