

TOWN OF PORTSMOUTH, RHODE ISLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2025



Richard A. Rainer Jr.
Town Administrator

Kayla Marsden
Finance Director

Town of Portsmouth, Rhode Island
Annual Comprehensive Financial Report

June 30, 2025

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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
rrainer@portsmouthri.com

December 5, 2025

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

We are pleased to present the **Annual Comprehensive Financial Report (ACFR)** of the Town of Portsmouth, Rhode Island, for the fiscal year ended **June 30, 2025**. This report was prepared by the Office of the Finance Director, with the assistance of the Town's independent auditors, and is intended to provide a clear picture of the Town's financial position and operating results. This submission fulfills the requirements of state law, which calls for municipalities to publish audited financial statements prepared in accordance with **Generally Accepted Accounting Principles (GAAP)** within six months of the close of each fiscal year.

The Town's financial statements were audited by **Hague, Sahady & Co., P.C.**, a firm of licensed certified public accountants. Based on their review, the auditors issued an **unmodified ("clean") opinion**, indicating that the financial statements for the year ending June 30, 2025, are fairly presented in all material respects in conformity with GAAP.

This report reflects management's responsibility for the Town's financial reporting. Accordingly, management is responsible for the accuracy, completeness, and reliability of the information presented. To support this responsibility, the Town maintains a comprehensive system of internal controls designed to safeguard assets and ensure reliable financial reporting. These controls are designed to provide **reasonable, though not absolute, assurance** that the financial statements are free from material misstatement. Based on our best knowledge and belief, we affirm that this report is complete and reliable in all material respects.

Management's Discussion and Analysis (MD&A), which follows the independent auditor's report, provides a helpful narrative overview of the Town's financial activity and condition. This transmittal letter is intended to complement that discussion and should be read alongside it.

Profile of the Government

General

The Town of Portsmouth, established in 1638 and incorporated in 1640, is the second oldest municipality in Rhode Island. As of 2025, Portsmouth had a population of **17,391** and occupies the northern portion of

Aquidneck Island. It is bordered by the Town of Bristol to the north, Middletown to the south, the Sakonnet River to the east, and Narragansett Bay to the west. The Town encompasses **59.3 square miles**, including **23.2 square miles of land** and **36.1 square miles of inland waters**.

Government

Portsmouth operates under a **Home Rule Charter** with governance provided by an elected seven-member Town Council and an appointed Town Administrator. The Town Council serves as the legislative and policy-making body and appoints the Town Administrator to oversee daily operations. The Town delivers a full range of municipal services, including public safety, infrastructure maintenance, education, recreation, planning and zoning, and solid waste management.

The annual budget forms the foundation of the Town's financial planning and accountability. Each year, Town departments and the School Committee submit budget requests and revenue estimates to the Town Administrator, who prepares a proposed budget for submission to the Town Council by **March 29th**. Following public work sessions, the Council adopts a preliminary budget and ultimately approves the final budget by ordinance at a June meeting.

Voters retain the right to petition for a referendum on the approved budget within two weeks of adoption. If no petition is filed, the budget becomes final. If a referendum is required, it must take place within **35 to 45 days** after certification.

The adopted budget is organized by fund, major program area, and department. Department heads may transfer funds within their own budgets, while transfers between major program functions require approval from the Town Administrator and notification to the Town Council.

Local Economy

As of **November 30, 2025**, Portsmouth was home to **638 businesses**, ranging from small home-based operations to large national and international firms. **Raytheon Integrated Defense Systems**, the Town's largest employer, accounts for a combined tax-assessed value of **\$44.6 million**. An additional **\$22.9 million** in assessed value comes from leased equipment in Town, with utility properties contributing another **\$59.3 million**.

Portsmouth's extensive coastline continues to support a strong marine trades economy. The Town is working collaboratively with the U.S. Navy and the State to transfer key waterfront property, including a former Navy fueling facility, for future marine industry expansion. In addition, a mixed-use development initiative in the **Marina District Planned Unit Development (PUD)** area is expected to create new opportunities for public access, residential living, marine-related businesses, and retail activity.

Pension and Other Post-Employment Benefits

The Town administers several retirement programs for its employees. Most active fire and police personnel participate in the Rhode Island **Municipal Employees' Retirement System (MERS)**, while a limited number of employees remain in a closed defined benefit plan. Other Town employees participate in a defined contribution retirement program.

As of **June 30, 2025**, the Town's pension funded ratio improved to **67.54%**, up from **61.33%** in the previous year. The Town assumes a **6.75%** rate of return for purposes of calculating its annual pension contribution.

The Town's **Net Other Post-Employment Benefits (OPEB) liability** totaled **\$15.4 million**, with the OPEB Trust funded at **17.1%** as of June 30, 2025.

Transparency and Accountability

The Town of Portsmouth remains firmly committed to financial transparency and accountability. This is the **eighth year** that the Town's audit has been presented in the form of a formal ACFR. Monthly budget reports are reviewed at the second Town Council meeting each month, and additional financial data, including debt service schedules, monthly check registers, and actuarial reports, is available on the Town's website.

This report reflects the dedicated work of the Town and School finance departments, and we are grateful for their professionalism and attention to detail. We also acknowledge the continued support of the Town Council and School Committee in maintaining strong financial management practices.

Respectfully submitted,



Richard A. Rainer Jr.
Town Administrator

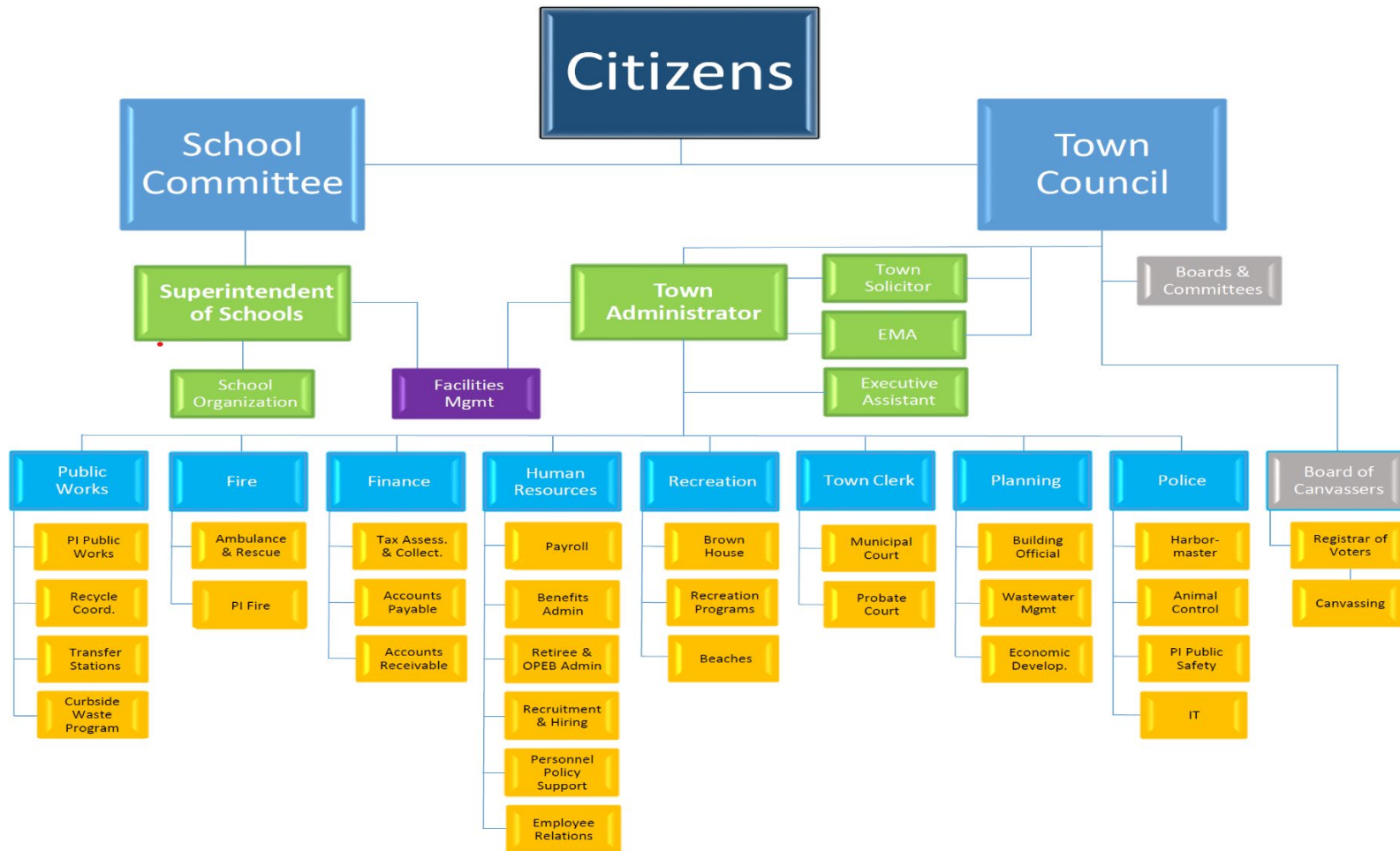


Kayla T. Marsden
Finance Director

Town of Portsmouth, Rhode Island

Organizational Chart

Fiscal Year 2024-2025





Elected Town Officials

Portsmouth Town Council

Keith E. Hamilton, President

David M. Gleason, Vice President

Sondra Blank

Mary A. McDowell

Sharlene M. Patton

Juan Carlos Payero

David G. Reise



Portsmouth School Committee

Emily Copeland, Chair

Frederick Faerber III, Vice-Chair

Jack Delehanty

Brett Fox

Isabelle Kelly

Karen McDaid

Emily Skeehan



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Portsmouth
Rhode Island**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

Financial Section

This Section contains the Following Subsections:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Portsmouth, Rhode Island ("the Town"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial

statements, tax collector's annual report, and annual supplemental transparency portal (MTP2) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, tax collector's annual report, and annual supplemental transparency portal (MTP2) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2025 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Hague, Sahady & Co., CPA's P.C.

Fall River, Massachusetts
December 22, 2025, Except for Note 18

Management's Discussion and Analysis

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2025

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, 2025. We encourage the readers to consider the information presented here in conjunction with the letter of transmittal on pages i-iii of this report as well as the Town's basic financial statements that follow this section.

Financial Highlights

Government-Wide Financial Statements:

Net Position – The liabilities and deferred inflows of the Town’s governmental activities exceeded its assets and deferred outflows for the fiscal year ending June 30, 2025, by \$29,566,229 (presented as “total net position”). Of this amount, a negative of \$73,805,929 was reported as “unrestricted”. The net investment in capital assets was \$27,034,548. The liabilities and deferred inflows of the Town’s business-type activities exceed its assets and deferred outflows by \$22,216. Of this amount, \$276,892 represents the Town’s business-type activities net investment in capital assets.

Change in Net Position – The Town’s total net position increased by \$6,357,557 in fiscal year 2025. Net position of governmental activities increased by \$6,904,018 due mainly to an increase in State operating grants and contributions. In addition, net position of business-type activities decreased by \$546,461.

Fund Highlights:

Governmental Funds – Fund Balances – As of June 30, 2025, the Town’s governmental funds reported a combined ending fund balance of \$24,975,909, a \$4,361,463 decrease from the prior year. Of the total fund balance reported, \$11,989,844 represents “unassigned fund balance”.

Overview of the Financial Statements

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

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

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

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

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

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2025

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

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

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

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

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

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

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

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

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2025

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

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

Proprietary funds. Proprietary funds are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The Town has five proprietary funds. The Transfer Station accounts for the solid waste operations of the town. The main transfer station is located on Hedley Street. An additional transfer station is located on Prudence Island to serve the citizens living there. The other proprietary funds are the Arthur Daniel House, Septic System Loan Program Fund, Glen Farm Equestrian Fund, and Curbside Fund. The Curbside program with a start date of July 1, 2025, launched sticker sales in fiscal year 2025. 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, 2025

	Government-wide Financial Analysis						Total Percentage Change
	Governmental Activities		Business-Type Activities		Total		
	2025	2024	2025	2024	2025	2024	
Assets							
Current assets	\$ 30,380,007	\$ 35,174,730	\$ 1,569,203	\$ 438,109	\$ 31,949,210	\$ 35,612,839	-10.3%
Other assets	13,859,927	12,965,783	-	-	13,859,927	12,965,783	6.9%
Capital assets	55,892,189	51,905,870	296,824	347,282	56,189,013	52,253,152	7.5%
Total assets	<u>100,132,123</u>	<u>100,046,383</u>	<u>1,866,027</u>	<u>785,391</u>	<u>101,998,150</u>	<u>100,831,774</u>	1.2%
Deferred outflows of resources							
Pension related outflows	10,022,771	11,721,574	-	-	10,022,771	11,721,574	-14.5%
OPEB related outflows	2,752,933	2,748,966	-	-	2,752,933	2,748,966	0.1%
Total deferred outflows of resources	<u>12,775,704</u>	<u>14,470,540</u>	<u>-</u>	<u>-</u>	<u>12,775,704</u>	<u>14,470,540</u>	-11.7%
Liabilities							
Current liabilities	4,743,675	3,750,576	128,084	162,878	4,871,759	3,913,454	24.5%
Long-term liabilities	113,608,255	120,577,896	-	40,000	113,608,255	120,617,896	-5.8%
Total liabilities	<u>118,351,930</u>	<u>124,328,472</u>	<u>128,084</u>	<u>202,878</u>	<u>118,480,014</u>	<u>124,531,350</u>	-4.9%
Deferred inflows of resources							
Pension related inflows	12,524,319	12,370,451	-	-	12,524,319	12,370,451	1.2%
OPEB related inflows	5,615,279	7,363,215	-	-	5,615,279	7,363,215	-23.7%
Unearned revenue - other	5,960,313	6,902,816	1,760,158	58,267	7,720,471	6,961,083	10.9%
Total deferred inflows of resources	<u>24,099,911</u>	<u>26,636,482</u>	<u>1,760,158</u>	<u>58,267</u>	<u>25,860,069</u>	<u>26,694,749</u>	-3.1%
Net Position							
Net investment in capital assets	26,757,656	28,643,759	276,892	214,732	27,034,548	28,858,491	-6.3%
Restricted	17,205,152	13,510,233	-	-	17,205,152	13,510,233	27.3%
Unrestricted	<u>(73,506,822)</u>	<u>(78,602,023)</u>	<u>(299,107)</u>	<u>309,514</u>	<u>(73,805,929)</u>	<u>(78,292,509)</u>	-5.7%
Total net position	<u>\$ (29,544,014)</u>	<u>\$ (36,448,031)</u>	<u>\$ (22,215)</u>	<u>\$ 524,246</u>	<u>\$ (29,566,229)</u>	<u>\$ (35,923,785)</u>	-17.7%

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2025

Government-wide Financial Analysis (continued)

Net Position

As noted earlier, net position may serve as a useful indicator of the government's financial position over time. The Town's combined net position (government and business-type activities) totaled a deficit of \$29,544,014 at the end of 2025, compared to a deficit of \$36,448,031 at the end of the prior year.

Of the Town's net position, \$26,757,656 reflects its investment in capital assets, like land, buildings, equipment, and infrastructure less any outstanding related debt used to acquire that asset. The Town uses these capital assets to provide services to citizens; consequentially, these assets are not available for future spending. Although the Town's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

The restricted net position of \$17,205,151 primarily represents net pension assets for teachers survivor benefit, of \$8,233,404. Internally imposed designations of resources are not presented as restricted net position.

Changes in Net Position

The Town's net position increased by \$6,904,017 for governmental activities and decreased by \$546,46 for business-type activities for a combined increase in net position of \$6,357,557.

Governmental activity revenues increased due to an increase in property tax revenue, departmental revenue, and federal and state grants and reimbursements. Approximately 76.4% of the Town's total governmental activity revenues were generated from taxes and payments in lieu of taxes, which is an increase from the prior year. Grants and contributions resulted for 15.24% of revenues. There were slight changes in charges for various goods and services, which provided 7.67% of total revenues, while investment income accounted for .72% of total revenues, respectively. More specifically, tax revenues for the year increased due to increased property tax revenue, which grew as a result of both a rate increase as well as an increase in the taxable values, driven by increased local real estate market values.

The Town's expenses cover a range of services. The most significant expenses were for education, and public safety. The primary increase in public safety was due to the increase in both the pension and other post-employment liabilities, deferred outflows and deferred inflows.

Business-Type Activities

The business-type activities reported revenue at approximately the same as in the prior year, while expenses decreased by 44.3% from the prior year.

The business-type activities decreased the Town's net position by \$22,215. This resulted primarily from a \$1,738 decrease in net position of the Septic System Loan Program. There a decrease of \$529,167 from the Transfer Station and a new fund was established for curbside collection and had an initial change in net position of \$15,556; each of which contributed to the overall decrease.

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2025

Government-wide Financial Analysis (continued)

Changes in Net Position for the period ending June 30, 2025 and June 30, 2024 (Government-wide level)

	Statement of Activities						Total Percentage Change
	Governmental Activities		Business-Type Activities		Total		
	2025	2024	2025	2024	2025	2024	
Revenues							
Program Revenues:							
Charges for service	\$ 6,517,789	\$ 6,203,929	\$ 308,437	\$ 1,120,142	\$ 6,826,226	\$ 7,324,071	-6.8%
Operating grants & contributions	7,775,524	9,470,023	-	-	7,775,524	9,470,023	-17.9%
Capital grants & contributions	1,009,994	2,027,486	-	-	1,009,994	2,027,486	100.0%
General Revenues:							
Property taxes	64,828,126	62,301,207	-	-	64,828,126	62,301,207	4.1%
State aid to town	4,149,915	3,745,258	-	-	4,149,915	3,745,258	10.8%
Other revenue	-	3,298,304	-	-	-	3,298,304	-100.0%
Earnings on investments	614,230	649,110	-	-	614,230	649,110	-5.4%
Total revenues	84,895,578	87,695,317	308,437	1,120,142	85,204,015	88,815,459	-4.1%
Expenses							
General government	8,342,469	6,336,065	-	-	8,342,469	6,336,065	31.7%
Public safety	12,035,620	20,721,143	-	-	12,035,620	20,721,143	-41.9%
Public works	2,619,081	1,872,081	-	-	2,619,081	1,872,081	39.9%
Education	52,702,735	51,724,725	-	-	52,702,735	51,724,725	1.9%
Community services	1,061,377	2,300,378	-	-	1,061,377	2,300,378	-53.9%
Interest on debt	1,230,279	371,420	-	-	1,230,279	371,420	231.2%
Transfer station	-	-	814,570	774,398	814,570	774,398	5.2%
Septic system loan program	-	-	1,964	2,682	1,964	2,682	100.0%
Glen farm equestrian	-	-	-	(4,513)	-	(4,513)	-100.0%
Arthur Daniel house	-	-	22,808	30,000	22,808	30,000	-24.0%
Curbside Collections	-	-	15,556	-	15,556	-	#DIV/0!
Total expenses	77,991,561	83,325,812	854,898	802,567	78,846,459	84,128,379	-6.3%
Excess(deficiency) in net assets before transfers	6,904,017	4,369,505	(546,461)	317,575	6,357,556	4,687,080	35.6%
Transfers in (out)	-	-	-	-	-	-	0.0%
Change in net position	6,904,017	4,369,505	(546,461)	317,575	6,357,556	4,687,080	35.6%
Net position, July 1,	(36,448,032)	(40,817,536)	524,246	206,671	(35,923,786)	(40,610,865)	-11.5%
Net position, June 30	<u>\$ (29,544,015)</u>	<u>\$ (36,448,031)</u>	<u>\$ (22,215)</u>	<u>\$ 524,246</u>	<u>\$ (29,566,230)</u>	<u>\$ (35,923,785)</u>	<u>-17.7%</u>

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2025

Financial Analysis of the Town of Portsmouth's Funds

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

Governmental Funds

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

At the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$24,975,909. Approximately 48% or \$11,990,331 is available from the Town's fund balance for spending at the government's discretion. The remaining fund balance of \$12,985,578 includes \$1,008,358 non-spendable for prepaid items, inventory and permanent funds, \$11,438,739 restricted to specific programs and \$538,481 committed.

The primary driver of the change in fund balance within the Town's Capital Projects Fund was the expenditure of more than half of the bond proceeds to fund the intended school capital projects under the 2022–2023 School Bond. Correspondingly, the issuance of debt to finance these school projects resulted in increased activity within the Debt Service Funds. The underlying reasons for the increase in General Fund fund balance were addressed on page 12 under the heading "General Fund Budgetary Highlights."

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 \$12,087,767, while the total fund balance of the General Fund was \$12,659,139. 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 16.2% of the FY 2025 Adopted General Fund Expenditure Budget. Total fund balance represents 17.0% of the same budget.

The School Unrestricted fund ending fund balance of \$654,836, which includes a committed fund balance of \$252,801 and \$402,035 non-spendable fund balance for prepaid items at June 30, 2025. The committed fund balance represents 1.88% of total School Department expenditures of \$47,189,356. The School Unrestricted fund balance decreased by \$683,075 during the fiscal year ended June 30, 2025.

The Town is reporting one of its capital projects funds as a major fund in fiscal year 2025. This fund began in the fiscal year 2019. This fund expended \$8,289,168 for capital outlay and a transfer in of \$808,518 resulting in a net change of \$7,480,650. This fund reported a fund balance at year-end of \$3,698,486.

The Non-Major Governmental Funds had a total fund balance of \$7,963,448, which represents a \$3,230,901 increase in fund balance during the fiscal year ended June 30, 2025.

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2025

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.

As discussed in the business-type activities above, the Town’s proprietary net position increased by \$1,155,430 as a result of operations in the individual enterprise funds. This increase is due a decrease in net position of \$1,738 by the Septic System Loan Program, an increase in net position of \$1,309,168 by the Curbside Collections, and a \$152,000 decrease in the Transfer Station for fiscal year 2025.

General Fund Budgetary Highlights

The General Fund reported a favorable revenue surplus, primarily driven by higher-than-expected collections. The Town Clerk collected an additional \$166,238 in real estate transfer fees above the budgeted \$450,000, and the Finance Department earned \$397,460 more than the budgeted \$100,000 in investment interest income. On the expenditure side, the Town realized savings due to vacancies across several departments—including Police, DPW, Town Clerk, and Planning—which were subsequently filled in FY26.

Capital Assets and Debt Administration

Capital Assets -The Town of Portsmouth's capital assets for its governmental activities and business-type activities as of June 30, 2025 amount to \$55,189,013 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, improvements, machinery and equipment, park and recreation facilities, infrastructure and construction in progress. Additional information on the Town of Portsmouth's capital assets can be found in Note 5 to the financial statements.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Land and land easements	\$ 6,344,763	\$ 6,175,279	\$ 37,251	\$ 37,251	\$ 6,382,014	\$ 6,212,530
Construction in progress	554,203	7,307,838	-	-	554,203	7,307,838
Land improvements, net	961,992	983,169	-	-	961,992	983,169
Building & improvements, net	31,557,122	21,738,726	207,510	239,686	31,764,632	21,978,412
Machinery and equipment, net	4,622,827	2,252,942	52,063	70,346	4,674,890	2,323,288
Infrastructure, net	10,573,605	9,839,593	-	-	10,573,605	9,839,593
Vehicles, net	919,807	1,848,153	-	-	919,807	1,848,153
Right to use-equipment	357,870	1,760,170	-	-	357,870	1,760,170
Total	<u>\$ 55,892,189</u>	<u>\$ 51,905,870</u>	<u>\$ 296,824</u>	<u>\$ 347,283</u>	<u>\$ 56,189,013</u>	<u>\$ 52,253,153</u>

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2025

Capital Assets and Debt Administration (continued)

Debt Administration - At the end of the current fiscal year, the Town of Portsmouth had total bonded debt outstanding of \$32,873,019 and leases outstanding of \$433,197, 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 to the financial statements.

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

	Governmental Activities		Debt Administration Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
	Bonds and notes payable	\$ 32,399,822	\$ 33,741,077	\$ 40,000	\$ 99,932	\$ 32,439,822
Leases	433,197	700,170	-	32,618	433,197	732,788
Total	<u>\$ 32,833,019</u>	<u>\$ 34,441,247</u>	<u>\$ 40,000</u>	<u>\$ 132,550</u>	<u>\$ 32,873,019</u>	<u>\$ 34,573,797</u>

State statutes limit the amount of general obligation bonded debt a town can issue to 3 percent of net assessed property values. The Town of Portsmouth has a policy that places the limit at 2 percent of net assessed property values and the ratio of annual debt service payments shall not exceed 15% of the operating budget's expenditures. Bonds approved by the State enabling legislation and voter referendums are exempt from the limit. As of June 30, 2025, the Town had a debt limit of \$147,001,788 at the State level and \$115,996,788 at a local level.

In October of 2015 the Town of Portsmouth was rated “AAA” by S&P Global Ratings as part of a bond offering, their highest rating. S&P Global Ratings affirmed the Town’s “AAA” rating on January 5, 2024. Moody’s Investors Service rates the Town “Aa2.” Moody’s affirmed the Town’s rating on January 12, 2023.

Economic Factors

The Town of Portsmouth’s total proposed General Fund budget for fiscal year 2025 amounts to \$74,404,959 which reflects an increase of 4.02% over the fiscal 2024 budget. Of the Town’s \$74,404,959 budget, \$41,762,984 or 56.13% is budgeted for the Portsmouth Public Schools. The Town is budgeted to receive \$3,585,146 or 4.82% from the State of Rhode Island for aid for Education.

The Town’s tax rate for fiscal year 2025 is \$13.174 per thousand vs \$12.782 per thousand in fiscal year 2024.

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, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
<i>Current Assets:</i>			
Cash and cash equivalents	\$ 23,554,909	\$ -	\$ 23,554,909
Restricted cash	3,831,072	21,885	3,852,957
Investments	135,389	-	135,389
Receivables, net			
Personal property taxes	1,430,231	-	1,430,231
Ambulance receivables, net	743,154	-	743,154
Intergovernmental	552,901	-	552,901
Departmental	593,350	61,142	654,492
Other receivable-current	337,449	-	337,449
Internal balances	(1,486,176)	1,486,176	-
Prepaid items	654,119	-	654,119
Inventory	33,609	-	33,609
Noncurrent Assets:			
Receivable long-term	4,715,659	-	4,715,659
Net pension asset	9,144,268	-	9,144,268
Capital assets:			
Nondepreciable assets	6,898,966	37,251	6,936,217
Depreciable assets, net	48,635,353	259,573	48,894,926
Right-to-use lease asset, net	357,870	-	357,870
Total capital assets	55,892,189	296,824	56,189,013
Total assets	100,132,123	1,866,027	101,998,150
DEFERRED OUTFLOWS OF RESOURCES			
Pension related outflows	10,022,771	-	10,022,771
OPEB related outflows	2,752,933	-	2,752,933
Total deferred outflows of resources	12,775,704	-	12,775,704
Total assets and deferred outflows of resources	\$ 112,907,827	\$ 1,866,027	\$ 114,773,854

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Statement of Net Position

June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
<i>Current liabilities:</i>			
Accounts payable and accrued expenses	\$ 1,896,540	\$ 62,339	\$ 1,958,879
Other liabilities	97,376	-	97,376
Accrued interest	157,206	5,813	163,019
Payables to external parties	616,885	-	616,885
Current position of lease payable	140,467	-	140,467
Current portion of bonds and notes payable	1,726,729	59,932	1,786,661
Current portion of compensated absences	108,472	-	108,472
<i>Noncurrent liabilities</i>			
Leases payable	292,730	-	292,730
Bonds and notes payable	30,673,093	-	30,673,093
Compensated absences	3,172,015	-	3,172,015
Net other post-employment benefit liability	18,122,612	-	18,122,612
Net pension liability	61,347,805	-	61,347,805
Total liabilities	118,351,930	128,084	118,480,014
DEFERRED INFLOWS OF RESOURCES			
Pension related inflows	12,524,319	-	12,524,319
OPEB related inflows	5,615,279	-	5,615,279
Deferred leases	4,670,173	-	4,670,173
Deferred prepaid tax in advance	56,546	-	56,546
Deferred Glen Manor rent	410,251	-	410,251
Deferred Melville campground	154,164	-	154,164
Deferred America Rescue Plan Act	663,079	-	663,079
Deferred revenue - other	6,100	1,760,158	1,766,258
Total deferred inflows of resources	24,099,911	1,760,158	25,860,069
NET POSITION			
Net investment in capital assets	26,757,656	276,892	27,034,548
Restricted for:			
Nonexpendable:			
Corpus of endowment fund	320,631	-	320,631
Expendable:			
General government	1,708,502	-	1,708,502
Public safety programs	1,942,903	-	1,942,903
Educational purposes	692,225	-	692,225
Public works and social services	332,661	-	332,661
Community services	32,327	-	32,327
Capital projects	3,016,127	-	3,016,127
Permanent fund expendable	15,508	-	15,508
Pension Asset:			
Teacher's survivor benefit	8,233,404	-	8,233,404
MERS - Fire	202,566	-	202,566
MERS - Police	708,298	-	708,298
Unrestricted	(73,506,822)	(299,107)	(73,805,929)
Total net position	(29,544,014)	(22,215)	(29,566,229)
Total liabilities, deferred inflows or resources and net position	\$ 112,907,827	\$ 1,866,027	\$ 114,773,854

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Statement of Activities

For the Year Ended June 30, 2025

	Net (Expense) Revenue and Changes in Net Position						
	Program Revenues			Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 8,342,468	\$ 2,646,398	\$ 51,163	\$ -	\$ (5,644,907)	\$ -	\$ (5,644,907)
Public safety	12,035,620	491,659	921,023	1,009,994	(9,612,944)	-	(9,612,944)
Public works	2,619,081	525,087	140,000	-	(1,953,994)	-	(1,953,994)
Education	52,702,735	2,854,645	6,634,930	-	(43,213,160)	-	(43,213,160)
Community services	1,061,377	-	28,408	-	(1,032,969)	-	(1,032,969)
Interest on debt	1,230,279	-	-	-	(1,230,279)	-	(1,230,279)
Total governmental activities	77,991,560	6,517,789	7,775,524	1,009,994	(62,688,253)	-	(62,688,253)
Business-Type Activities							
Portsmouth transfer station	814,570	285,403	-	-	-	(529,167)	(529,167)
Septic system loan program	1,964	226	-	-	-	(1,738)	(1,738)
Glen farm equestrian	-	-	-	-	-	-	-
Arthur Daniel house	22,808	22,808	-	-	-	-	-
Curbside Collection	15,556	-	-	-	-	(15,556)	(15,556)
Total business-type activities	854,898	308,437	-	-	-	(546,461)	(546,461)
Total Town of Portsmouth	\$ 78,846,458	\$ 6,826,226	\$ 7,775,524	\$ 1,009,994	\$ (62,688,253)	\$ (546,461)	\$ (63,234,714)

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Statement of Activities

For the Year Ended June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Town of Portsmouth, Rhode Island	\$ (62,688,253)	\$ (546,461)	\$ (63,234,714)
General revenues			
Real estate and personal property, net of reserve for abatements	64,828,126	-	64,828,126
Earnings on investments	614,230	-	614,230
State aid to town	3,738,593	-	3,738,593
Medicaid	411,322	-	411,322
Total general revenues	69,592,271	-	69,592,271
Transfers			
Transfers in (out)	-	-	-
Total transfers	-	-	-
Total general revenues and transfers	69,592,271	-	69,592,271
Changes in net position	6,904,018	(546,461)	6,357,557
Net position - July 1, 2024, restated	(36,448,032)	524,246	(35,923,786)
Net position - June 30, 2025	\$ (29,544,014)	\$ (22,215)	\$ (29,566,229)

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Governmental Funds

Balance Sheet

June 30, 2025

	Major Fund			Non-Major	Total
	General Fund	School Unrestricted Fund	School Bond Project	Governmental Funds	Governmental Funds
Assets					
Cash and cash equivalents	20,359,679	2,137,459	\$ -	\$ 1,057,771	\$ 23,554,909
Restricted cash	-	-	3,831,072	-	3,831,072
Investments	-	-	-	135,389	135,389
Receivables:					
Property taxes, net	1,430,231	-	-	-	1,430,231
Intergovernmental	-	32,340	-	520,561	552,901
Ambulance receivable, net	743,154	-	-	-	743,154
Lease receivable	4,670,173	-	-	-	4,670,173
Other	916,816	26,885	-	32,584	976,285
Due from other funds	-	-	63,335	8,255,771	8,319,106
Inventory	33,609	-	-	-	33,609
Prepaid items	252,083	402,035	-	-	654,118
Total assets	28,405,745	2,598,719	3,894,407	10,002,076	44,900,947
Deferred outflows of resources					
Deferred outflows	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	28,405,745	2,598,719	3,894,407	10,002,076	44,900,947
Liabilities					
Accounts payable and accrued expenses	602,851	818,832	195,921	278,936	1,896,540
Other liabilities	97,377	-	-	-	97,377
Payable to external parties	616,885	-	-	-	616,885
Due to other funds	7,589,717	1,118,951	-	1,096,613	9,805,281
Total liabilities	8,906,830	1,937,783	195,921	1,375,549	12,416,083
Deferred inflows of resources					
Deferred ambulance revenue	743,063	-	-	-	743,063
Deferred leases	4,670,173	-	-	-	4,670,173
Deferred prepaid taxes in advance	56,546	-	-	-	56,546
Deferred property tax revenue	805,579	-	-	-	805,579
Deferred Glen Manor rent	410,251	-	-	-	410,251
Deferred Melville campground	154,164	-	-	-	154,164
Deferred America Rescue Plan Act	-	-	-	663,079	663,079
Deferred revenue - other	-	6,100	-	-	6,100
Total deferred inflows of resources	6,839,776	6,100	-	663,079	7,508,955
Fund balance					
Nonspendable	285,692	402,035	-	320,631	1,008,358
Restricted	-	-	3,698,486	7,740,253	11,438,739
Committed	285,680	252,801	-	-	538,481
Unassigned	12,087,767	-	-	(97,436)	11,990,331
Total fund balance	12,659,139	654,836	3,698,486	7,963,448	24,975,909
Total liabilities, deferred inflows of resources, and fund balance	\$ 28,405,745	\$ 2,598,719	\$ 3,894,407	\$ 10,002,076	\$ 44,900,947

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, 2025

Total governmental fund balances	\$	24,975,909
Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, net		55,892,189
TSB and MERS net pension asset		9,144,268
Other deferred taxes and ambulance receivables are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the funds.		
Deferred property taxes revenue		805,579
Deferred ambulance revenue		743,063
Other long-term assets related to net pension and OPEB activity and therefore, are deferred inflows of resources in the funds.		
Pension related inflows		(12,524,318)
OPEB related inflows		(5,615,279)
Other long-term liabilities related to net pension and OPEB activity and therefore, are deferred outflows of resources in the funds.		
Pension related outflows		10,022,771
OPEB related outflows		2,752,933
In the statement of activities, interest is accrued on outstanding long-term debt whereas in governmental funds interest is not reported until due.		
		(157,206)
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		(32,399,822)
Leases		(433,197)
Compensated absences		(3,280,488)
Other postemployment benefits		(18,122,612)
Town net pension liability		(37,874,091)
ERS net pension liability		(23,473,714)
Net position (deficit) of governmental activities	\$	<u>(29,544,014)</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, 2025

	Major Fund			Non-Major	Total
	General Fund	School Unrestricted Fund	School Bond Project	Governmental Funds	Governmental Funds
Revenues					
General property taxes and interest	64,869,206	\$ -	\$ -	\$ -	\$ 64,869,206
State aid and grants	3,738,593	3,792,844	-	3,460,966	10,992,403
Contributions and private grants	-	-	-	42,492	42,492
Licenses, permits, and fees	2,274,754	-	-	-	2,274,754
Charges for services	1,107,776	2,240,440	-	1,043,870	4,392,086
Investment income	554,134	-	-	60,098	614,232
Medicaid	-	411,322	-	-	411,322
Other revenue	-	537,980	-	951,235	1,489,215
State contribution to pension plan	-	2,333,767	-	-	2,333,767
Total revenues	72,544,463	9,316,353	-	5,558,661	87,419,477
Expenditures					
General government	7,062,475	-	-	189,423	7,251,898
Public safety	16,187,205	-	-	946,526	17,133,731
Public works	4,464,359	-	-	60,240	4,524,599
Public and social services	888,187	-	-	55,729	943,916
Parks and recreation	365,806	-	-	3,711	369,517
Education	-	46,798,083	-	2,767,851	49,565,934
Capital outlay	40,000	391,273	7,480,650	1,607,618	9,519,541
Debt service:					
Principal	1,234,066	-	-	-	1,234,066
Interest	425,220	-	808,518	-	1,233,738
Admin fee	4,000	-	-	-	4,000
Total expenditures	30,671,318	47,189,356	8,289,168	5,631,098	91,780,940
Excess (deficiency) of revenues over expenditures	41,873,145	(37,873,003)	(8,289,168)	(72,437)	(4,361,463)
Other financing sources (uses)					
Transfers in	-	38,177,838	808,518	3,353,978	42,340,334
Transfers out	(41,301,785)	(987,910)	-	(50,639)	(42,340,334)
Total other financing sources (uses)	(41,301,785)	37,189,928	808,518	3,303,339	-
Net change in fund balance	571,360	(683,075)	(7,480,650)	3,230,902	(4,361,463)
Fund balance, July 1, 2024	12,087,779	1,337,911	11,179,136	4,732,546	29,337,372
Fund balance, June 30, 2025	\$ 12,659,139	\$ 654,836	\$ 3,698,486	\$ 7,963,448	\$ 24,975,909

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, 2025

Net change in fund balances - total governmental funds	\$ (4,361,463)
<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	(1,208,843)
Depreciation expense	5,195,162
	3,986,319
<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	(41,080)
Deferred ambulance revenue	(149,053)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Principal paid on bonds	1,234,067
Bond premium amortized	107,188
Lease payments	266,973
<p>In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest, is not reported until due.</p>	
	7,458
<p>Some expenses reported in the Statement of Activities, such as compensated absences, do not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds.</p>	
	(1,111,056)
<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	3,967
Change in OPEB related inflows	1,747,936
Change in net OPEB liability	(1,113,291)
<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	852,526
Change in pension related outflows	(1,698,803)
Change in pension related inflows	(153,868)
Change in net pension liability	7,326,198
Change in net position of governmental activities	\$ 6,904,018

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Proprietary Funds

Statement of Net Position

June 30, 2025

	<u>Arthur Daniel House</u>	<u>Septic System Loan Program</u>	<u>Glen Farm Equestrian</u>	<u>Curbside Collection</u>	<u>Transfer Station</u>	<u>Total</u>
Assets						
Current assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	-	\$ -	\$ -
Restricted cash	-	21,885	-	-	-	21,885
Receivables, net:						
Other	346	1,766	33,989	-	25,041	61,142
Due from other funds	-	29,427	94,486	1,309,168	53,387	1,486,468
Total current assets	<u>346</u>	<u>53,078</u>	<u>128,475</u>	<u>1,309,168</u>	<u>78,428</u>	<u>1,569,495</u>
Non-current assets						
Nondepreciable	-	-	-	-	37,251	37,251
Depreciable, net	-	-	-	-	259,573	259,573
Total non-current assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,824</u>	<u>296,824</u>
Total assets	<u>346</u>	<u>53,078</u>	<u>128,475</u>	<u>1,309,168</u>	<u>375,252</u>	<u>1,866,319</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>\$ 346</u>	<u>\$ 53,078</u>	<u>\$ 128,475</u>	<u>\$ 1,309,168</u>	<u>\$ 375,252</u>	<u>\$ 1,866,319</u>

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Proprietary Funds

Statement of Net Position

June 30, 2025

	<u>Arthur Daniel House</u>	<u>Septic System Loan Program</u>	<u>Glen Farm Equestrian</u>	<u>Curbside Collection</u>	<u>Transfer Station</u>	<u>Total</u>
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	\$ 54	\$ 959	\$ 2,986	\$ -	\$ 58,340	\$ 62,339
Accrued interest payable	-	-	-	-	5,813	5,813
Due to other funds	292	-	-	-	-	292
Current portion of lease payable	-	-	-	-	-	-
Current portion of bonds payable	-	40,000	-	-	19,932	59,932
Total current liabilities	<u>346</u>	<u>40,959</u>	<u>2,986</u>	<u>-</u>	<u>84,085</u>	<u>128,376</u>
Non-current liabilities:						
Bonds payable	-	-	-	-	-	-
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>346</u>	<u>40,959</u>	<u>2,986</u>	<u>-</u>	<u>84,085</u>	<u>128,376</u>
Deferred inflows of resources						
Deferred revenue	-	-	58,267	1,324,724	377,167	1,760,158
Total liability and deferred inflows of resources	<u>346</u>	<u>40,959</u>	<u>61,253</u>	<u>1,324,724</u>	<u>461,252</u>	<u>1,888,534</u>
Net position						
Net investment in capital assets	-	-	-	-	276,892	276,892
Unrestricted	-	12,119	67,222	(15,556)	(362,892)	(299,107)
Total net position	<u>\$ -</u>	<u>\$ 12,119</u>	<u>\$ 67,222</u>	<u>\$ (15,556)</u>	<u>\$ (86,000)</u>	<u>\$ (22,215)</u>

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Proprietary Funds

Statement Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2025

	<u>Arthur Daniel House</u>	<u>Septic System Loan Program</u>	<u>Glen Farm Equestrian</u>	<u>Curbside Collection</u>	<u>Transfer Station</u>	<u>Total</u>
Operating revenues						
Charges for sales and services	\$ 22,808	226	\$ -	\$ -	\$ 285,403	\$ 308,437
Total operating revenues	<u>22,808</u>	<u>226</u>	<u>-</u>	<u>-</u>	<u>285,403</u>	<u>308,437</u>
Operating expenses						
Glen farm equestrian	-	-	-	-	-	-
Curbside collection expenses	-	-	-	15,556	-	15,556
Transfer station expenses	-	-	-	-	763,912	763,912
Septic system loan program	-	22	-	-	-	22
Arthur D. House	22,808	-	-	-	-	22,808
Depreciation and amortization	-	-	-	-	50,458	50,458
Total operating expenses	<u>22,808</u>	<u>22</u>	<u>-</u>	<u>15,556</u>	<u>814,370</u>	<u>852,756</u>
Operating income (loss)	<u>-</u>	<u>204</u>	<u>-</u>	<u>(15,556)</u>	<u>(528,967)</u>	<u>(544,319)</u>
Nonoperating revenues (expenses)						
Other income	-	-	-	-	-	-
Interest income (expense)	-	(1,942)	-	-	(200)	(2,142)
Income (loss) before transfers	<u>-</u>	<u>(1,738)</u>	<u>-</u>	<u>(15,556)</u>	<u>(529,167)</u>	<u>(546,461)</u>
Transfers						
Transfers in (out)	-	-	-	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>-</u>	<u>(1,738)</u>	<u>-</u>	<u>(15,556)</u>	<u>(529,167)</u>	<u>(546,461)</u>
Net position, July 1, 2024	<u>-</u>	<u>13,857</u>	<u>67,222</u>	<u>-</u>	<u>443,167</u>	<u>524,246</u>
Net position, June 30, 2025	<u>\$ -</u>	<u>\$ 12,119</u>	<u>\$ 67,222</u>	<u>\$ (15,556)</u>	<u>\$ (86,000)</u>	<u>\$ (22,215)</u>

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Proprietary Funds

Statement of Cash Flows

For the Year Ended June 30, 2025

	Arthur Daniel House	Septic System Loan Program	Glen Farm Equestrian	Curbside Collection	Transfer Station	Total
Cash flows from operating activities:						
Receipts from customers and users	\$ 23,023	\$ 6,194	\$ 19,422	\$ 1,324,724	\$ 285,403	\$ 1,658,766
Payments to suppliers of goods and services	(30,254)	(21)	2,986	(15,556)	(761,928)	(804,773)
Net cash provided (used) by operating activities	(7,231)	6,173	22,408	1,309,168	(99,358)	1,231,160
Cash flows from noncapital financing activities:						
Due to/from other funds	7,231	41,942	(22,408)	(1,309,168)	131,876	(1,150,527)
Net cash provided (used) by noncapital financing activities	7,231	41,942	(22,408)	(1,309,168)	131,876	(1,150,527)
Cash flows from capital and related financing activities:						
Bond and lease principal payments	-	(40,000)	-	-	(32,617)	(72,617)
Bond interest payments	-	(1,942)	-	-	99	(1,843)
Net cash provided (used) by capital and related financing activities	-	(41,942)	-	-	(32,518)	(74,460)
Cash flows from investing activities:						
Interest received	-	-	-	-	-	-
Net cash provided by investing activities	-	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	-	6,173	-	-	-	6,173
Balances-beginning of the year	-	15,712	-	-	-	15,712
Balances-end of the year	\$ -	\$ 21,885	\$ -	\$ -	\$ -	\$ 21,885
Displayed as:						
Cash and cash equivalents	-	-	-	-	-	-
Restricted cash	-	21,885	-	-	-	21,885
Total	\$ -	\$ 21,885	\$ -	\$ -	\$ -	\$ 21,885

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Proprietary Funds

Statement of Cash Flows

For the Year Ended June 30, 2025

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	Arthur Daniel House	Septic System Loan Program	Glen Farm Equestrian	Curbside Collection	Transfer Station	Total
Operating income (loss)	\$ -	\$ 204	\$ -	\$ (15,556)	\$ (528,967)	\$ (544,319)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	-	-	-	-	50,458	50,458
Change in assets and liabilities:						
(Increase) decrease in user charges receivables, net	215	5,968	19,422	-	-	25,605
Increase (decrease) in accounts payable	(7,446)	-	2,986	-	-	(4,460)
Increase (decrease) in deferred revenue	-	1	-	1,324,724	379,151	1,703,876
Net cash provided (used) by operating activities	\$ (7,231)	\$ 6,173	\$ 22,408	\$ 1,309,168	\$ (99,358)	\$ 1,231,160

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2025

	Employee Benefit Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ -	\$ 757,716
Investments, at fair value		
Mutual funds	78,789,307	-
Fixed income securities	3,193,149	-
Receivables	-	616,885
	<u>81,982,456</u>	<u>1,374,601</u>
Total assets	<u>81,982,456</u>	<u>1,374,601</u>
Deferred outflows of resources		
Deferred outflows	-	-
	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 81,982,456</u>	<u>\$ 1,374,601</u>
Liabilities		
Accounts payable	-	-
	<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	78,789,307	-
Restricted for OPEB	3,193,149	-
Restricted for Custodial Funds	-	1,374,601
	<u>81,982,456</u>	<u>1,374,601</u>
Total net position	<u>81,982,456</u>	<u>1,374,601</u>
Total liabilities and net position	<u>\$ 81,982,456</u>	<u>\$ 1,374,601</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, 2025

	Employee Benefit Trust Funds	Custodial Funds
Additions		
Contributions:		
Employer contributions	\$ 5,515,644	\$ -
Plan member contributions	353,796	-
Other adjustments	-	-
Funds received on behalf of others	-	686,807
<i>Total contributions</i>	<u>5,869,440</u>	<u>686,807</u>
Investment Income:		
Net appreciation in the fair value	8,467,928	119
<i>Total investment income</i>	<u>8,467,928</u>	<u>119</u>
Less: Investment expense	<u>(31,678)</u>	-
Total additions	<u>14,305,690</u>	<u>686,926</u>
Deductions		
Benefits paid	6,479,303	-
Administrative expenses	106,344	-
Funds distributed on behalf of others	-	494,124
Total deductions	<u>6,585,647</u>	<u>494,124</u>
Changes in net position held in trust for individuals, organizations, and other governments	7,784,716	192,802
Net position, July 1, 2024	<u>74,197,740</u>	<u>1,181,799</u>
Net position, June 30, 2025	<u>\$ 81,982,456</u>	<u>\$ 1,374,601</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, 2025

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.

Generally, 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 2025:

* Portsmouth Water and Fire District

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

The Town of Portsmouth does not have any component units.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

1. Summary of significant accounting policies (continued)

Basis of presentation:

Government-wide financial statements:

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

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

Fund financial statements:

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

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

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

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

Governmental funds:

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

The Town uses the following governmental funds:

General Fund:

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

1. Summary of significant accounting policies (continued)

Basis of presentation (continued):

Fund financial statements (continued)

Special revenue funds:

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

Debt Service fund:

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

Capital projects funds:

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

Permanent funds:

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

Proprietary funds:

Proprietary funds are used to account for business-like activities provided to the 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 like the private sector. Of the Town's five enterprise funds, the Glen Manor House and the Transfer Station Funds are major funds. The Town's management has elected to present the remaining non-major enterprise funds as major funds. The Town has no internal service funds.

Fiduciary funds:

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

1. Summary of significant accounting policies (continued)

Basis of presentation (continued):

Fund financial statements – Governmental Funds (continued):

Pension trusts:

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

Other postemployment benefits (OPEB) trust:

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

The following fiduciary funds are used by the Town:

Custodial funds:

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

Measurement focus and basis of accounting:

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

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

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

1. Summary of significant accounting policies (continued)

Basis of presentation (continued):

Fund financial statements – Governmental Funds (continued):

Recognition of grant revenues is based on the susceptibility of accrual as determined by the legal and contractual requirements established by each grantor. For grants not restrictive as to specific purposes and revocable only for failure to comply with general prescribed requirements, revenues are recognized when 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 after year-end. Prior to expenditure, proceeds are recorded as unearned revenues.

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

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

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

Cash and Cash Equivalents:

Cash and cash equivalents consist of cash on hand, time and demand deposits and short-term investments maturing within three months of 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 institution not meeting certain federally prescribed minimum capital standards must insure deposits or pledged collateral equal to 100% of the deposits, regardless of maturity. The Town complied with these requirements.

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

1. Summary of significant accounting policies (continued)

Basis of presentation (continued):

Measurement focus and basis of accounting (continued)

Investments:

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

Receivables:

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

Real Estate and Personal Property Taxes:

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

Taxes levied in July are payable quarterly on September 1, December 1, March 1 and June 1. Failure to make payments on the prior year's assessment by mid-March will result in a lien on the taxpayer's property. Real estate and personal property tax are shown net of an allowance for uncollectible accounts. The allowance is calculated based on the age of the individual receivables and amounted to \$561,426 on June 30, 2025, in the governmental statement and statement of net position, respectively.

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

1. Summary of significant accounting policies (continued)

Basis of presentation (continued):

Measurement focus and basis of accounting (continued):

Due from Federal and State Government:

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

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

Short Term Interfund Receivables and Payables:

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

Inventory and Prepaid Items:

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

Capital Assets and Depreciation:

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

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

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

1. Summary of significant accounting policies (continued)

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

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

Leases:

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

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

Bond Premiums and Issuance Costs:

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

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

Deferred Inflows and Outflows of Resources:

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

In addition to assets, the statement of net position and/or balance sheet can report deferred outflows of resources. Deferred outflow of resources represents a consumption of net assets that applies to future periods, and which will not be recognized as an outflow of resources (expense/expenditure) until that later date. On June 30, 2025 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 \$12,778,566 results from differences between expected and actual experience, changes in assumptions or other inputs, the net differences between projected and actual earnings on pension plan investments, changes in proportionate share and system contributions and

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

1. Summary of significant accounting policies (continued)

Deferred Inflows and Outflows of Resources (continued):

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

The deferred outflow of resources related to OPEB totaling \$2,752,933 results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate section represents an acquisition of net assets that applies to future periods and, therefore, will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2025, the Town had five items that were qualified as a deferred inflow of resources in the governmental funds balance sheet. The unavailable tax revenue represents property taxes receivable which are assessed on December 31, 2024, and prior and are not collected within 60 days of June 30, 2025. Net unavailable property tax revenue included in the fund financial statements was \$805,559 on June 30, 2025. Prepaid taxes revenue as of June 30 was \$56,546. The unavailable ambulance revenue represents ambulance rescue fee receivables that are not collected as of June 30, 2025. Net unavailable ambulance rescue fee revenue included in the fund financial statements was \$743,063 at June 30, 2025. Deferred lease was \$4,670,173, deferred Glen Manor House rent was \$410,251, deferred America Rescue Plan Act of \$663,079, and deferred revenues-other totaled \$6,100 as of June 30, 2025. These amounts are deferred and will be recognized as an inflow of resources in the year in which the amounts become available.

On June 30, 2025 the Town of Portsmouth, Rhode Island reports deferred outflows related to pension and OPEB in the Government-wide statement of net position. The deferred outflow of resources related to pension totaling \$10,025,633 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. While the deferred outflow of resources related to OPEB totaled \$2,752,933.

These amounts are deferred and included as a reduction in pension expenses 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 pension and OPEB totaling \$18,139,598 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 expenses in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees).

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

1. Summary of significant accounting policies (continued)

Compensated Absences:

Under the terms of various contracts and agreements, Town employees are granted vacation and sick leave in varying amounts based on length of service. Vacation benefits are accrued as a liability based on the accumulated benefits earned at June 30. Sick leave benefits are based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The liability is calculated at the rate of pay in effect at June 30, 2025.

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

Accrued Liabilities and Long-Term Debt:

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

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

Interfund Activities:

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

Reciprocal Interfund Activities:

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

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

1. Summary of significant accounting policies (continued)

Reciprocal Interfund Activities (continued):

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

Non-Reciprocal Interfund Activities:

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

Encumbrances:

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

Fund equity:

Government-Wide Financial Statements – Net Position

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

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

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

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

Governmental Fund Financial Statements:

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

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

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

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

1. Summary of significant accounting policies (continued)

Governmental Fund Financial Statements(continued):

Assigned – amounts that are intended by the Town to be used for specific purposes but are neither restricted nor committed. The Town Council delegates to the Town Administrator or designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any 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 fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

Pensions

Private Pension

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

Employees' Retirement System plan (ERS)

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

Teachers' Survivors Benefit plan (TSB)

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

1. Summary of significant accounting policies (continued)

Pensions (continued):

Municipal Employee's Retirement System (MERS)

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System (MERS) of Rhode Island and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when they are 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 in interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

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

Intergovernmental Revenues:

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

Enterprise Revenue:

Program income in enterprise funds is recorded as charges for sales and services and is considered revenue when it is both measurable and available. In the current year, only charges for sales and services were operating revenue. Whereas revenue generated as investment income was 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 liability has matured in the current period. The Town and the School Department are members of the Rhode Island Interlocal Risk Management Trust (the Trust). The Trust was established to offer a viable alternative to commercial insurance for public entities through intergovernmental pooling of risk. The Trust is a protected, self-insurance plan. The Town pays annual premiums for its liability, property and worker's compensation coverage. The membership participation agreement provides that, in return for the payment of the annual premium, the Trust member transfers the financial responsibility for loss, but only according to the conditions of coverage and up to the stated maximum amount of insurance purchased by the Town or School Department. In the Government-wide financial statements, the estimated liability for all claims and judgments is recorded as a liability and as an expense.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

1. Summary of significant accounting policies (continued)

Use of Estimates:

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

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

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

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

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

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

Accounting pronouncements implemented in the current year:

For the year ending June 30, 2025, the Town implemented -

- GASB Statement No. 101, *Compensated Absences*, which is required to be implemented during fiscal year 2025. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 102, *Certain Risk Disclosures*, which is required to be implemented during fiscal year 2025. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.

Recent issued accounting pronouncements not yet effective:

- GASB Statement No. 103, *Financial Reporting Model Improvements*, which is required to be implemented during fiscal year 2026. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

1. Summary of significant accounting policies (continued)

Recent issued accounting pronouncements not yet effective (continued):

- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, which is required to be implemented during fiscal year 2026. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.

These pronouncements will be implemented by their respective implementation dates.

2. Cash Deposits and Investments

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

Deposits

As of June 30, 2025, the carrying amount of the Town's cash, cash equivalents and investments was \$110,283,427 (including Fiduciary Funds and cash held in escrow) while the bank balance was \$111,430,632. Of the bank balance, \$681,554 was covered by federal depository insurance, \$28,303,302 was covered by collateralization agreements and \$293,156 was uninsured. The remaining investments of \$327,930 are uninsured. The Town's cash and cash equivalents also included petty cash of \$650 and is reported in the financial statement as follows:

<i>Government-wide Statement of Net Position</i>	
Governmental activities	\$ 27,521,370
Business-type activities	21,885
<i>Fiduciary Funds Statement of Net Position</i>	
Pension Trust Fund	78,789,307
OPEB Trust Fund	3,193,149
Custodial Funds	<u>757,716</u>
<i>Total carrying amount of deposits</i>	<u>\$ 110,283,427</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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

2. Cash Deposits and Investments (continued)

Restricted Cash Held in Escrow

Restricted cash held in escrow of \$21,885 reported in the Statement of Net Position at June 30, 2025 consists of funds reported in the Business-Type Activities (Proprietary Fund) representing cash held in escrow by Rhode Island Housing for administration of the Town's Septic System Loan Program.

Investments

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

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

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

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

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

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

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

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

2. Cash Deposits and Investments (continued):

Investments (continued)

The following table summarizes the assets and liabilities of the Town for which fair values are determined on a recurring basis as of June 30, 2025:

Description	Fair Value	Level 1	Level 2	Level 3
Private Pension:				
Fixed income	\$ 25,571,616	\$ 25,571,616	\$ -	\$ -
Large U.S. Equity	29,699,438	29,699,438	-	-
Global/International Equity	14,008,573	14,008,573	-	-
Other	5,212,075	5,212,075	-	-
Small/Mid U.S. Equity	4,297,605	4,297,605	-	-
OPEB:				
Mutual Funds	3,193,149	3,193,149	-	-
Non-Major Funds:				
Mutual Funds	135,389	135,389	-	-
	<u>\$ 82,117,845</u>	<u>\$ 82,117,845</u>	<u>\$ -</u>	<u>\$ -</u>

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

Town Debt Related Securities

Description	Fair Value	0-3 Years	3-5 Years	Over 5 Years
Fixed Income Securities	\$ 25,571,616	\$ 8,987,778	\$ 5,575,346	\$ 11,008,492

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

	Fixed Income Securities
AAA	\$ 18,640,263
AA	1,318,538
A	1,373,992
BBB	1,826,007
BB	788,428
B	1,061,295
Below B	333,344
Not Rated	229,748
Total	<u>\$ 25,571,616</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

2. Cash Deposits and Investments (continued):

Investments (continued)

Concentration of Credit Risk

At June 30, 2025, 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.

Credit Risk Policies

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

As of June 30, 2025, the following pension investments represent 5% or more of the Town Plan's net position:

Asset Class	
Investment Sub-Advisor	
Fixed Income	
Principal Global Investors	\$ 25,571,616
Large U.S. Equity	
Principal Global Investors	\$ 29,699,438
Global/International Equity	
Causeway /Barrow Hanley	\$ 3,587,403
Principal Global Investors	\$ 10,421,170
Other	
Principal Real Estate Inv	\$ 5,212,075
Small/Mid U.S. Equity	
LA Capital Mgmt/Victory	\$ 1,418,315
Principal Global Investors	\$ 1,439,625
Vaughan Nelson/H&W	\$ 716,445
AB/Brown/Emerald	\$ 723,220
	<hr/>
	78,789,307

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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, 2025.

<u>Town Special Revenue Funds</u>	
Body Worn Camera	\$ 52,529
Tobacco Survey/Check	662
Homeland Security Investigations	491
RI 365 Learn	11,699
NCPC Compliance Check	3,873
Marshall Service	3,412
<u>Town Capital Projects Funds</u>	
08-09 Warrants	19,027
09-10 Warrants	5,743
Total	<u>\$ 97,436</u>

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

4. Lease Revenue

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

The Town recognized \$139,910 in lease revenue in the current year. As of June 30, 2025, the Town's lease receivable was \$4,670,173. Also, the Town has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease terms. As of June 30, 2025, the balance of the deferred inflow of resources was \$4,670,173.

Lease Revenue	
<u>Year Ended June 30,</u>	<u>Governmental Activities</u>
2026	\$ 144,033
2027	148,331
2028	152,843
2029	163,389
2030	168,364
2031-2035	938,380
2036-2040	984,465
2041-2045	987,375
2046-2049	982,992
Total	<u>\$ 4,670,173</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

5. Capital Assets

Capital asset activity for the year ended June 30, 2025 is as follows:

	<i>Balance</i> <i>July 1, 2024</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance</i> <i>June 30, 2025</i>
Governmental Activities:				
Nondepreciable assets:				
Land	\$ 4,755,279	\$ 169,484	\$ -	\$ 4,924,763
Land easements	1,420,000	-	-	1,420,000
Construction in progress	7,307,838	554,203	7,307,838	554,203
Total capital assets not being depreciated	13,483,117	723,687	7,307,838	6,898,966
Capital assets being depreciated:				
Land improvements	1,915,932	67,058	22,316	1,960,674
Buildings	32,381,020	-	1,023,785	31,357,235
Buildings and improvements	17,723,991	11,934,695	293,722	29,364,964
Machinery and equipment	11,523,053	1,997,236	6,010,901	7,509,388
Construction equipment	534,327	1,158,103	-	1,692,430
Infrastructure	32,582,406	1,691,272	-	34,273,678
Vehicles	7,759,573	1,578,037	3,031,552	6,306,058
Total Capital assets being depreciated	104,420,302	18,426,401	10,382,276	112,464,427
Capital assets being amortized:				
<i>Righ-to-use</i>				
Machinery and equipment	1,510,301	-	1,510,301	-
Vehicles	1,780,800	-	1,158,516	622,284
Total Capital assets being amortized:	3,291,101	-	2,668,817	622,284
Total Capital Assets	121,194,520	19,150,088	20,358,931	119,985,677
Less accumulated depreciation for:				
Land improvements	932,763	76,580	10,661	998,682
Buildings	19,264,554	380,870	962,285	18,683,139
Buildings and improvements	9,101,731	1,609,819	229,612	10,481,938
Machinery and equipment	9,366,304	619,800	6,006,827	3,979,277
Construction equipment	438,134	161,580	-	599,714
Infrastructure	22,742,813	957,260	-	23,700,073
Vehicles	5,911,420	836,637	1,361,806	5,386,251
Total Accumulated Depreciation	67,757,719	4,642,546	8,571,191	63,829,074
Less: accumulated amortization:				
Machinery and equipment	537,736	-	537,736	-
Vehicles	993,195	48,071	776,852	264,414
Total accumulated amortization	1,530,931	48,071	1,314,588	264,414
Governmental Activities Capital Assets, Net	\$ 51,905,870	\$ 14,459,471	\$ 10,473,152	\$ 55,892,189

Depreciation expense was charged to governmental functions as follows:

General government	\$ 285,496
Public safety	1,246,715
Public works	1,545,067
Community service	227,577
Education	1,385,762
Total Depreciation and amortization expense	\$ 4,690,617

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

5. Capital Assets (continued):

	<i>Balance July 1, 2024</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance June 30, 2025</i>
<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	171,434	-	-	171,434
Total Capital assets being depreciated	629,545	-	-	629,545
<i>Total Capital Assets</i>	666,796	-	-	666,796
Less accumulated depreciation for:				
Buildings and improvements	218,425	32,176	-	250,601
Machinery and equipment	101,088	18,283	-	119,371
<i>Total Accumulated Depreciation</i>	319,513	50,459	-	369,972
<i>Business-Type Activities Capital Assets, Net</i>	\$ 347,283	\$ (50,459)	\$ -	\$ 296,824

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

Transfer Station	50,459
<i>Total Depreciation and amortization expense</i>	\$ 50,459

The Town entered into a lease agreement for the Compactor that commenced on June 29, 2019, and an initial liability and capital asset was recorded. As of June 30, 2025, remaining payments for the lease total \$0.

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 \$145,537,838 at the State level and \$113,245,957 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, 2025, the Town's bonds outstanding totaled \$30,965,000.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

7. Long-Term Obligations:

The following is a summary of changes in long-term debt for the year ended June 30, 2025:

Description of Purpose	Amount of Original Issue	Date of Issue	Interest Rates	Date of Maturity	Balance 6/30/2024	Transfers in & Additions	Transfers Out & Retirements	Balance 6/30/2025	Amounts Due Within One Year
Governmental Activities issued through public sale:									
<i>General obligation, revenue bonds, and loans:</i>									
Open Space/Recreation Bond	1,980,000	6/15/2010	2.00-4.00%	6/15/2025	105,000	-	105,000	-	-
Open Space/Recreation Bond	812,000	5/23/2013	2.35%	2/15/2028	219,000	-	54,000	165,000	55,000
Town Projects-Series 2014A	1,305,000	10/23/2014	1.75%-4%	10/15/2024	130,067	-	130,067	-	-
Open Space-Series 2015A	600,075	11/18/2015	2.00-4.00%	10/1/2035	357,075	-	30,375	326,700	29,700
School Projects-Series 2015A	471,615	11/18/2015	2.00-4.00%	10/1/2035	280,634	-	23,873	256,762	23,342
Town Projects-Series 2015A	3,373,311	11/18/2015	2.00-4.00%	10/1/2035	2,007,291	-	170,752	1,836,539	166,958
School Projects-2015 RIHEBC	2,180,000	12/22/2015	3.00-5.00%	5/15/2026	310,000	-	155,000	155,000	155,000
Town Projects-Police Station-Series 2017A	10,000,000	2/9/2017	3.00-5.00%	2/1/2038	7,685,146	-	435,887	7,249,259	448,582
Town Projects-Recreational-Series 2017A	520,000	2/9/2017	3.00-5.00%	2/1/2038	399,627	-	22,666	376,961	23,326
Town Projects-Series 2017A	648,861	2/9/2017	3.00-5.00%	2/1/2038	498,659	-	28,283	470,376	29,107
School Improvements-Series 2017A	646,139	2/9/2017	3.00-5.00%	2/1/2038	496,567	-	28,164	468,403	28,984
School Projects-Series 2022E	19,510,000	6/28/2022	5.00-3.875%	5/15/2045	19,510,000	-	-	19,510,000	615,000
Total General Obligation Bonds, Revenue Bonds, and Loans issued through public sale					<u>\$ 31,999,066</u>	<u>\$ -</u>	<u>\$ 1,184,067</u>	<u>\$ 30,815,000</u>	<u>\$ 1,574,999</u>
Governmental Activities issued through direct placements:									
General Obligation Refunding Bond - Series A									
School Projects	1,100,000	8/28/2013	3.06%	6/30/2028	200,000	-	50,000	150,000	50,000
Total General Obligation Bonds, Revenue Bonds, and Loans issued through direct placements					<u>200,000</u>	<u>-</u>	<u>50,000</u>	<u>150,000</u>	<u>50,000</u>
Total General Obligation Bonds, Revenue Bonds, and Loans					<u>\$ 32,199,066</u>	<u>\$ -</u>	<u>\$ 1,234,067</u>	<u>\$ 30,965,000</u>	<u>\$ 1,624,999</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

7. Long-Term Obligations (continued)

Description of Purpose	Amount of Original Issue	Date of Issue	Interest Rates	Date of Maturity	Balance 6/30/2024	Transfers in & Additions	Transfers Out & Retirements	Balance 6/30/2025	Amounts Due Within One Year
Governmental Activities (continued):									
<i>Lease obligations:</i>									
Town Vehicles & Equipment	328,495	8/6/2018	3.26%	8/6/2024	\$ 12,667	\$ -	\$ 12,667	\$ -	\$ -
Ambulance	253,845	9/27/2018	3.34%	9/27/2024	37,643	-	37,643	-	-
School IT	261,810	7/15/2020	2.16%	7/15/2024	54,689	-	54,689	-	-
Town Fire Boat	450,000	9/29/2020	1.97%	9/29/2029	274,206	-	43,634	230,572	44,493
Town Vehicles & Equipment	581,363	9/24/2020	1.648%	9/24/2024	25,431	-	25,431	-	-
School IT & Town Vehicles	260,000	7/15/2023	5.070%	7/15/2027	203,162	-	47,087	156,075	49,474
School IT	229,171	7/15/2021	1.590%	7/15/2025	92,372	-	45,822	46,550	46,500
<i>Total lease obligations</i>					<u>700,170</u>	<u>-</u>	<u>266,973</u>	<u>433,197</u>	<u>140,467</u>
Deferred amount for issuance premiums					1,542,012	-	107,188	1,434,824	101,730
Compensated absences					2,169,432	2,636,609	1,525,554	3,280,487	108,472
Net pension liability					68,674,002	-	7,326,197	61,347,805	-
Net OPEB Liability					17,009,321	1,113,291	-	18,122,612	-
<i>Total governmental funds long-term debt</i>					<u>\$ 122,094,003</u>	<u>\$ 3,749,900</u>	<u>\$ 10,409,979</u>	<u>\$ 115,433,925</u>	<u>\$ 1,925,668</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	19,932	-	19,932	-	-
Septic Loan Program	415,000	11/18/2015	2.34-3.236%	10/1/2025	80,000	-	40,000	40,000	40,000
<i>Total general obligation bonds and loans issued through public sale</i>					<u>99,932</u>	<u>-</u>	<u>59,932</u>	<u>40,000</u>	<u>40,000</u>
<i>Lease obligations:</i>									
TS Compactor	228,509	6/29/2018	3.31%	7/2/2024	32,618	-	32,618	-	-
<i>Total lease obligations</i>					<u>32,618</u>	<u>-</u>	<u>32,618</u>	<u>-</u>	<u>-</u>
<i>Total business type long-term debt</i>					<u>132,550</u>	<u>-</u>	<u>92,550</u>	<u>40,000</u>	<u>40,000</u>
Total long-term obligations					<u>\$ 122,226,553</u>	<u>\$ 3,749,900</u>	<u>\$ 10,502,529</u>	<u>\$ 115,473,925</u>	<u>\$ 1,965,668</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

7. Long-Term Obligations (continued):

The debt service requirements for long-term debt at June 30, 2025 were as follows:

	<i>Issued Through Public Sale</i>					
	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 1,625,000	\$ 1,200,843	\$ 2,825,843	\$ 40,000	\$ 647	\$ 40,647
2027	1,520,000	1,129,520	2,649,520	-	-	-
2028	1,575,000	1,059,248	2,634,248	-	-	-
2029	1,525,000	998,725	2,523,725	-	-	-
2030	1,580,000	938,675	2,518,675	-	-	-
2031-2035	8,825,000	3,658,425	12,483,425	-	-	-
2036-2040	7,920,000	1,949,538	9,869,538	-	-	-
2041-2045	6,395,000	752,313	7,147,313	-	-	-
	<u>\$ 30,965,000</u>	<u>\$ 11,687,287</u>	<u>\$ 42,652,287</u>	<u>\$ 40,000</u>	<u>\$ 647</u>	<u>\$ 40,647</u>

	Governmental Activities (Direct Placements)			Governmental Activities Capital Leases			Business-Type Activities Capital Leases		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2026	50,000	4,590	54,590	93,967	13,750	107,717	\$ -	\$ -
2027	50,000	3,060	53,060	97,353	9,964	107,317	-	-	-
2028	50,000	1,530	51,530	146,598	1,264	147,862	-	-	-
2029				47,175	1,877	49,052			
2030				48,104	948	49,052			
	<u>\$ 150,000</u>	<u>\$ 9,180</u>	<u>\$ 159,180</u>	<u>\$ 433,197</u>	<u>\$ 27,803</u>	<u>\$ 461,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Events of default include failure to make principal and interest payments when due, defaults related to the performance or observance of any other covenants, agreements or conditions that have not been remedied, or the Town's inability to pay its debts. Upon notice of any events of default, all principal and accrued interest may be declared due and payable immediately. In addition to the principal above for the governmental activities also includes \$1,434,824 of deferred amount for issuance premiums totaling \$32,549,824.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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, 2025 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, 2025

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:

The interfund activity presented below is for the fund statement level only. These balances include both due from/to other funds and intra-equity receivables and payables.

	Due from Other Funds	Due to Other Funds
<u>Major Governmental Funds</u>		
General fund	\$ -	\$ 7,589,717
School unrestricted fund	-	1,118,951
School Bond Project	63,335	-
<u>Non-Major Governmental Funds</u>		
Town special revenue	4,670,387	74,816
School special revenue	462,834	997,027
Town capital projects	1,449,132	24,770
School capital projects	1,653,144	-
Permanent funds	20,274	-
<u>Proprietary Funds</u>		
Septic system loan program	29,427	-
Glen farm equestrian	94,486	-
Arthur Daniel house	-	292
Transfer station	53,387	-
Curbside Collection	1,309,168	-
Totals	<u>\$ 9,805,574</u>	<u>\$ 9,805,573</u>

The outstanding balances between funds result mainly from the timing difference between the dates that (1) reimburseable expenditures occur, (2) the intergovernmental reimbursements are received and (3) the payments to the general fund are made.

	Transfer Out	Transfer In				
		School Unrestricted	School Bond Project	Town Special Revenue	Town Capital Projects	School Capital Projects
<u>Major Governmental Funds</u>						
General fund	\$ (41,301,785)	\$ -	\$ -	\$ -	\$ -	
School unrestricted fund	(987,910)	38,177,838 (1)	-	-	-	
School Bond Project	-	-	808,518 (3)	-	-	
<u>Non-Major Governmental Funds</u>						
Town special revenue	(50,639) (5)	-	418,056 (5)	-	-	
School special revenue	-	-	-	-	-	
Town capital projects	-	-	-	1,948,012 (4)	-	
School capital projects	-	-	-	-	987,910 (2)	
Totals	<u>\$ (42,340,334)</u>	<u>\$ 38,177,838</u>	<u>\$ 808,518</u>	<u>\$ 418,056</u>	<u>\$ 1,948,012</u>	<u>\$ 987,910</u>

- (1) Transfer to school unrestricted education appropriation
- (2) To transfer to capital for improvements and emergency roof repair
- (3) To transfer 2022 Series E Bond Interest
- (4) To fund capital improvements include funding the remaining deficit on fund 12-13 warrant.
- (5) Various operating transfers between funds

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

10. Fund Balances

The Town has classified governmental fund balances at June 30, 2025 as follows:

	Major Funds			Non-Major Funds				Total	
	General Fund	School Unrestricted	Debt Service Fund	Town Special Revenue	School Special Revenue	Town Capital Projects	School Capital Projects		Permanent Funds
Fund Balances									
Nonspendable									
Corpus of endowment funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 320,631	\$ 320,631
Inventory	33,609	-	-	-	-	-	-	-	33,609
Prepaid	252,083	402,035	-	-	-	-	-	-	654,118
Restricted for									
General government	-	-	-	1,708,502	-	-	-	-	1,708,502
Public safety programs	-	-	-	1,942,903	-	-	-	-	1,942,903
Educational purposes	-	-	-	-	692,225	-	-	-	692,225
Public works and social services	-	-	-	332,661	-	-	-	-	332,661
Community services	-	-	-	32,327	-	-	-	-	32,327
Capital projects	-	-	3,698,486	-	-	1,449,132	1,566,995	-	6,714,613
Expendable	-	-	-	-	-	-	-	15,508	15,508
Committed to									
Educational purposes	-	252,801	-	-	-	-	-	-	252,801
OPEB/Pension	285,680	-	-	-	-	-	-	-	285,680
Unassigned	12,087,767	-	-	(72,666)	-	(24,770)	-	-	11,990,331
Total	<u>\$12,659,139</u>	<u>\$ 654,836</u>	<u>\$ 3,698,486</u>	<u>\$ 3,943,727</u>	<u>\$ 692,225</u>	<u>\$ 1,424,362</u>	<u>\$ 1,566,995</u>	<u>\$ 336,139</u>	<u>\$ 24,975,909</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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, 2025.

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 \$991,865 for the year ended June 30, 2025.

Public Works, Fire and Police contributed 0.25%, 1.0% and 1.0% of salary respectively, to the OPEB Trust which amounted to \$62,522 in employee contributions and \$10,000 in employer contributions for the year ended June 30, 2025.

As of June 30, 2025, the plan membership data is as follows:

<u>Description</u>	<u>Inactive or Beneficiaries Receiving Benefits</u>	<u>Inactive Employees Entitled but not yet Receiving Benefits</u>	<u>Active Employees</u>	<u>Total</u>
Number	48	0	127	175

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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

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

Investment policy:

The Town’s policy in regard to the allocation of invested assets is established and may be amended by the committee by a majority vote of its members. It is the policy of the Town to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Town’s adopted asset allocation policy as of June 30, 2025.

Asset Class	Target Allocation	Asset Class	Long-term Expected Real Rate of Return
Bond Funds	33.00%	U.S. Short Duration	2.04%
Diversifying Strategies	7.00%	US Long-Duration Treasuries	3.98%
Equity Funds	60.00%	US High Yield Bonds	4.86%
Total	100.00%		

Concentrations:

There were no concentrations noted as of June 30, 2025.

Rate of return:

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense was 10.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the Town:

The components of the net OPEB liability of the Town at June 30, 2025 were as follows:

Description	Amounts
Total OPEB Liability (TOL)	\$ 18,624,646
Fiduciary Net Position	3,193,149
Net OPEB Liability (NOL)	15,431,497
Funded ratio (Fiduciary Net Position / NOL)	17.14%
Covered payroll (active plan members)	\$ 9,119,840
NOL as a percentage of covered payroll	169.21%

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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

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

Actuarial Methods and Assumptions

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

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

Key assumptions

Description	Assumption
Single Equivalent Discount Rate	5.42%, net of OPEB plan investment expense.
Inflation	2.50%
Investment rate of return	6.00%, net of OPEB plan investment expense.
Salary increases	3.50% which is based on the salary increase assumption from the Town's previous actuarial valuation as of July 1, 2024

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
U.S. Short Duration	2.04%
US Long-Duration Treasuries	3.98%
US High Yield Bonds	4.86%

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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

Changes in the Net OPEB Liability

	Total OPEB Liability	Increase (Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2024	\$ 16,847,903	\$ 2,792,773	\$ 15,451,393
Service cost	834,631	-	834,631
Interest on net OPEB liability and service cost	753,006	-	753,006
Changes of benefit terms	-	-	-
Differences between actual and expected experience	1,132,071	-	1,132,071
Changes in assumptions	48,900	-	48,900
Benefit payments, including refunds	(991,865)	(991,865)	-
Trust administrative expenses	-	(2,903)	2,903
Contributions - employer	-	991,865	(991,865)
Contributions - active employees	-	62,522	(62,522)
Net investment income	-	340,757	(340,757)
	1,776,743	400,376	1,376,367
Net changes	1,776,743	400,376	1,376,367
Balances at June 30, 2025	\$ 18,624,646	\$ 3,193,149	\$ 16,827,760

Discount rate

The discount rate used to measure the total OPEB liability was 4.38 percent. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.38 percent) or 1- percentage-point higher (5.38 percent) than the current discount rate:

	Impact of 1% Change in Discount Rate		
	1% Decrease (4.42%)	Current discount rate (5.42%)	1% Increase (6.42%)
Total OPEB liability	\$ 17,301,700	\$ 15,431,497	\$ 13,799,539

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 (5.8 percent decreasing to 3.94 percent) or 1-percentage-point higher (7.8 percent decreasing to 4.94 percent) than the current healthcare cost trend rates:

	Impact of 1% Change in Healthcare Trend Rate		
	1% Decrease (3.5%)	Current trend rate (4.50%)	1% Increase (5.50%)
Total OPEB liability	\$ 13,648,054	\$ 15,431,497	\$ 17,519,825

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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, 2025 the Town recognized OPEB expense of \$20,563. At June 30, 2025, 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	\$ 1,022,957
Changes in assumptions	1,272,763
Net difference between projected and actual earnings on OPEB plan investments	-
Deferred inflows of resources	
Differences between actual and expected experience	(3,062,506)
Changes in assumptions	(1,463,852)
Net difference between projected and actual earnings on OPEB plan investments	<u>(221,045)</u>
Total	<u>\$ (2,451,683)</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:	
2026	\$ (609,096)
2027	(1,093,042)
2028	(418,515)
2029	(379,830)
2030	48,800
Thereafter	-
Total	<u>\$ (2,451,683)</u>

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

Plan Description

The District administers a single employer defined-benefit post-employment healthcare plan (the Plan). Dependents are eligible to enroll, and benefits continue to surviving spouses.

Benefits Provided

Eligibility with the District for retiree health benefits varies by employee bargaining group. ASFME members must have 15 years of service with the District and must meet the Town of Portsmouth's pension eligibility requirements for general employees. NEA members must have 15 years of service with the District and meet the State of Rhode Island's pension eligibility requirements. Individual contractors, including administrators, are not eligible for retiree benefits, except for one administrator who had a special arrangement for benefits. Eligible retirees received a subsidy that varies by bargaining group and retirement date. There are no spousal benefits or District-subsidized dental, vision, or life insurance, or Medicare Part B reimbursements at retirement.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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

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

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Benefits and Employee Contributions:

For the year ended June 30, 2025 the School Department has a new labor contract for NEA (Teachers) bargaining unit with the following benefit changes:

- The lump sum cash incentive at retirement for employees meeting the Early Notification Incentive and all other retiree health benefits eligibility requirements has increased from \$4,500 to \$5,000.
- In the pre-2024 labor contract, Teachers have the option of declining the lump sum cash incentive and receiving an additional three years of subsidized individual coverage. This option to decline the lump sum cash incentive has been eliminated. All Teachers are now eligible for six years of subsidized individual coverage only.

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

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

The School Department funds post-retirement benefits on a pay-as-you go basis, which totaled \$73,984 for the year ended June 30, 2025.

As of June 30, 2025, the plan membership data is as follows:

Description	Inactive or Beneficiaries Receiving Benefits	Inactive Employees Entitled but not yet Receiving Benefits	Active Employees	Total
Number	23	0	317	340

Net OPEB Liability of the School:

The components of the net OPEB liability of the School at June 30, 2025 were as follows:

Description	Amounts
Total OPEB Liability (TOL)	\$ 2,691,115
Fiduciary Net Position	-
Net OPEB Liability (NOL)	2,691,115
Funded ratio (Fiduciary Net Position / NOL)	0.00%
Covered payroll (active plan members)	\$ 24,034,291
NOL as a percentage of covered payroll	11.20%

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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

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

Actuarial Methods and Assumptions

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

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

Key assumptions

<u>Description</u>	<u>Assumption</u>
Single Equivalent Discount Rate	3.97%, net of OPEB plan investment expense, including inflation.
Inflation	2.30% based on June 30, 2024 SSA OASDI report.
Salary increases	3.00% The salary increase is used to determine the growth in the aggregate payroll

Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2024	\$ 2,954,191	\$ -	\$ 2,954,191
Service cost	49,312	-	49,312
Interest on net OPEB liability and service cost	114,027	-	114,027
Differences between actual and expected experience	(81,444)	-	(81,444)
Changes in benefit terms	-	-	-
Changes in assumptions	(79,810)	-	(79,810)
Implicit subsidy credit	-	-	-
Benefit payments, including refunds	(265,161)	265,161	(530,322)
Contributions - employer	-	(265,161)	265,161
Net changes	<u>(263,076)</u>	<u>-</u>	<u>(263,076)</u>
Balances at June 30, 2025	<u>\$ 2,691,115</u>	<u>\$ -</u>	<u>\$ 2,691,115</u>

Discount rate

The discount rate used to measure the total OPEB liability was 3.97 percent. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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

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

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

The following presents the net OPEB liability of the School, as well as what the School’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.97 percent) or 1-percentage-point higher (4.97 percent) than the current discount rate:

	Impact of 1% Change in Discount Rate		
	1% Decrease 3.5%	Current discount rate 4.5%	1% Increase 5.5%
Total OPEB liability	\$ 3,135,123	\$ 2,691,115	\$ 2,787,528

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 (5.8 percent decreasing to 3.94 percent) or 1-percentage-point higher (7.8 percent decreasing to 4.94 percent) than the current healthcare cost trend rates:

	Impact of 1% Change in Healthcare Trend Rate		
	1% Decrease 4.2%	Current trend rate 5.2%	1% Increase 6.2%
Total OPEB liability	\$ 2,864,117	\$ 2,691,115	\$ 2,533,950

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

For the year ended June 30, 2025 the School recognized OPEB expense of \$105,278. At June 30, 2025, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

Deferred outflows of resources	
Change in assumptions	\$ 256,475
Differences between actual and expected experience	200,738
Deferred inflows of resources	
Change in assumptions	(538,566)
Differences between actual and expected experience	<u>(329,310)</u>
Total	<u>\$ (410,663)</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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

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

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

Year ended June 30:	
2026	\$ (79,226)
2027	(79,226)
2028	(38,207)
2029	(41,885)
2030	(108,649)
Thereafter	(63,470)
Total	<u>\$ (410,663)</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 Plan	School Plan	Total
Deferred Outflows of Resources - OPEB	\$ 2,295,720	\$ 457,213	\$ 2,752,933
Deferred Inflows of Resources - OPEB	4,747,403	867,876	5,615,279
Net OPEB Liability	15,431,497	2,691,115	18,122,612
OPEB Expense	588,848	29,566	618,414

12. Pension Plans

Plan Description:

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

(a) Town of Portsmouth Retirement Plan

Benefits Provided

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

12. Pension Plans

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

Employees Covered by Benefit Terms

At June 30, 2025 (the census date), the benefit terms covered the following employees:

Inactive employees, spouses, or beneficiaries currently receiving benefits payments	214
Inactive employees entitled to but not yet receiving benefits payment	11
Active employess	<u>68</u>
Subtotal	<u>293</u>

Contributions

The Town makes contributions based on an actuarially determined rate.

Contribution rate: 105.02% for 17 years,

25.77% thereafter.

Reporting period contributions: \$5,446,933.

Financial Report

The Town issues a stand-alone financial report that is available to the public. The report is available at: www.portsmouthri.gov.

Net Pension Liability

The Town's total Pension liability was valued as of June 30, 2025 and was used to calculate the net pension liability measured as of June 30, 2025.

Actuarial Assumptions

The total pension liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

Discount Rate

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

12. Pension Plans (continued)

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

Long-Term Expected Real Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Fixed Income Securities	30.00%	90.00%
Domestic Equities	40.40%	6.28%
Investment Funds	0.00%	0.00%
International Equities	23.70%	7.75%
Real Estate	6.00%	3.50%
Cash	0.00%	0.00%
Total/Average	<u>100%</u>	

Expected compound return (before netting expense) 7.35%

Uses and expected long-term inflation rate of 2.50%

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

Total pension liability	\$ 116,663,398
Plan fiduciary net position	<u>(78,789,307)</u>
Town's net pension liability	<u>\$ 37,874,091</u>
Plan fiduciary net position as a percentage of the total pension liability	67.54%

Expected Average Remaining Service Lives (EARSL)

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

EARSL: 2.0 years

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

12. Pension Plans (continued)

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

Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance as of 6/30/2024	\$ 116,421,621	\$ 71,404,967	\$ 45,016,654
Changes for the year:			
Service cost	890,659	-	890,659
Interest on total pension liability	7,701,043	-	7,701,043
Change of benefit terms	-	-	-
Differences between expected and actual experience	(1,904,409)	-	(1,904,409)
Changes in assumptions	-	-	-
Contributions - employer	-	5,446,933	(5,446,933)
Contributions - employee	-	359,195	(359,195)
Net investment income	-	8,127,170	(8,127,170)
Benefit payments	(6,445,516)	(6,445,516)	-
Administrative expense	-	(103,442)	103,442
Other miscellaneous income/(expense)	-	-	-
Net changes	<u>241,777</u>	<u>7,384,340</u>	<u>(7,142,563)</u>
Balance as of 6/30/2025	<u>\$ 116,663,398</u>	<u>\$ 78,789,307</u>	<u>\$ 37,874,091</u>

Sensitivity of Liabilities to Changes in the Discount Rate

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Plan's Net Pension Liability	\$ 52,684,231	\$ 37,874,091	\$ 25,732,106

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

For the report ended June 30, 2025, the Town recognizes a pension expense of \$4,774,584. The Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

12. Pension Plans (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,135,718	\$ (5,462,923)
Changes of assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	-
Total deferred outflows / (inflows)	\$ 3,135,718	\$ (5,462,923)

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

Report Year Ending June 30:	Amount
2026	\$ 1,377,126
2027	\$ (1,758,588)
2028	\$ (1,279,262)
2029	(666,481)
2030	-
Therafter	-
	\$ (2,327,205)

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

12. Pension Plans (continued)

Basis of Valuation

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

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

12. Pension Plans (continued)

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

Basis of Valuation (continued):

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

12. Pension Plans (continued):

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

Basis of Valuation (continued):

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

12. Pension Plans (continued):

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

Basis of Valuation (continued):

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

12. Pension Plans (continued):

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

Basis of Valuation (continued):

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

12. Pension Plans (continued):

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

Basis of Valuation (continued):

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

12. Pension Plans (continued):

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

Basis of Valuation (continued):

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

12. Pension Plans (continued):

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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

Plan Description

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

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

Benefit Provisions

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

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

Cost of living adjustments are provided to retirees based on statutory provisions (Section 36-10-35 of the Rhode Island General Laws). For members and/or beneficiaries of members who retired on or before June 30, 2012, cost of living adjustments are computed annually. For members retiring on or after July 1, 2012, twenty-five percent (or 1/4th) of the cost of living adjustment is computed annually until the plan reaches a 75% funded status. The full benefit adjustment is reinstated for all members upon the plan reaching the 75% funded status.

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

12. Pension Plans (continued):

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

Contributions

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2025, Portsmouth School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the Portsmouth School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by Portsmouth School Department. The rates were 11.42% and 15.54% of annual covered payroll for the fiscal year ended June 30, 2025 for the State and Portsmouth School Department, respectively. The Portsmouth School Department contributed \$3,266,049, \$3,159,227 and \$3,045,145, for the fiscal years ended June 30, 2025, 2024 and 2023, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2025, the Portsmouth School Department reported a liability of \$23,473,714 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	\$ 23,473,714
State's proportionate share of the net pension liability associated with the Portsmouth School Department	<u>17,125,963</u>
Total net pension liability	<u>\$ 40,599,677</u>

The net pension liability was measured as of June 30, 2024, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2024. 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, 2024 the Portsmouth School Department's proportion was 0.97476500%.

For the year ended June 30, 2025 the Portsmouth School Department recognized gross pension expense of \$3,145,144 and revenue of \$3,264,863 for support provided by the State. At June 30, 2024 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, 2025

12. Pension Plans (continued):

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

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

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 160,281	\$ 559,608
Changes of assumptions	-	721,592
Net difference between projected and actual earnings on pension plan investments	-	1,439,748
Changes in proportion and differences between System contributions and proportionate share contributions	440,787	442,991
	601,068	3,163,939
Contributions subsequent to the measurement date	3,266,049	-
	\$ 3,867,117	\$ 3,163,939
Net amount of deferred outflows and (inflows) excluding PSD contributions subsequent to measurement date		\$ (2,562,871)

\$3,266,049 reported as deferred outflows of resources related to pensions resulting from the Portsmouth School Department contributions in fiscal year 2025 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:	
2026	\$ (1,488,829)
2027	72,071
2028	(681,850)
2029	(441,835)
2030	(28,607)
Thereafter	6,179
	\$ (2,562,871)

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

12. Pension Plans (continued):

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

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	2.75% to 7.00%
Investment rate of return	7.00%

Mortality – variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP2021 with immediate convergence.

The actuarial assumptions used in the calculation of the total pension liability at June 30, 2024 measurement date were based on the 2023 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022 as approved by the System's Board on May 17, 2023.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 40 sources. The June 30, 2024 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, 2025

12. Pension Plans (continued):

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

Actuarial Assumptions (continued):

Asset class	Target Asset Allocation	Long-term Expected rate Rate of Return
GROWTH		
Global equity:		
U.S. Equity	25.90%	5.98%
International Developed Equity	10.00%	6.47%
Emerging Markets Equity	4.10%	8.10%
Sub-total	40.00%	
Private Growth		
Private Equity	12.50%	9.37%
Non-Core Real Estate	2.50%	4.92%
Sub-total	15.00%	
INCOME		
Equity Options	2.00%	5.69%
Liquid Credit	5.00%	4.36%
Private Credit	3.00%	4.36%
Collateralized Loan Obligations (CLO)	2.00%	4.36%
Sub-total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	1.00%
Systematic Trend	5.00%	4.00%
Sub-total	10.00%	4.02%
Inflation Protection		
Core Real Estate	4.00%	4.92%
Private Infrastructure	4.00%	6.02%
Sub-total	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	2.60%
Securitized Credit	3.25%	2.60%
Absolute Return	6.50%	4.02%
Cash	2.00%	1.00%
Sub-total	15.00%	
	100.00%	

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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%)
\$	30,478,467	\$ 23,473,714	\$ 17,109,167

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>.

(c) 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, 2025

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 \$513,718, for the fiscal year ended June 30, 2025.

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, 2025

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 \$27,592, \$28,256 and \$28,980 for the fiscal years ended June 30, 2025, 2024 and 2023, 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, 2025

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, 2025, the Portsmouth School Department reported an asset of \$8,233,404 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, 2024, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2021, rolled forward to 2024. The Portsmouth School Department proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2024 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2025 the Portsmouth School Department proportion was 3.78%.

For the year ended June 30, 2025 the Town recognized pension expense of \$(913,904) – an increase in the net pension asset. At June 30, 2025, 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	\$ 352,375	\$ 424,553
Changes of assumptions	19,616	324,248
Net difference between projected and actual earnings on pension plan investments	-	531,720
Changes in proportion and differences between System contributions and proportionate share contributions	223,261	249,871
	595,252	1,530,392
Contributions subsequent to the measurement date	27,592	-
	<u>\$ 1,218,096</u>	<u>\$ 3,060,784</u>
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		<u>\$ (935,140)</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

12. Pension Plans (continued):

(d) Teachers Survivor Benefits (continued):

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

\$27,592 reported as deferred outflows of resources related to pensions resulting from the Portsmouth School Department contributions in fiscal year 2025 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:	
2026	\$ (523,308)
2027	(33,068)
2028	(268,279)
2029	(154,002)
2030	(14,160)
Thereafter	57,677
	<u>\$ (935,140)</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	2.75% to 8.25%
Investment rate of return	7.00%

Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP2021 with immediate convergence.

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 calculation of the total pension liability at June 30, 2024 measurement date were based on the 2023 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022 as approved by the System's Board on May 17, 2023.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 40 sources. The June 30, 2024 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, 2025

12. Pension Plans (continued):

(d) Teachers Survivor Benefits (continued):

Asset class	Target Asset Allocation	Long-term Expected rate Rate of Return
GROWTH		
Global equity:		
U.S. Equity	25.90%	5.98%
International Developed Equity	10.00%	6.47%
Emerging Markets Equity	4.10%	8.10%
Sub-total	40.00%	
Private Growth		
Private Equity	12.50%	9.37%
Non-Core Real Estate	2.50%	4.92%
Sub-total	15.00%	
INCOME		
Equity Options	2.00%	5.69%
Liquid Credit	5.00%	4.36%
Private Credit	3.00%	4.36%
Collateralized Loan Obligations (CLO)	2.00%	4.36%
Sub-total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	1.00%
Systematic Trend	5.00%	4.00%
Sub-total	10.00%	4.02%
Inflation Protection		
Core Real Estate	4.00%	4.92%
Private Infrastructure	4.00%	6.02%
Sub-total	8.00%	
Volatility Protection		

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

Asset class	Target Asset Allocation	Long-term Expected rate Rate of Return
GROWTH		
Global equity:		
U.S. Equity	25.90%	5.98%
International Developed Equity	10.00%	6.47%
Emerging Markets Equity	4.10%	8.10%
Sub-total	40.00%	
Private Growth		
Private Equity	12.50%	9.37%
Non-Core Real Estate	2.50%	4.92%
Sub-total	15.00%	
INCOME		
Equity Options	2.00%	5.69%
Liquid Credit	5.00%	4.36%
Private Credit	3.00%	4.36%
Collateralized Loan Obligations (CLO)	2.00%	4.36%
Sub-total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	1.00%
Systematic Trend	5.00%	4.00%
Sub-total	10.00%	4.02%
Inflation Protection		
Core Real Estate	4.00%	4.92%
Private Infrastructure	4.00%	6.02%
Sub-total	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	2.60%
Securitized Credit	3.25%	2.60%
Absolute Return	6.50%	4.02%
Cash	2.00%	1.00%
Sub-total	15.00%	
	100.00%	

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.

12. Pension Plans (continued):

(d) Teachers Survivor Benefits (continued):

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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%)
\$ (7,395,033)	\$ (8,233,404)	\$ (8,995,144)

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.

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.

12. Pension Plans (continued)

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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

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

General employees

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

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

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

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

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

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

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

12. Pension Plan (continued)

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

Police and Fire employees

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

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

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

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

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

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

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

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

Other benefit provisions

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

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

12. Pension Plan (continued)

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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).

Cost of living adjustments are provided to retirees based on statutory provisions (Section 36-10-35 of the Rhode Island General Laws). For members and/or beneficiaries of members who retired on or before June 30, 2012, cost of living adjustments are computed annually. For members retiring on or after July 1, 2012, twenty-five percent (or 1/4th) of the cost of living adjustment is computed annually until the plan reaches a 75% funded status. The full benefit adjustment is reinstated for all members upon the plan reaching the 75% funded status.

- a. 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%
- b. 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 \$27,901 for 2022, \$28,878 for 2023 and \$29,776 for 2024.

Employees covered by benefit terms

At the June 30, 2024 valuation date, the following employees were covered by the benefit terms:

	Fire Department	Police Department
Retirees and Beneficiaries	0	0
Inactive, Non-retired Members	2	2
Active Members	25	26
Total	<u>27</u>	<u>28</u>

Contributions - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% (2% if the employer opted to provide a COLA) of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% (10% if employer opted to provide a COLA) of their salaries. The Town of Portsmouth contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town of Portsmouth-Fire contributed \$167,559 in the year ended June 30, 2025 which was 8.93% of annual covered payroll and Police contributed \$151,645 in the year ended June 30, 2025 which was 7.18% of annual covered payroll.

12. Pension Plan (continued)

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2023 and rolled forward to June 30, 2024, 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, 2024 measurement date (June 30, 2023 valuation rolled forward to June 30, 2024)	
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 - 3.00% to 7.25%; Police & Fire Employees – 3.50% to 13.50%
Inflation	2.5 %
Mortality	Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP2021 with immediate convergence.
Cost of Living Adjustments	All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision.

The actuarial assumptions used in the calculation of the total pension liability at June 30, 2024 measurement date were based on the 2024 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022 as approved by the System’s Board on May 17, 2024.

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 42 sources. The June 30, 2024 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

12. Pension Plan (continued)

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

Asset class	Target Asset Allocation	Long-term Expected rate Rate of Return
GROWTH		
Global equity:		
U.S. Equity	25.90%	5.98%
International Developed Equity	10.00%	6.47%
Emerging Markets Equity	4.10%	8.10%
Sub-total	40.00%	
Private Growth		
Private Equity	12.50%	9.37%
Non-Core Real Estate	2.50%	4.92%
Sub-total	15.00%	
INCOME		
Equity Options	2.00%	5.69%
Liquid Credit	5.00%	4.36%
Private Credit	3.00%	4.36%
Collateralized Loan Obligations (CLO)	2.00%	4.36%
Sub-total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	1.00%
Systematic Trend	5.00%	4.00%
Sub-total	10.00%	4.02%
Inflation Protection		
Core Real Estate	4.00%	4.92%
Private Infrastructure	4.00%	6.02%
Sub-total	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	2.60%
Securitized Credit	3.25%	2.60%
Absolute Return	6.50%	4.02%
Cash	2.00%	1.00%
Sub-total	15.00%	
	100.00%	

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

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

12. Pension Plan (continued)

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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.

Fire Department	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of June 30, 2023	\$ 2,207,941	\$ 2,353,307	\$ (145,366)
Changes for the year:			
Service cost	314,250	-	314,250
Interest on total pension liability	165,434	-	165,434
Differences between expected and actual experience of the total pension liability	2,817	-	2,817
Changes in assumptions	68,559	-	68,559
Contributions - employer	-	150,464	(150,464)
Contributions - employee	-	170,788	(170,788)
Net investment income	-	279,986	(279,986)
Benefit payments, including employee refunds	(3,456)	(3,456)	-
Administrative expense	-	(2,886)	2,886
Other changes	-	9,908	(9,908)
Net changes	547,604	604,804	(57,200)
Balance as of June 30, 2024	\$ 2,755,545	\$ 2,958,111	\$ (202,566)
Police Department	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of June 30, 2023	\$ 2,147,131	\$ 2,687,675	\$ (540,544)
Changes for the year:			
Service cost	374,628	-	374,628
Interest on total pension liability	163,411	-	163,411
Differences between expected and actual experience of the total pension liability	(80,784)	-	(80,784)
Changes in assumptions	67,253	-	67,253
Contributions - employer	-	171,602	(171,602)
Contributions - employee	-	204,046	(204,046)
Net investment income	-	319,911	(319,911)
Benefit payments, including employee refunds	-	-	-
Administrative expense	-	(3,297)	3,297
Other changes	-	-	-
Net changes	524,508	692,262	(167,754)
Balance as of June 30, 2024	\$ 2,671,639	\$ 3,379,937	\$ (708,298)

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.

12. Pension Plan (continued)

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

Fire Department Plan		
Current		
1% Decrease	Discount Rate	1% Increase
6.00%	7.00%	8.00%
\$ 39,294	\$ (202,566)	\$ (434,944)

Police Department Plan		
Current		
1% Decrease	Discount Rate	1% Increase
6.00%	7.00%	8.00%
\$ (475,879)	\$ (708,298)	\$ (935,377)

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

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

For the year ended June 30, 2024 the employer recognized pension expense of \$182,979. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

Fire Department Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ 14,467
Difference between expected and actual experience	741,318	76,028
Net difference between projected and actual earnings on pension plan investments	-	98,361
	741,318	188,856
Contributions subsequent to the measurement date	167,559	-
	\$ 1,650,195	\$ 377,712
Net amount of deferred outflows and (inflows) excluding contributions subsequent to measurement date		\$ 552,462

12. Pension Plan (continued)

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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

For the year ended June 30, 2024 the employer recognized pension expense of \$130,845. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

Police Department Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ 24,748
Difference between expected and actual experience	-	89,235
Net difference between projected and actual earnings on pension plan investments	-	115,497
	-	229,480
Contributions subsequent to the measurement date	151,645	-
	\$ 151,645	\$ 458,960
Net amount of deferred outflows and (inflows) excluding contributions subsequent to measurement date		\$ (229,480)

\$167,559 for the fire department plan and \$151,645 for the police department plan was reported as deferred outflows of resources related to pensions resulting from the Town of Portsmouth contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period.

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

Fire Department Plan	
Year ended June 30:	
2026	\$ (11,126)
2027	47,153
2028	11,961
2029	21,079
2030	41,857
Thereafter	441,538
	\$ 552,462

12. Pension Plan (continued)

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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

<u>Police Department Plan</u>		
Year ended June 30:		
2026	\$	(72,530)
2027		60
2028		(41,175)
2029		(31,048)
2030		(7,299)
Thereafter		(77,488)
	<u>\$</u>	<u>(229,480)</u>

(f) 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.

	ERS Teachers	TSB Teachers	MERS Fire	MERS Police	Town Plan	Total
Net Pension Asset	\$ -	\$ 8,233,404	\$ 202,566	\$ 708,298	\$ -	\$ 9,144,268
Deferred Outflows of Resources - Pension	3,867,117	1,218,096	1,650,195	151,645	3,135,718	10,022,771
Deferred Inflows of Resources - Pension	3,163,939	3,060,784	377,712	458,960	5,462,923	12,524,318
Net Pension Liability	23,473,714	-	-	-	37,874,091	61,347,805
Pension Expense (Income)	3,145,144	(913,904)	182,979	130,845	4,774,584	7,319,648

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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	\$ -	\$ -	\$ -
Investments, at fair value			
Investment funds	78,789,307	-	78,789,307
Fixed income securities	-	3,193,149	3,193,149
Total assets	78,789,307	3,193,149	81,982,456
Deferred outflows of resources			
Deferred outflows	-	-	-
Total assets and deferred outflows of resources	78,789,307	3,193,149	81,982,456
Liabilities			
Account payable	-	-	-
Total liabilities	-	-	-
Deferred inflows of resources			
Unearned revenue	-	-	-
Total deferred inflows of resources	-	-	-
Net Position			
Restricted for pension	78,789,307	-	78,789,307
Restricted for OPEB	-	3,193,149	3,193,149
Total net position	78,789,307	3,193,149	81,982,456
Total liabilities and net position	\$ 78,789,307	\$ 3,193,149	\$ 81,982,456

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

13. Financial Statements for Individual Pension and Other Postemployment Benefit Trust Funds (continued):

Statement of Changes in Fiduciary Net Position

	Town Pension Trust	OPEB Trust	Total
Additions			
Contributions:			
Employer contributions	\$ 5,453,122	\$ 62,522	\$ 5,515,644
Plan member contributions	353,796	-	353,796
Other adjustments	-	-	-
<i>Total contributions</i>	5,806,918	62,522	5,869,440
Investment Income:			
Net appreciation in the fair value	8,127,172	340,756	8,467,928
<i>Total investment income</i>	8,127,172	340,756	8,467,928
Less: Investment expense	32,995	-	32,995
Total additions	13,967,085	403,278	14,370,363
Deductions			
Administrative expenses	103,442	2,902	106,344
Benefits paid	6,479,303	-	6,479,303
Total deductions	6,582,745	2,902	6,585,647
Changes in net position held in trust for individuals, organizations, and other governments	7,384,340	400,376	7,784,716
Net position, July 1, 2024	71,404,967	2,792,773	74,197,740
Net position, June 30, 2025	\$ 78,789,307	\$ 3,193,149	\$ 81,982,456

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

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

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

The initial term of the partnership is for five (5) years beginning January 1, 2025. RMCE covenants and agrees to pay the Town \$900,000 in fixed monthly payments of \$15,000.

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

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

The initial term began on April 1, 2020 and ended March 31, 2025. The term was extended in February 2025 to March 31, 2030. The Concessionaire agrees to pay a base fee of \$35,000 per year, plus 5% of its semi-annual gross receipts or \$15,000 (whichever is greater).

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

As of June 30, 2025 the principal and interest payment by the partnership are as follows:

Governmental Activities				
<i>Principal</i>				
	<u>Glen Manor</u>	<u>Melville</u>	<u>Total</u>	
2026	\$ 162,583	\$ 30,833	\$	193,416
2027	170,901	30,833		201,734
2028	88,702	30,833		119,535
2029	-	30,833		30,833
2030	-	30,833		30,833
Thereafter	-	-		-
	<u>\$ 422,186</u>	<u>\$ 154,165</u>	<u>\$</u>	<u>576,351</u>
<i>Interest</i>				
	<u>Glen Manor</u>	<u>Melville</u>	<u>Total</u>	
2026	\$ 17,417	\$ 6,752	\$	24,169
2027	9,099	5,515		14,614
2028	1,298	4,224		5,522
2029	-	2,876		2,876
2030	-	1,468		1,468
Thereafter	-	-		-
	<u>\$ 27,814</u>	<u>\$ 20,835</u>	<u>\$</u>	<u>48,649</u>
<i>Total</i>				
	<u>Glen Manor</u>	<u>Melville</u>	<u>Total</u>	
2026	\$ 180,000	\$ 37,585	\$	217,585
2027	180,000	36,348		216,348
2028	90,000	35,057		125,057
2029	-	33,709		33,709
2030	-	32,301		32,301
Thereafter	-	-		-
	<u>\$ 450,000</u>	<u>\$ 175,000</u>	<u>\$</u>	<u>625,000</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

15. Deferred Compensation Plan

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

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

16. Contingent Liabilities and Commitments

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

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

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 \$3,229,914 for the year ended June 30, 2025. Estimated costs to be incurred over the remaining 5-year life of this contract is approximately \$3,364,966.

17. Restatement

	<u>Government-Wide Governmental Activities</u>
Beginning balance, July 1, 2024	\$ (39,240,804)
Restatement of Net OPEB Liability: FY2024 was shown gross and not net of the fiduciary net position	<u>2,792,773</u>
Beginning balance, July 1, 2024, restated	<u>\$ (36,448,031)</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2025

18. Revised Enterprise Funds

After the issuance of the financial statements dated December 22, 2025 it was determined that certain cash receipts for both the curbside collection and transfer station funds were for the fiscal year ended June 30, 2026 services (i.e., the purchase of tickers). This amount was reclassified as deferred revenue.

19. Subsequent Events

Management reviewed subsequent events through the report date of December 22, 2025, except for note 18. No material events have occurred that require disclosures.

Required Supplementary Information Section

Town of Portsmouth, Rhode Island

Required Supplementary Information

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2025

	Budget Amounts			Final
	Original	Amendments	Transfers	
Revenues:				
Property Taxes				
Current collections	63,883,144	-	-	63,883,144
Prior year collections	-	-	-	-
Prorated collections	-	-	-	-
State Aid	7,242,371	-	-	7,242,371
General Government:				
Town Clerk	725,000	-	-	725,000
Finance	162,274	-	-	162,274
Tax Collector	260,500	-	-	260,500
Building	737,000	-	-	737,000
Planning	43,500	-	-	43,500
Public Safety:				
Police	196,900	-	-	196,900
Harbor Master	117,435	-	-	117,435
Fire	185,094	-	-	185,094
Public Works:				
Prudence Transfer Station	33,580	-	-	33,580
Recreation & Parks:				
Recreation	259,080	-	-	259,080
Rental & Other	559,081	-	-	559,081
Total revenues	74,404,959	-	-	74,404,959
Expenditures:				
General Government:				
Town Council	11,416	-	-	11,416
Town Admin	384,859	-	-	384,859
Town Clerk	517,887	(32,667) (2)	-	485,220
Canvassing	320,339	-	-	320,339
Finance	1,030,891	-	-	1,030,891
Human resources	2,232,245	-	-	2,232,245
Legal	230,054	-	-	230,054
Information Technology	418,042	-	-	418,042
Tax assessor / collector	581,848	-	(100,000) (5)	481,848
Economic Development	50,926	-	-	50,926
Planning	519,752	(52,029) (2)	-	467,723
Building official	407,097	(41,715) (2)	-	365,382
Public Safety:				
Police	7,660,581	(83,579) (2)	-	7,577,002
Prudence Safety Officer	122,688	-	-	122,688
Animal Control	132,628	-	-	132,628
Harbor Master	133,256	-	(10,000) (4)	123,256
Fire	8,260,873	-	-	8,260,873
Fire - Prudence Island	205,707	-	-	205,707
Emergency Management	66,897	-	-	66,897
Public Works:				
Public Works	3,381,340	-	-	3,381,340
Snow Removal	142,673	-	17,090 (6)	159,763
Road Improvements	1,170,000	-	-	1,170,000

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, 2025

	Budget Amounts			Actual Amounts (Budgetary Basis)	Variance Over (Under)
	Original	Amendments	Transfers		
Revenues:					
Property Taxes					
Current collections	63,883,144	-	-	63,883,144	699,558
Prior year collections	-	-	-	-	-
Prorated collections	-	-	-	-	-
State Aid	7,242,371	-	-	7,242,371	289,066
General Government:					
Town Clerk	725,000	-	-	725,000	184,195
Finance	162,274	-	-	162,274	425,061
Tax Collector	260,500	-	-	260,500	52,019
Building	737,000	-	-	737,000	126,346
Planning	43,500	-	-	43,500	106,413
Public Safety:					
Police	196,900	-	-	196,900	12,959
Harbor Master	117,435	-	-	117,435	1,658
Fire	185,094	-	-	185,094	80,001
Public Works:					
Prudence Transfer Station	33,580	-	-	33,580	(20,115)
Recreation & Parks:					
Recreation	259,080	-	-	259,080	(55,382)
Rental & Other					
	559,081	-	-	559,081	30,571
Total revenues	<u>74,404,959</u>	<u>-</u>	<u>-</u>	<u>74,404,959</u>	<u>1,932,350</u>
Expenditures:					
General Government:					
Town Council	11,416	-	-	11,416	841
Town Admin	384,859	-	-	384,859	36,938
Town Clerk	517,887	(32,667) (2)	-	485,220	33,877
Canvassing	320,339	-	-	320,339	18,838
Finance	1,030,891	-	-	1,030,891	21,427
Human resources	2,232,245	-	-	2,232,245	(187,297)
Legal	230,054	-	-	230,054	(3,132)
Information Technology	418,042	-	-	418,042	13,345
Tax assessor / collector	581,848	-	(100,000) (5)	481,848	8,617
Economic Development	50,926	-	-	50,926	2,237
Planning	519,752	(52,029) (2)	-	467,723	56,742
Building official	407,097	(41,715) (2)	-	365,382	24,038
Public Safety:					
Police	7,660,581	(83,579) (2)	-	7,577,002	263,248
Prudence Safety Officer	122,688	-	-	122,688	5,343
Animal Control	132,628	-	-	132,628	8,353
Harbor Master	133,256	-	(10,000) (4)	123,256	16,468
Fire	8,260,873	-	-	8,260,873	3,948
Fire - Prudence Island	205,707	-	-	205,707	1,494
Emergency Management	66,897	-	-	66,897	2,994
Public Works:					
Public Works	3,381,340	-	-	3,381,340	333,256
Snow Removal	142,673	-	17,090 (6)	159,763	-
Road Improvements	1,170,000	-	-	1,170,000	14,580
Prudence Transfer Station	134,123	-	-	134,123	33,032

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, 2025

	Budget Amounts			Final	Actual	Variance Over (Under)
	Original	Amendments	Transfers		(Budgetary Basis)	
Parks and Recreation:						
Recreation Dept	413,070	-	-	413,070	361,829	51,241
Melville Park	18,000	-	-	18,000	3,977	14,023
Civil Support:						
A. Ports Public Services	883,613	-	-	883,613	888,187	(4,574)
Library	-	-	-	-	-	-
Debt Service	2,480,310	-	(808,518) (1)	1,671,792	1,663,286	8,506
Other:						
State Aid	3,585,146	-	-	3,585,146	3,792,848	(207,702)
Capital Improvement Plan	655,860	-	(655,860) (3)	-	-	-
Open Space Reserve Fund	10,000	-	(10,000) (7)	-	-	-
Capital Reserve Fund	40,000	-	-	40,000	40,000	-
Town contingency	15,000	-	(15,000) (8)	-	-	-
OPEB discretionary	10,000	-	-	10,000	10,000	-
Bad Debts	-	-	-	-	-	-
Total expenditures	<u>\$ 36,227,121</u>	<u>\$ (209,990)</u>	<u>\$ (1,582,288)</u>	<u>\$ 34,434,843</u>	<u>\$ 33,864,162</u>	<u>\$ 570,681</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 38,177,838</u>	<u>\$ 209,990</u>	<u>\$ 1,582,288</u>	<u>\$ 39,970,116</u>	<u>\$ 42,473,147</u>	<u>\$ 2,503,031</u>
Other financing sources and (uses):						
School local appropriation	(38,177,838)	-	-	(38,177,838)	(38,177,838)	-
Transfer from other funds	-	-	-	-	-	-
Transfer to other funds	-	(2,068,411)	(1,582,288)	(3,650,699)	(3,723,946)	(73,247)
Town Council Vote from Fund Balance	-	1,858,421	-	1,858,421	-	(1,858,421)
Total other financing sources and uses	<u>(38,177,838)</u>	<u>(209,990)</u>	<u>(1,582,288)</u>	<u>(39,970,116)</u>	<u>(41,901,784)</u>	<u>(1,931,668)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u> *	<u>571,363</u>	<u>571,363</u>
Adjustment of budgetary basis to U.S. GAAP					<u>-</u>	
Excess of revenue and other financing sources over expenditures and other financing uses, U.S. GAAP basis					<u>571,363</u>	
Fund balance, beginning of year					<u>12,087,779</u>	
Fund balance, end of year					<u>\$ 12,659,142</u>	

- (1) Included \$808,518 transferred School Bond 2022E budgeted interest to debt fund
- (2) To purchase the decommissioning of Motorola XTS/XTL radios
- (3) To transfer CIP FY25 from General Fund to Capital Fund
- (4) To transfer unspent Harbormaster Boat Reserve funded in GF into Reserve
- (5) To transfer Property Revaluation Reserve FY25 from General Fund to Special Revenue Fund
- (6) To transfer from snow reserve amount expended in excess of budget
- (7) To transfer Open Space Reserve Funds into a special revenue fund
- (8) To transfer Town Wide Contingency general fund surplus to contingency reserve fund

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, 2025

	Original Budget		Actual	Variance Over (Under)
	Original Budget	Final Budget		
Revenues				
State aid for education	\$ 3,585,146	\$ 3,585,146	\$ 3,792,844	\$ 207,698
Impact aid	288,000	288,000	267,462	(20,538)
Tuition - other districts/ individuals	2,313,500	2,313,500	2,240,440	(73,060)
Medicaid	300,000	300,000	411,322	111,322
Revenue from enterprise activities	30,000	30,000	20,236	(9,764)
Miscellaneous	5,000	5,000	279	(4,721)
Total revenues	6,521,646	6,521,646	6,732,583	210,937
Expenditures				
Personnel Services	25,620,860	25,484,668	25,452,595	32,073
Employee benefits	9,127,458	9,312,584	9,285,583	27,001
Purchased professional & technical services	1,342,703	1,535,584	1,494,511	41,073
Purchased property services	684,130	605,139	525,574	79,565
Other purchased services	6,042,890	5,997,449	6,291,700	(294,251)
Supplies	1,142,352	1,163,619	1,219,135	(55,516)
Property	462,965	396,878	391,273	5,605
Miscellaneous	276,126	203,563	195,215	8,348
Total expenditures	44,699,484	44,699,484	44,855,586	(156,102)
Excess of expenditures over revenues, budgetary basis	(38,177,838)	(38,177,838)	(38,123,003)	54,835
Other financing sources (uses)				
Appropriation from Town's general fund	38,177,838	38,177,838	38,177,838	-
Sale of personal and real property	-	-	250,000	250,000
Transfer from other funds	-	-	-	-
Transfer to other funds	-	-	(987,910)	(987,910)
Total other financing sources (uses)	38,177,838	38,177,838	37,439,928	(737,910)
Excess of revenues and other financing sources over expenditures and other financing uses, budgetary basis	\$ -	\$ -	(683,075)	\$ (683,075)
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			(683,075)	
Fund balance, beginning of year			1,337,911	
Fund balance, end of year			\$ 654,836	

See independent auditor's report

Town of Portsmouth, Rhode Island

Required Supplementary Information

Notes to Required Supplementary Information

Budgetary Comparison Schedule – General Fund and School Unrestricted Fund

For the Year Ended June 30, 2025

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, 2025, the Town did not have open encumbrances.

Budgetary Compliance:

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

Budgetary to GAAP Basis Reconciliation:

There were differences between budgetary basis and GAAP basis of accounting for the Town's General Fund for the year ended June 30, 2025. There were differences between the budgetary basis and GAAP Basis of accounting for the School Unrestricted Fund for the year ended June 30, 2025.

See independent auditor's report

Town of Portsmouth, Rhode Island

Required Supplementary Information

Notes to Required Supplementary Information

Budgetary Comparison Schedule – General Fund and School Unrestricted Fund

For the Year Ended June 30, 2025

	School Unrestricted
Excess (deficiency) of revenues and other sources over expenditures and other uses (budgetary basis)	\$ (683,075)
State contribution to teachers' pension plan revenue on behalf	(2,333,767)
State contribution to teacher's pension plan expense on behalf	<u>2,333,767</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ (683,075)</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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2015
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2014
Employer's proportion of the net pension liability	0.94865000%	0.97481113%	0.96901439%	0.98492263%	0.98644934%	0.98554032%	0.98734301%	0.99184793%	1.06672268%	1.17765085%
Employer's proportionate share of the net pension liability	\$ 23,473,714	\$ 23,657,078	\$ 26,170,355	\$ 23,179,151	\$ 31,517,114	\$ 31,446,313	\$ 31,370,338	\$ 31,283,742	\$ 31,826,498	\$ 28,664,026
State's proportionate share of the net pension liability associated with the school district	17,125,963	17,220,712	19,354,816	17,189,419	23,417,987	23,556,545	23,400,019	23,642,993	21,796,478	19,656,243
Total	<u>\$ 40,599,677</u>	<u>\$ 40,877,790</u>	<u>\$ 45,525,171</u>	<u>\$ 40,368,570</u>	<u>\$ 54,935,101</u>	<u>\$ 55,002,858</u>	<u>\$ 54,770,357</u>	<u>\$ 54,926,735</u>	<u>\$ 53,622,976</u>	<u>\$ 48,320,269</u>
Employer's covered payroll	\$ 20,569,332	\$ 19,755,525	\$ 18,872,706	\$ 18,732,363	\$ 18,298,517	\$ 17,823,609	\$ 17,590,459	\$ 17,812,753	\$ 16,528,974	\$ 15,698,623
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	114.12%	119.75%	138.67%	123.74%	172.24%	176.43%	178.34%	175.63%	192.55%	182.59%
Plan fiduciary net position as a percentage of the total pension liability	62.10%	62.10%	62.10%	66.50%	54.30%	54.60%	54.30%	54.00%	54.06%	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.) 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

	<u>Fiscal 2025</u>	<u>Fiscal 2024</u>	<u>Fiscal 2023</u>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>
Actuarially determined contribution	\$ 3,266,049	\$ 3,159,227	\$ 3,047,307	\$ 2,821,099	\$ 2,743,469	\$ 2,624,299	\$ 2,460,253	\$ 2,318,997	\$ 2,273,897	\$ 2,406,202
Contributions in relation to the actuarially determined contribution	3,266,049	3,159,227	3,047,307	2,821,099	2,743,469	2,624,299	2,460,253	2,318,997	2,273,897	2,406,202
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 20,784,923	\$ 20,569,332	\$ 19,755,525	\$ 18,872,706	\$ 18,732,363	\$ 18,298,517	\$ 17,823,609	\$ 17,590,459	\$ 17,812,753	\$ 16,528,974
Contributions as a percentage of covered payroll	15.71%	15.36%	15.43%	14.95%	14.65%	14.34%	13.80%	13.18%	12.77%	14.56%

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.

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>Fiscal 2025</u>	<u>Fiscal 2024</u>	<u>Fiscal 2023</u>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>
Measurement Date	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Employer's proportion of the net pension asset	3.72%	3.78%	3.64%	3.77%	3.67%	3.59%	3.59%	3.64%	3.83%	3.78%
Employer's proportionate share of the net pension asset	\$ 8,233,404	\$ 7,605,832	\$ 6,395,225	\$ 7,373,961	\$ 4,360,405	\$ 4,205,948	\$ 3,202,420	\$ 3,013,282	\$ 3,817,161	\$ 3,529,932
Employer's covered payroll	\$ 20,568,332	\$ 19,755,525	\$ 18,872,706	\$ 18,732,363	\$ 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	40.03%	38.50%	33.89%	39.36%	23.83%	23.60%	18.21%	16.92%	23.09%	22.00%
Plan fiduciary net position as a percentage of the total pension asset	177.7%	177.7%	177.7%	185.7%	153.1%	150.2%	137.4%	136.1%	153.3%	146.6%

Notes:

- 1.) The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.
- 2.) 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>Fiscal 2025</u>	<u>Fiscal 2024</u>	<u>Fiscal 2023</u>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>
Statutorily determined contribution	\$ 27,592	\$ 28,256	\$ 28,980	\$ 27,495	\$ 27,741	\$ 27,381	\$ 27,652	\$ 26,703	\$ 21,486	\$ 24,622
Contributions in relation to the statutorily determined contribution	<u>27,592</u>	<u>28,256</u>	<u>28,980</u>	<u>27,495</u>	<u>27,741</u>	<u>27,381</u>	<u>27,652</u>	<u>26,703</u>	<u>21,486</u>	<u>24,622</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 22,164,520	\$ 20,568,332	\$ 19,755,525	\$ 18,872,706	\$ 18,732,363	\$ 18,298,517	\$ 17,947,924	\$ 17,823,609	\$ 17,590,459	\$ 17,812,753
Contributions as a percentage of covered payroll	0.12%	0.14%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.12%	0.14%

Notes:

1.) 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

	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
A. Total pension liability										
1. Service Cost	\$ 314,250	\$ 310,850	\$ 280,032	\$ 193,812	\$ 398,475	N/A	N/A	N/A	N/A	N/A
2. Interest on the Total Pension Liability	165,434	141,010	54,733	35,653	13,947	N/A	N/A	N/A	N/A	N/A
3. Changes of benefit terms	68,559	-	-	-	-	N/A	N/A	N/A	N/A	N/A
4. Difference between expected and actual experience of the Total Pension Liability	2,817	(86,472)	882,356	-	-	N/A	N/A	N/A	N/A	N/A
5. Changes of assumptions	-	(16,455)	-	-	-	N/A	N/A	N/A	N/A	N/A
6. Benefit payments, including refunds of employee contributions	(3,456)	-	-	-	-	N/A	N/A	N/A	N/A	N/A
7. Net change in total pension liability	547,604	348,933	1,217,121	229,465	412,422	-	-	-	-	-
8. Total pension liability – beginning	2,207,941	1,859,008	641,887	412,422	-	N/A	N/A	N/A	N/A	N/A
9. Total pension liability – ending (a)	<u>\$ 2,755,545</u>	<u>\$ 2,207,941</u>	<u>\$ 1,859,008</u>	<u>\$ 641,887</u>	<u>\$ 412,422</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
B. Plan fiduciary net position										
1. Contributions – employer	150,464	137,511	150,763	105,937	332,208	N/A	N/A	N/A	N/A	N/A
2. Contributions – employee	170,788	165,874	150,312	105,620	59,139	N/A	N/A	N/A	N/A	N/A
3. Net investment income	279,986	186,716	(52,228)	349,995	14,813	N/A	N/A	N/A	N/A	N/A
4. Benefit payments, including refunds of employee contributions	(3,456)	-	-	-	-	N/A	N/A	N/A	N/A	N/A
5. Pension Plan Administrative Expense	(2,886)	(2,010)	(1,780)	(1,333)	(408)	N/A	N/A	N/A	N/A	N/A
6. Other	9,908	(1)	-	652,179	-	N/A	N/A	N/A	N/A	N/A
7. Net change in plan fiduciary net position	604,804	488,090	247,067	1,212,398	405,752	N/A	N/A	N/A	N/A	N/A
8. Plan fiduciary net position – beginning	2,353,307	1,865,217	1,618,150	405,752	-	N/A	N/A	N/A	N/A	N/A
9. Plan fiduciary net position – ending (b)	<u>2,958,111</u>	<u>2,353,307</u>	<u>1,865,217</u>	<u>1,618,150</u>	<u>405,752</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
C. Net pension liability - ending (a) - (b)	<u>\$ (202,566)</u>	<u>\$ (145,366)</u>	<u>\$ (6,209)</u>	<u>\$ (976,263)</u>	<u>\$ 6,670</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
D. Plan fiduciary net position as a percentage of the total pension liability	107.35%	106.58%	100.33%	252.09%	98.38%	N/A	N/A	N/A	N/A	N/A
E. Covered payroll	\$ 1,707,881	\$ 1,658,750	\$ 1,503,123	\$ 1,056,195	\$ 591,394	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

Municipal Employees' Retirement System

	<u>Fiscal 2025</u>	<u>Fiscal 2024</u>	<u>Fiscal 2023</u>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>
Actuarially determined contribution	\$ 167,559	\$ 150,464	\$ 137,511	\$ 150,763	\$ 105,937	\$ 332,208	N/A	N/A	N/A	N/A
Contributions in relation to the actuarially determined contribution	167,559	150,464	137,511	150,763	105,937	332,208	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	<u>\$ 1,876,380</u>	<u>\$ 1,707,881</u>	<u>\$ 1,658,750</u>	<u>\$ 1,503,123</u>	<u>\$ 1,056,195</u>	<u>\$ 591,394</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	8.93%	8.81%	8.29%	10.03%	10.03%	56.17%				

Notes:

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

See accompanying notes to required supplementary information

See independent auditor's report

Town of Portsmouth, Rhode Island

Required Supplementary Information

Municipal Employees' Retirement System – MERS

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

Last 10 Years

Measurement Date	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016
6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	
A. Total pension liability										
1. Service Cost	\$ 374,628	\$ 340,963	\$ 310,953	\$ 1,290,844	N/A	N/A	N/A	N/A	N/A	N/A
2. Interest on the Total Pension Liability	163,411	133,283	104,405	\$ 45,180	N/A	N/A	N/A	N/A	N/A	N/A
3. Changes of benefit terms	67,253	-	-	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
4. Difference between expected and actual experience of the Total Pension Liability	(80,784)	(15,050)	-	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
5. Changes of assumptions	-	(27,802)	-	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
6. Benefit payments, including refunds of employee contributions	-	(35,645)	-	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
7. Net change in total pension liability	524,508	395,749	415,358	1,336,024	-	-	-	-	-	-
8. Total pension liability – beginning	2,147,131	1,751,382	1,336,024	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
9. Total pension liability – ending (a)	\$ 2,671,639	\$ 2,147,131	\$ 1,751,382	\$ 1,336,024	N/A	N/A	N/A	N/A	N/A	N/A
B. Plan fiduciary net position										
1. Contributions – employer	171,602	156,842	143,581	\$ 1,358,873	N/A	N/A	N/A	N/A	N/A	N/A
2. Contributions – employee	204,046	184,305	168,721	\$ 148,847	N/A	N/A	N/A	N/A	N/A	N/A
3. Net investment income	319,911	213,242	(60,796)	\$ 415,657	N/A	N/A	N/A	N/A	N/A	N/A
4. Benefit payments, including refunds of employee contributions	-	(35,645)	-	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
5. Pension Plan Administrative Expense	(3,297)	(2,295)	(2,073)	\$ (1,584)	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	692,262	516,449	249,433	\$ 1,921,793	N/A	N/A	N/A	N/A	N/A	N/A
8. Plan fiduciary net position – beginning	2,687,675	2,171,226	1,921,793	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
9. Plan fiduciary net position – ending (b)	3,379,937	2,687,675	2,171,226	\$ 1,921,793	N/A	N/A	N/A	N/A	N/A	N/A
C. Net pension liability - ending (a) - (b)	\$ (708,298)	\$ (540,544)	\$ (419,844)	\$ (585,769)	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	126.51%	125.18%	123.97%	\$ 1	N/A	N/A	N/A	N/A	N/A	N/A
E. Covered payroll	\$ 2,040,457	\$ 1,843,044	\$ 1,687,211	\$ 1,488,466	N/A	N/A	N/A	N/A	N/A	N/A
F. Net pension liability as a percentage of covered payroll	-34.71%	-29.33%	-24.88%	\$ (0)	N/A	N/A	N/A	N/A	N/A	N/A

See accompanying notes to required supplementary information

See independent auditor's report

Town of Portsmouth, Rhode Island

Required Supplementary Information

Municipal Employees' Retirement System – MERS

Schedule of Town's Contributions – Police Department Plan

Last 10 Years

	Municipal Employees' Retirement System									
	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016
Actuarially determined contribution	\$ 151,645	\$ 171,602	\$ 156,842	\$ 143,581	\$ 168,721	\$ 1,358,873	N/A	N/A	N/A	N/A
Contributions in relation to the actuarially determined contribution	151,645	171,602	156,842	143,581	168,721	1,358,873	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,112,032	\$ 2,040,457	\$ 1,843,044	\$ 1,687,303	\$ 1,687,211	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered payroll	7.18%	8.54%	8.51%	8.51%	10.00%					

- Notes:**
- 1.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.
 - 2.) 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, 2025

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, 2024 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, 2024 measurement date compared to the June 30, 2021 measurement date.

June 30, 2023 measurement date –

As part of the 2023 Actuarial Experience Study for the six-year period ending June 30, 2022 as approved by the System Board on May 17, 2023, certain assumptions were modified and reflected in the determination of net pension liability (asset) at the June 30, 2023 measurement date. The following summarizes the more significant changes in assumptions:

- Decreased individual salary increases and projected payroll growth for most groups. These two items mainly offset each other in calculating contribution requirements, especially as dollar amounts, but create a much lower projected annual growth rate in the dollar amounts of contributions.
- Updated the mortality projection scales to the ultimate rates of the most recently published ones, this had no material impact to the liabilities or contributions.
- Modestly increased turnover rates.
- Slight modifications to the retirement rates.
- Modified slightly the rates of disability.

June 30, 2022 measurement date –

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

June 30, 2021 measurement date –

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

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, 2025

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.

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.

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, 2025

June 30, 2015 measurement date –

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

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

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

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, 2025

- 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

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Total pension liability										
Service cost	\$ 890,659	\$ 1,026,471	\$ 908,903	\$ 898,771	\$ 1,217,126	\$ 1,091,474	\$ 1,153,715	\$ 1,354,501	\$ 1,316,275	\$ 1,252,788
Interest	7,701,043	7,557,172	7,234,775	7,167,954	7,108,648	6,903,374	6,507,380	6,194,141	5,988,522	5,652,355
Differences between expected and actual experience	(1,904,409)	25,117	688,109	1,125,231	(1,568,488)	682,436	1,525,148	1,978,473	-	1,024,895
Changes in assumptions	-	-	966,096	(2,068,774)	(5,924,255)	5,424,302	2,358,787	487,587	-	-
Changes of benefit terms	-	-	985,123	-	373,382	-	-	(15,093)	-	1,122,120
Benefit payments, including refunds of participant contributions	(6,445,516)	(6,237,517)	(6,011,159)	(6,275,605)	(5,261,905)	(5,591,756)	(5,640,660)	(4,675,839)	(3,917,789)	(4,353,001)
Net change in total pension liability	<u>241,777</u>	<u>2,371,243</u>	<u>4,771,847</u>	<u>847,577</u>	<u>(4,055,492)</u>	<u>8,509,830</u>	<u>5,904,370</u>	<u>5,323,770</u>	<u>3,387,008</u>	<u>4,699,157</u>
Total pension liability - beginning	<u>116,421,621</u>	<u>114,050,378</u>	<u>109,278,531</u>	<u>108,430,954</u>	<u>112,486,446</u>	<u>103,976,616</u>	<u>98,072,246</u>	<u>92,748,476</u>	<u>89,361,468</u>	<u>84,662,311</u>
Total pension liability - ending	<u>\$ 116,663,398</u>	<u>\$ 116,421,621</u>	<u>\$ 114,050,378</u>	<u>\$ 109,278,531</u>	<u>\$ 108,430,954</u>	<u>\$ 112,486,446</u>	<u>\$ 103,976,616</u>	<u>\$ 98,072,246</u>	<u>\$ 92,748,476</u>	<u>\$ 89,361,468</u>
Pension fiduciary net position										
Contributions - employer	\$ 5,446,933	\$ 4,763,142	\$ 4,424,009	\$ 5,939,829	\$ 4,918,997	\$ 4,484,385	\$ 4,324,436	\$ 4,322,591	\$ 3,955,207	\$ 3,623,290
Contributions - employee	359,195	353,796	327,498	191,351	230,102	246,659	271,175	301,399	334,211	347,245
Net investment income	8,127,170	7,424,068	6,414,653	(10,864,814)	15,952,848	(773,812)	1,706,305	3,897,741	5,647,914	(395,702)
Benefit payments, including refunds of participant contributions	(6,445,516)	(6,237,517)	(6,011,159)	(6,275,605)	(5,261,905)	(5,591,756)	(5,640,660)	(4,675,839)	(3,917,789)	(4,353,001)
Administrative expense	(103,442)	(107,491)	(137,952)	(243,510)	(37,500)	-	(36,000)	(46,104)	(33,000)	(45,000)
Other miscellaneous income/(expense)	-	(32,995)	(31,678)	-	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>7,384,340</u>	<u>6,163,003</u>	<u>4,985,371</u>	<u>(11,252,749)</u>	<u>15,802,542</u>	<u>(1,634,524)</u>	<u>625,256</u>	<u>3,799,788</u>	<u>5,986,543</u>	<u>(823,168)</u>
Plan fiduciary net position - beginning	<u>71,404,967</u>	<u>65,241,964</u>	<u>60,256,593</u>	<u>71,509,342</u>	<u>55,706,800</u>	<u>57,341,324</u>	<u>56,716,068</u>	<u>52,916,280</u>	<u>46,929,737</u>	<u>47,752,905</u>
Plan fiduciary net position - ending	<u>\$ 78,789,307</u>	<u>\$ 71,404,967</u>	<u>\$ 65,241,964</u>	<u>\$ 60,256,593</u>	<u>\$ 71,509,342</u>	<u>\$ 55,706,800</u>	<u>\$ 57,341,324</u>	<u>\$ 56,716,068</u>	<u>\$ 52,916,280</u>	<u>\$ 46,929,737</u>
Town's net pension liability (asset) - ending	<u>\$ 37,874,091</u>	<u>\$ 45,016,654</u>	<u>\$ 48,808,414</u>	<u>\$ 49,021,938</u>	<u>\$ 36,921,612</u>	<u>\$ 56,779,646</u>	<u>\$ 46,635,292</u>	<u>\$ 41,356,178</u>	<u>\$ 39,832,196</u>	<u>\$ 42,431,731</u>

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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability	\$ 116,663,398	\$ 116,421,621	\$ 114,050,378	\$ 109,278,531	\$ 108,430,954	\$ 112,486,446	\$ 103,976,616	\$ 98,072,246	\$ 92,748,476	\$ 89,361,468
Plan fiduciary net position	<u>78,789,307</u>	<u>71,404,967</u>	<u>65,241,964</u>	<u>60,256,593</u>	<u>71,509,342</u>	<u>55,706,800</u>	<u>57,341,324</u>	<u>56,716,068</u>	<u>52,916,280</u>	<u>46,929,737</u>
Town's net pension liability (asset)	<u>\$ 37,874,091</u>	<u>\$ 45,016,654</u>	<u>\$ 48,808,414</u>	<u>\$ 49,021,938</u>	<u>\$ 36,921,612</u>	<u>\$ 56,779,646</u>	<u>\$ 46,635,292</u>	<u>\$ 41,356,178</u>	<u>\$ 39,832,196</u>	<u>\$ 42,431,731</u>
Plan fiduciary net position as a percentage of the total pension liability	67.54%	61.33%	57.20%	55.14%	65.95%	49.52%	55.15%	57.83%	57.05%	52.52%
Covered payroll	\$ 4,797,352	\$ 5,002,646	\$ 5,466,812	\$ 8,707,714	\$ 5,843,765	\$ 7,260,027	\$ 7,750,088	\$ 7,820,129	\$ 8,356,102	\$ 8,073,529
Net pension liability (asset) as a percentage of covered payroll	789.48%	899.86%	892.81%	562.97%	631.81%	782.09%	601.74%	528.84%	476.68%	525.57%

See accompanying notes to required supplementary information

See independent auditor's report

Town of Portsmouth, Rhode Island

Required Supplementary Information

Town Pension Plan

Schedule of Town Contributions

Last 10 Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 4,846,933	\$ 4,750,530	\$ 4,385,799	\$ 5,679,202	\$ 4,918,997	\$ 4,484,385	\$ 4,324,436	\$ 4,322,591	\$ 3,955,207	\$ 3,623,290
Contributions in relation to the actuarially determined contribution	<u>5,446,933</u>	<u>4,763,142</u>	<u>4,424,009</u>	<u>5,939,829</u>	<u>4,918,997</u>	<u>4,484,385</u>	<u>4,324,436</u>	<u>4,322,591</u>	<u>3,955,207</u>	<u>3,623,290</u>
Contribution deficiency (excess)	<u>\$ (600,000)</u>	<u>\$ (12,612)</u>	<u>\$ (38,210)</u>	<u>\$ (260,627)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,797,352	\$ 5,002,646	\$ 5,466,812	\$ 8,707,714	\$ 5,843,765	\$ 7,260,027	\$ 7,750,088	\$ 7,820,129	\$ 8,356,102	\$ 8,073,529
Contributions as a percentage of covered payroll	113.54%	95.21%	80.92%	68.21%	84.18%	61.77%	55.80%	55.28%	47.33%	44.88%

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, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Annual money-weighted rate of return, net of investment expense	11.45%	11.49%	10.77%	-15.23%	28.68%	-1.36%	3.04%	7.37%	12.03%	-0.83%

Actuarial Assumptions:

Valuation Date:	July 1, 2025
Actuarial cost method	Entry age normal
Measurement date	June 30, 2025
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 that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Professional judgment on future contributions has been applied in those cases where contribution patterns deviate from the actuarially determined 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.
Healthy mortality	Police and Fire Pub-2010 Safety Mortality table with fully generational improvements from 2010 based on mortality improvement scale MP-21 School Pub-2010 Teacher Mortality Table with fully generational improvements from 2010 based on mortality improvement scale MP-21 Others and Beneficiaries Pub-2010 General Mortality Table with fully generational improvements from 2010 based on mortality improvement scale MP-21
Disabled mortality	Police and Fire Pub-2010 Safety Disabled Mortality table with fully generational improvements from 2010 based on mortality improvement scale MP-21 Others Pub-2010 Non-Safety Disabled Mortality Table with fully generational improvements from 2010 based on mortality improvement scale MP-21
Cost of living	This assumption is based on the terms of the collective bargaining agreement. The salary increase assumption is used for those whose annual cost of living are based on the salary increase of current employees.
Salary increase	3.50%

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, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Total OPEB liability								
Service cost	\$ 834,631	\$ 671,990	\$ 766,605	\$ 1,023,437	\$ 789,052	\$ 685,689	\$ 782,916	\$ 887,744
Interest on net OPEB liability and service cost	753,006	874,852	847,601	582,433	597,862	740,008	807,833	825,756
Change of benefit terms	-	-	(61,671)	-	-	-	-	(8,005)
Differences between actual and expected experience	1,132,071	(2,928,581)	(1,170,682)	(1,057,241)	477,405	(1,273,550)	(966,904)	(2,179,438)
Changes of assumptions	48,900	1,300,271	(898,915)	(2,850,557)	1,954,574	1,517,261	35,933	(607,184)
Benefit payments, including refunds	(991,865)	(873,649)	(1,056,226)	(1,184,022)	(998,793)	(1,027,477)	(1,034,008)	(1,019,210)
Net change in total OPEB liability	1,776,743	(955,117)	(1,573,288)	(3,485,950)	2,820,100	641,931	(374,230)	(2,100,337)
Total OPEB liability - beginning	16,847,903	17,803,020	19,376,308	22,862,258	20,042,158	19,400,227	19,774,457	21,874,794
Total OPEB liability - ending	<u>\$ 18,624,646</u>	<u>\$ 16,847,903</u>	<u>\$ 17,803,020</u>	<u>\$ 19,376,308</u>	<u>\$ 22,862,258</u>	<u>\$ 20,042,158</u>	<u>\$ 19,400,227</u>	<u>\$ 19,774,457</u>
OPEB fiduciary net position								
Benefit payments, including refunds	\$ (991,865)	\$ (873,649)	\$ (1,056,226)	\$ (1,184,022)	\$ (998,793)	\$ (1,027,477)	\$ (1,034,008)	\$ (1,019,210)
Trust administrative expenses	(2,903)	(2,413)	(2,117)	(2,231)	(6,739)	(5,000)	(14,515)	(10,486)
Contributions - employer	991,865	923,649	1,081,226	1,199,269	1,128,104	1,052,477	1,059,008	1,069,210
Other adjustments	-	-	25,558	-	-	-	-	-
Contribution - active employees	62,522	55,900	60,014	75,045	61,988	58,601	53,312	53,958
Net investment income	340,757	337,659	219,960	(280,146)	426,595	65,540	85,681	101,350
Net change in plan fiduciary net position	400,376	441,146	328,415	(192,085)	611,155	144,141	149,478	194,822
Plan fiduciary net position - beginning	2,792,773	2,351,627	2,023,212	2,215,297	1,604,142	1,460,001	1,310,523	1,115,701
Plan fiduciary net position - ending	<u>\$ 3,193,149</u>	<u>\$ 2,792,773</u>	<u>\$ 2,351,627</u>	<u>\$ 2,023,212</u>	<u>\$ 2,215,297</u>	<u>\$ 1,604,142</u>	<u>\$ 1,460,001</u>	<u>\$ 1,310,523</u>
Plan's net pension liability - ending	<u>\$ 15,431,497</u>	<u>\$ 14,055,130</u>	<u>\$ 15,451,393</u>	<u>\$ 17,353,096</u>	<u>\$ 20,646,961</u>	<u>\$ 18,438,016</u>	<u>\$ 17,940,226</u>	<u>\$ 18,463,934</u>

* 9th year of implementation of GASB 74/75, therefore only seven years of the ten required data is available.

See accompanying notes to required supplementary information

See independent auditor's report

Town of Portsmouth, Rhode Island

Required Supplementary Information

Town OPEB Plan

Net OPEB Liability and Related Ratios

Last 10 Years

Actuarial Valuation Date	Fiduciary Net Position	Total OPEB Liability (TOL)	Net OPEB Liability (NOL)	Funded Ratio	Covered Payroll	NOL as a % of Covered Payroll
6/30/2025	\$ 3,193,149	\$ 18,624,646	\$ 15,431,497	17.14%	\$ 9,119,840	169.21%
6/30/2024	\$ 2,792,773	\$ 16,847,903	\$ 14,055,130	16.58%	\$ 10,449,206	134.51%
6/30/2023	\$ 2,351,627	\$ 17,803,020	\$ 15,451,393	13.21%	\$ 9,771,419	158.13%
6/30/2022	\$ 2,023,212	\$ 19,376,308	\$ 17,353,096	10.44%	\$ 9,427,054	184.08%
6/30/2021	\$ 2,215,297	\$ 22,862,258	\$ 20,646,961	9.69%	\$ 8,987,551	229.73%
6/30/2020	\$ 1,604,142	\$ 20,042,158	\$ 18,438,016	8.00%	\$ 7,902,464	233.32%
6/30/2019	\$ 1,460,001	\$ 19,400,227	\$ 17,940,226	7.53%	\$ 7,635,231	234.97%
6/30/2018	\$ 1,310,523	\$ 19,774,457	\$ 18,463,934	6.63%	\$ 7,441,122	248.13%
6/30/2017	\$ 1,115,701	\$ 21,874,794	\$ 20,759,093	5.10%	\$ 7,189,490	288.74%

See accompanying notes to required supplementary information

See independent auditor's report

Town of Portsmouth, Rhode Island

Required Supplementary Information

Town OPEB Plan

Schedule of Contributions

Last 10 Years

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarial determined contribution	\$ 1,810,923	\$ 1,733,964	\$ 1,944,405	\$ 1,696,125	\$ 1,522,495	\$ 1,586,153	\$ 1,695,662	\$ 1,629,782
Contributions in relation to the actuarially determined contribution	991,865	923,649	1,081,226	1,199,269	1,128,104	1,052,477	1,059,008	1,069,210
Contribution deficiency (excess)	<u>\$ 819,058</u>	<u>\$ 810,315</u>	<u>\$ 863,179</u>	<u>\$ 496,856</u>	<u>\$ 394,391</u>	<u>\$ 533,676</u>	<u>\$ 636,654</u>	<u>\$ 560,572</u>
Covered payroll	\$ 9,119,840	\$ 10,449,206	\$ 9,771,419	\$ 9,427,054	\$ 8,987,551	\$ 7,902,464	\$ 7,635,231	\$ 7,441,122
Contributions as a percentage of covered payroll	10.88%	8.84%	11.07%	12.72%	12.55%	13.32%	13.87%	14.37%

* 9th year of implementation of GASB 74/75, therefore only seven years of the ten required data is available.

See accompanying notes to required supplementary information

See independent auditor's report

Town of Portsmouth, Rhode Island

Required Supplementary Information

Town OPEB Plan

Schedule of Investment Returns and Notes

Last 10 Years

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Annual money-weighted rate of return, net of investment expense	12.09%	14.05%	10.56%	-17.68%	26.17%	6.46%	7.33%	8.80%

* 9th year of implementation of GASB 74/75, therefore only seven years of the ten required data is available.

Notes to Required Supplementary Information:

Valuation Date:	June 30, 2025
Actuarial Cost Method:	Entry-age normal, level percent of pay
Amortization Method:	Closed period, level percent of pay
Amortization period:	20 years
Inflation:	2.50%
Healthcare trend Rates	6.8%, trending down to 4.04%
Rate of Return on assets:	2.50%
Assumed Payroll Growth:	6.00%
Mortality Rate:	CalPERS Rates
Retirement Rates:	CalPERS Rates
Medical/Rx trend rates	Pre-Medicare Trending 6.80% to 2031 at 5.18%, Medicare 4.90% for all years
Dental/Vision trend rates	Dental: 4.0% for all years Vision: 2.8.0% for all years

See accompanying notes to required supplementary information

See independent auditor's report

Town of Portsmouth, Rhode Island

Required Supplementary Information

School OPEB Plan

Net OPEB Liability and Related Ratios

Last 10 Years

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability									
Service cost	\$ 49,312	\$ 62,182	\$ 62,121	\$ 72,696	\$ 70,573	\$ 61,389	\$ 83,679	\$ 86,311	\$ 98,924
Interest on net OPEB liability and service cost	114,027	117,248	123,118	78,652	79,481	104,155	130,322	137,405	111,824
Change of benefit terms	-	-	34,119	-	-	-	-	22,101	-
Differences between actual and expected experience	(81,444)	109,456	(257,535)	(214,664)	383,759	(161,761)	(545,866)	(350,776)	222,319
Changes of assumptions	(79,810)	(29,161)	(8,632)	(413,504)	217,162	194,887	176,668	(85,586)	(139,055)
Implicit subsidy credit	-	(86,429)	-	-	-	-	-	-	-
Benefit payments, including refunds	(265,161)	(78,187)	(83,591)	(104,258)	(194,426)	(179,755)	(264,530)	(333,087)	(367,665)
Net change in total OPEB liability	(263,076)	95,109	(130,400)	(581,078)	556,549	18,915	(419,727)	(523,632)	(73,653)
Total OPEB liability - beginning	2,954,191	2,859,082	2,989,482	3,570,560	3,014,011	2,995,096	3,414,823	3,938,455	4,012,108
Total OPEB liability - ending	<u>\$ 2,691,115</u>	<u>\$ 2,954,191</u>	<u>\$ 2,859,082</u>	<u>\$ 2,989,482</u>	<u>\$ 3,570,560</u>	<u>\$ 3,014,011</u>	<u>\$ 2,995,096</u>	<u>\$ 3,414,823</u>	<u>\$ 3,938,455</u>
OPEB fiduciary net position									
Benefit payments, including refunds	\$ 265,161	\$ 78,187	\$ 83,591	\$ 104,258	\$ (194,426)	\$ (179,755)	\$ (264,530)	\$ (333,087)	\$ (367,665)
Contributions - employer	(265,161)	(78,187)	(83,591)	(104,258)	194,426	179,755	264,530	333,087	367,665
Net investment income	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-	-	-
Plan fiduciary net position - ending	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan's net pension liability - ending	<u>\$ 2,691,115</u>	<u>\$ 2,954,191</u>	<u>\$ 2,859,082</u>	<u>\$ 2,989,482</u>	<u>\$ 3,570,560</u>	<u>\$ 3,014,011</u>	<u>\$ 2,995,096</u>	<u>\$ 3,414,823</u>	<u>\$ 3,938,455</u>

* 9th year of implementation of GASB 75, therefore only seven years of the ten required data is available.

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

See accompanying notes to required supplementary information

See independent auditor's report

Town of Portsmouth, Rhode Island

Required Supplementary Information

School OPEB Plan

Net OPEB Liability and Related Ratios

Last 10 Years

Actuarial Valuation Date	Fiduciary Net Position	Total OPEB Liability (TOL)	Net OPEB Liability (NOL)	Funded Ratio	Covered Payroll	NOL as a % of Covered Payroll
6/30/2025	\$ -	\$ 2,691,115	\$ 2,691,115	0.00%	\$ -	#DIV/0!
6/30/2024	\$ -	\$ 2,954,191	\$ 2,954,191	0.00%	\$ 21,324,327	13.85%
6/30/2023	\$ -	\$ 2,859,082	\$ 2,859,082	0.00%	\$ 20,724,130	13.80%
6/30/2022	\$ -	\$ 2,989,482	\$ 2,989,482	0.00%	\$ 19,439,209	15.38%
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%

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, 2024	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Actuarial determined contribution	\$ 265,161	\$ 164,616	\$ 83,591	\$ 104,258	\$ 194,426	\$ 179,755	\$ 264,530
Contributions in relation to the actuarially determined contribution	265,161	164,616	83,591	104,258	194,426	179,755	264,530
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 24,034,291	\$ 21,324,327	\$ 20,724,130	\$ 19,439,209	\$ 19,698,136	\$ 18,850,532	\$ 18,518,146
Contributions as a percentage of covered payroll	1.10%	0.77%	0.40%	0.54%	0.99%	0.95%	1.43%

* 9th year of implementation of GASB 75, therefore only seven years of the ten required data is available.

Notes to Required Supplementary Information:

Valuation Date: June 30, 2025

Measurement Date: June 30, 2025

Actuarial Cost Method: Allocation of Actuarial Present Value of Future Benefits for services prior and after Measurement Date was determined using Entry Age Normal Level % of Salary method where:

- 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 the Payroll Growth

Actuarial Assumptions:

Inflation 2.30% per year

Payroll growth 3.00% The salary increase is used to determine the growth in the aggregate payroll

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

Discount rate 5.20%

Medical/Rx trend rates Medical long-term trends from Society of Actuaries "Long Term Healthcare Cost Trends Model v2024_1b" using baseline assumptions. Applied to both claims and premiums.

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, 2025

	Town Special Revenue	School Special Revenue	Town Capital Projects	School Capital Projects	Permanent Trust Funds	Total Non-Major Funds
Assets						
Cash and cash equivalent	\$ 18,704	\$ 858,591	\$ -	\$ -	\$ 180,476	\$ 1,057,771
Investment	-	-	-	-	135,389	135,389
Due from other governments	-	520,561	-	-	-	520,561
Due from other funds	4,670,387	462,834	1,449,132	1,653,144	20,274	8,255,771
Other receivables, net	13,620	18,964	-	-	-	32,584
Total assets	<u>4,702,711</u>	<u>1,860,950</u>	<u>1,449,132</u>	<u>1,653,144</u>	<u>336,139</u>	<u>10,002,076</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>4,702,711</u>	<u>1,860,950</u>	<u>1,449,132</u>	<u>1,653,144</u>	<u>336,139</u>	<u>10,002,076</u>
Liabilities						
Accounts payable	18,883	166,891	-	86,149	-	271,923
Accrued expenses	2,206	4,807	-	-	-	7,013
Due to other funds	74,816	997,027	24,770	-	-	1,096,613
Total liabilities	<u>95,905</u>	<u>1,168,725</u>	<u>24,770</u>	<u>86,149</u>	<u>-</u>	<u>1,375,549</u>
Deferred inflows of resources						
Deferred revenue	663,079	-	-	-	-	663,079
Total deferred inflows of resources	<u>663,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>663,079</u>
Fund balance						
Nonspendable	-	-	-	-	320,631	320,631
Restricted	4,016,393	692,225	1,449,132	1,566,995	15,508	7,740,253
Unassigned	(72,666)	-	(24,770)	-	-	(97,436)
Total fund balance	<u>3,943,727</u>	<u>692,225</u>	<u>1,424,362</u>	<u>1,566,995</u>	<u>336,139</u>	<u>7,963,448</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,702,711</u>	<u>\$ 1,860,950</u>	<u>\$ 1,449,132</u>	<u>\$ 1,653,144</u>	<u>\$ 336,139</u>	<u>\$ 10,002,076</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, 2025

	Town Special Revenue	School Special Revenue	Town Capital Projects	School Capital Projects	Permanent Trust Funds	Total Non Major Funds
Revenues						
Federal and state grants	\$ 1,061,559	\$ 2,133,693	\$ 265,714	\$ -	\$ -	\$ 3,460,966
Charges for services	429,665	614,205	-	-	-	1,043,870
Contributions and private grants	42,492	-	-	-	-	42,492
Interest and investment income (loss)	-	-	-	-	60,098	60,098
Other revenues	698,822	149,413	-	103,000	-	951,235
Total revenue	<u>2,232,538</u>	<u>2,897,311</u>	<u>265,714</u>	<u>103,000</u>	<u>60,098</u>	<u>5,558,661</u>
Expenditures						
General government	180,407	-	-	-	9,016	189,423
Public safety	946,526	-	-	-	-	946,526
Public works	60,240	-	-	-	-	60,240
Public and social services	55,729	-	-	-	-	55,729
Parks and recreation	3,711	-	-	-	-	3,711
Education	32,699	2,735,152	-	-	-	2,767,851
Capital	626,305	152,686	704,699	123,928	-	1,607,618
Total Expenditures	<u>1,905,617</u>	<u>2,887,838</u>	<u>704,699</u>	<u>123,928</u>	<u>9,016</u>	<u>5,631,098</u>
Excess (deficiency) of revenues over expenditures	326,921	9,473	(438,985)	(20,928)	51,082	(72,437)
Other financing sources (uses)						
Transfers in	418,056	-	1,948,012	987,910	-	3,353,978
Transfers out	(50,639)	-	-	-	-	(50,639)
Total other financing sources (uses)	<u>367,417</u>	<u>-</u>	<u>1,948,012</u>	<u>987,910</u>	<u>-</u>	<u>3,303,339</u>
Net change in fund balance	694,338	9,473	1,509,027	966,982	51,082	3,230,902
Fund balance, July 1, 2024	<u>3,249,389</u>	<u>682,752</u>	<u>(84,665)</u>	<u>600,013</u>	<u>285,057</u>	<u>4,732,546</u>
Fund balance, June 30, 2025	<u>\$ 3,943,727</u>	<u>\$ 692,225</u>	<u>\$ 1,424,362</u>	<u>\$ 1,566,995</u>	<u>\$ 336,139</u>	<u>\$ 7,963,448</u>

See accompanying notes to required supplementary information

See independent auditor's report

Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

June 30, 2025

	NHTSA- Distracted Driver	Body Worn Camera Program	Fire Boat- (Repair, Maintenance,	Beach Patrol	Town Wide Contingency	Wastewater Enforcement Fund
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-
Due from other funds	993	-	29,840	802	24,105	18,665
Other receivables, net	-	-	-	-	-	-
Total assets	<u>993</u>	<u>-</u>	<u>29,840</u>	<u>802</u>	<u>24,105</u>	<u>18,665</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 resource	<u>993</u>	<u>-</u>	<u>29,840</u>	<u>802</u>	<u>24,105</u>	<u>18,665</u>
Liabilities						
Accounts payable	-	-	594	802	-	-
Accrued expenses	993	426	-	-	-	-
Due to other funds	-	52,103	-	-	-	-
Total liabilities	<u>993</u>	<u>52,529</u>	<u>594</u>	<u>802</u>	<u>-</u>	<u>-</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						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	29,246	-	24,105	18,665
Committed	-	-	-	-	-	-
Unassigned	-	(52,529)	-	-	-	-
Total fund balance	<u>-</u>	<u>(52,529)</u>	<u>29,246</u>	<u>-</u>	<u>24,105</u>	<u>18,665</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 993</u>	<u>\$ -</u>	<u>\$ 29,840</u>	<u>\$ 802</u>	<u>\$ 24,105</u>	<u>\$ 18,665</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, 2025

	Turnpike Ave Playground	Property Revaluation	Zoning Ordinance Planning	Commercial Vehicle Enforcement	Enbridge Smoke Alarm Grant
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-
Due from other funds	-	97,572	125,406	-	7,685
Other receivables, net	-	-	-	-	-
Total assets	-	97,572	125,406	-	7,685
Deferred outflows of resources					
Deferred outflows	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	-	97,572	125,406	-	7,685
Liabilities					
Accounts payable	-	-	13,782	-	-
Accrued expenses	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	-	-	13,782	-	-
Deferred inflows of resources					
Deferred revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balance					
Nonspendable	-	-	-	-	-
Restricted	-	97,572	111,624	-	7,685
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balance	-	97,572	111,624	-	7,685
Total liabilities, deferred inflows of resources and fund balance	\$ -	\$ 97,572	\$ 125,406	\$ -	\$ 7,685

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Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

June 30, 2025

	Homeland Security Investigaions	Police Retention	Police Comfort Dog	Police Misc. Restricted	RIIB Grant	NCPC Compliance Check
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-
Due from other funds	-	97,091	5,229	16,536	28,000	-
Other receivables, net	-	-	-	-	-	-
Total assets	-	97,091	5,229	16,536	28,000	-
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	-	97,091	5,229	16,536	28,000	-
Liabilities						
Accounts payable	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-
Due to other funds	491	-	-	-	-	3,873
Total liabilities	491	-	-	-	-	3,873
Deferred inflows of resources						
Deferred revenue	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund balance						
Nonspendable	-	-	-	-	-	-
Restricted	-	97,091	5,229	16,536	28,000	-
Committed	-	-	-	-	-	-
Unassigned	(491)	-	-	-	-	(3,873)
Total fund balance	(491)	97,091	5,229	16,536	28,000	(3,873)
Total liabilities, deferred inflows of resources and fund balance	\$ -	\$ 97,091	\$ 5,229	\$ 16,536	\$ 28,000	\$ -

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Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

June 30, 2025

	Portsmouth Pre Coalition	DPW Snow Removal Reserve	DPW Miscellaneous Restricted	Evidence Fund - (Non Narcotic)	EMW SHSP Heavy Resuce Squad	RIEMA EMPG
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-
Due from other funds	4,234	232,591	2,060	6,378	-	15,505
Other receivables, net	-	-	-	-	-	-
Total assets	4,234	232,591	2,060	6,378	-	15,505
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	4,234	232,591	2,060	6,378	-	15,505
Liabilities						
Accounts payable	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Deferred inflows of resources						
Deferred revenue	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund balance						
Nonspendable	-	-	-	-	-	-
Restricted	4,234	232,591	2,060	6,378	-	15,505
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	4,234	232,591	2,060	6,378	-	15,505
Total liabilities, deferred inflows of resources and fund balance	\$ 4,234	\$ 232,591	\$ 2,060	\$ 6,378	\$ -	\$ 15,505

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Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

June 30, 2025

	AFG	Algonquin Trees - DPW	Impact fees School	Town Commons	Hazardous Materials Mitigation	Fire Mitigation	AIPC West Side Project
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	65,900	658,594	289	10,318	786	20,000
Other receivables, net	-	-	-	-	-	-	-
Total assets	-	65,900	658,594	289	10,318	786	20,000
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	-	65,900	658,594	289	10,318	786	20,000
Liabilities							
Accounts payable	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
Deferred inflows of resources							
Deferred revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund balance							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	65,900	658,594	289	10,318	786	20,000
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	-	65,900	658,594	289	10,318	786	20,000
Total liabilities, deferred inflows of resources and fund balance	\$ -	\$ 65,900	\$ 658,594	\$ 289	\$ 10,318	\$ 786	\$ 20,000

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Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

June 30, 2025

	Explorer Program	Fire Alarm Maintenance	Fire Plan Review	Historical Records	Joan Haskins Memorial	Veterans Wall
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 892
Due from other governments	-	-	-	-	-	-
Due from other funds	1,266	2,588	131,258	58,805	3,715	-
Other receivables, net	-	-	-	-	-	-
Total assets	1,266	2,588	131,258	58,805	3,715	892
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	1,266	2,588	131,258	58,805	3,715	892
Liabilities						
Accounts payable	-	-	398	-	-	-
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	180
Total liabilities	-	-	398	-	-	180
Deferred inflows of resources						
Deferred revenue	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund balance						
Nonspendable	-	-	-	-	-	-
Restricted	1,266	2,588	130,860	58,805	3,715	712
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	1,266	2,588	130,860	58,805	3,715	712
Total liabilities, deferred inflows of resources and fund balance	\$ 1,266	\$ 2,588	\$ 131,258	\$ 58,805	\$ 3,715	\$ 892

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Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

June 30, 2025

	Melville Recreation	NARC Forfeiture (PPD & A/G Holding)	ICAC	FDA - Tobacco Study	Dog Park Fund	Public Safety Radio Replacement
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 17,812	\$ -
Due from other governments	-	-	-	-	-	-
Due from other funds	942	21,296	-	-	-	209,990
Other receivables, net	-	-	-	-	-	-
Total assets	<u>942</u>	<u>21,296</u>	<u>-</u>	<u>-</u>	<u>17,812</u>	<u>209,990</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>942</u>	<u>21,296</u>	<u>-</u>	<u>-</u>	<u>17,812</u>	<u>209,990</u>
Liabilities						
Accounts payable	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	3,183	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,183</u>	<u>-</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						
Nonspendable	-	-	-	-	-	-
Restricted	942	21,296	-	-	14,629	209,990
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	<u>942</u>	<u>21,296</u>	<u>-</u>	<u>-</u>	<u>14,629</u>	<u>209,990</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 942</u>	<u>\$ 21,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,812</u>	<u>\$ 209,990</u>

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Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

June 30, 2025

	Tank Farm	Marshall Service	Tech Upgrade & Document Preservation	Tobacco Survey/Check	Glen Farm Stables Donation	Fire Smoke Detector
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-
Due from other funds	26,077	-	141,073	-	-	7,955
Other receivables, net	-	-	-	-	-	-
Total assets	26,077	-	141,073	-	-	7,955
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	26,077	-	141,073	-	-	7,955
Liabilities						
Accounts payable	-	-	-	-	-	-
Accrued expenses	-	787	-	-	-	-
Due to other funds	-	2,625	-	662	-	-
Total liabilities	-	3,412	-	662	-	-
Deferred inflows of resources						
Deferred revenue	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund balance						
Nonspendable	-	-	-	-	-	-
Restricted	26,077	-	141,073	-	-	7,955
Committed	-	-	-	-	-	-
Unassigned	-	(3,412)	-	(662)	-	-
Total fund balance	26,077	(3,412)	141,073	(662)	-	7,955
Total liabilities, deferred inflows of resources and fund balance	\$ 26,077	\$ -	\$ 141,073	\$ -	\$ -	\$ 7,955

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Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

June 30, 2025

	Public Safety Capital	Byrne Grant	MED PODS	Low Income Spay-Neuter	Shelter Spay- Neuter	Conserv. Comm. Commom
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-
Due from other funds	1,237,922	-	65,651	11,105	14,991	50
Other receivables, net	-	-	-	-	-	-
Total assets	1,237,922	-	65,651	11,105	14,991	50
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	1,237,922	-	65,651	11,105	14,991	50
Liabilities						
Accounts payable	3,307	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	3,307	-	-	-	-	-
Deferred inflows of resources						
Deferred revenue	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund balance						
Nonspendable	-	-	-	-	-	-
Restricted	1,234,615	-	65,651	11,105	14,991	50
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	1,234,615	-	65,651	11,105	14,991	50
Total liabilities, deferred inflows of resources and fund balance	\$ 1,237,922	\$ -	\$ 65,651	\$ 11,105	\$ 14,991	\$ 50

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Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Special Revenue

June 30, 2025

	Trust Safety Grant	Portsmouth Tree Commission	Conservation Comm Grant	Recreation Grant	Opioid Settlement	RI Learn 365
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-
Due from other funds	3,418	-	615	6,250	99,483	-
Other receivables, net	-	-	-	-	-	-
Total assets	3,418	-	615	6,250	99,483	-
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	3,418	-	615	6,250	99,483	-
Liabilities						
Accounts payable	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	11,699
Total liabilities	-	-	-	-	-	11,699
Deferred inflows of resources						
Deferred revenue	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund balance						
Nonspendable	-	-	-	-	-	-
Restricted	3,418	-	615	6,250	99,483	-
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(11,699)
Total fund balance	3,418	-	615	6,250	99,483	(11,699)
Total liabilities, deferred inflows of resources and fund balance	\$ 3,418	\$ -	\$ 615	\$ 6,250	\$ 99,483	\$ -

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Town of Portsmouth, Rhode Island
 Supplementary Information
 Combining Non-Major Governmental Funds Balance Sheet –
 Town Special Revenue
June 30, 2025

	<u>Van Beuren Grant</u>	<u>ARPA Fund</u>	<u>Mayflower Wind</u>	<u>Total Town Special Revenue</u>
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 18,704
Due from other governments	-	-	-	-
Due from other funds	-	670,978	486,380	4,670,387
Other receivables, net	-	-	13,620	13,620
Total assets	<u>-</u>	<u>670,978</u>	<u>500,000</u>	<u>4,702,711</u>
Deferred outflows of resources				
Deferred outflows	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>-</u>	<u>670,978</u>	<u>500,000</u>	<u>4,702,711</u>
Liabilities				
Accounts payable	-	-	-	18,883
Accrued expenses	-	-	-	2,206
Due to other funds	-	-	-	74,816
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,905</u>
Deferred inflows of resources				
Deferred revenue	-	663,079	-	663,079
Total deferred inflows of resources	<u>-</u>	<u>663,079</u>	<u>-</u>	<u>663,079</u>
Fund balance				
Nonspendable	-	-	-	-
Restricted	-	7,899	500,000	4,016,393
Committed	-	-	-	-
Unassigned	-	-	-	(72,666)
Total fund balance	<u>-</u>	<u>7,899</u>	<u>500,000</u>	<u>3,943,727</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ -</u>	<u>\$ 670,978</u>	<u>\$ 500,000</u>	<u>\$ 4,702,711</u>

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Town of Portsmouth, Rhode Island

Supplementary Information

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

Town Special Revenue

For the Year Ended June 30, 2025

	NHTSA- Distracted Driver	Body Worn Camera Program	Fire Boat- (Repair, Maintenance,	Beach Patrol	Town Wide Contingency	Wastewater Enforcement Fund
Revenues:						
Federal and state grants	\$ 38,940	\$ 55,050	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	7,200	-	-	200
Contributions and private grants	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	38,940	55,050	7,200	-	-	200
Expenditures :						
General government	-	-	-	-	-	-
Public safety	38,627	60,783	20,303	-	-	-
Public works	-	-	-	-	-	260
Public and social services	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	38,627	60,783	20,303	-	-	260
Excess (deficiency) of revenues over expenditures	313	(5,733)	(13,103)	-	-	(60)
Other financing sources (uses):						
Transfers in	21	2,466	40,000	-	15,000	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	21	2,466	40,000	-	15,000	-
Net change in fund balance	334	(3,267)	26,897	-	15,000	(60)
Fund balance, July 1, 2024	(334)	(49,262)	2,349	-	9,105	18,725
Fund balance, June 30, 2025	\$ -	\$ (52,529)	\$ 29,246	\$ -	\$ 24,105	\$ 18,665

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Town of Portsmouth, Rhode Island

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

Town Special Revenue

For the Year Ended June 30, 2025

	Turnpike Ave Playground	Property Revaluation	Zoning Ordinance Planning	Commercial Vehicle Enforcement	Enbridge Smoke Alarm Grant
Revenues:					
Federal and state grants	\$ -	\$ -	\$ -	\$ 415	\$ 40,238
Charges for services	-	-	-	-	-
Contributions and private grants	-	-	-	-	3,500
Other revenues	-	-	-	-	-
Total revenues	-	-	-	415	43,738
Expenditures :					
General government	-	102,428	18,376	-	-
Public safety	-	-	-	-	38,460
Public works	-	-	-	-	-
Public and social services	-	-	-	-	-
Parks and recreation	1,321	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	1,321	102,428	18,376	-	38,460
Excess (deficiency) of revenues over expenditures	(1,321)	(102,428)	(18,376)	415	5,278
Other financing sources (uses):					
Transfers in	4,998	100,000	-	74	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	4,998	100,000	-	74	-
Net change in fund balance	3,677	(2,428)	(18,376)	489	5,278
Fund balance, July 1, 2024	(3,677)	100,000	130,000	(489)	2,407
Fund balance, June 30, 2025	\$ -	\$ 97,572	\$ 111,624	\$ -	\$ 7,685

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

Town Special Revenue

For the Year Ended June 30, 2025

	Homeland Security Investigaions	Police Retention	Police Comfort Dog	Police Misc. Restricted	RIIB Grant	NCPC Compliance Check
Revenues:						
Federal and state grants	\$ 9,103	\$ -	\$ -	\$ 30,000	\$ 140,000	\$ 2,618
Charges for services	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-
Other revenues	-	-	-	9,751	-	-
Total revenues	<u>9,103</u>	<u>-</u>	<u>-</u>	<u>39,751</u>	<u>140,000</u>	<u>2,618</u>
Expenditures :						
General government	-	-	-	-	-	-
Public safety	3,554	184,542	2,542	61,022	-	4,779
Public works	-	-	-	-	59,980	-
Public and social services	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>3,554</u>	<u>184,542</u>	<u>2,542</u>	<u>61,022</u>	<u>59,980</u>	<u>4,779</u>
Excess (deficiency) of revenues over expenditures	5,549	(184,542)	(2,542)	(21,271)	80,020	(2,161)
Other financing sources (uses):						
Transfers in	734	-	-	-	-	-
Transfers out	-	-	-	(1,460)	(29,027)	-
Total other financing sources (uses)	<u>734</u>	<u>-</u>	<u>-</u>	<u>(1,460)</u>	<u>(29,027)</u>	<u>-</u>
Net change in fund balance	6,283	(184,542)	(2,542)	(22,731)	50,993	(2,161)
Fund balance, July 1, 2024	(6,774)	281,633	7,771	39,267	(22,993)	(1,712)
Fund balance, June 30, 2025	<u>\$ (491)</u>	<u>\$ 97,091</u>	<u>\$ 5,229</u>	<u>\$ 16,536</u>	<u>\$ 28,000</u>	<u>\$ (3,873)</u>

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

Town Special Revenue

For the Year Ended June 30, 2025

	Portsmouth Pre Coalition	DPW Snow Removal Reserve	DPW Miscellaneous Restricted	Evidence Fund - (Non Narcotic)	EMW SHSP Heavy Resuce Squad	RIEMA EMPG
Revenues:						
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Charges for services	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-
Other revenues	-	-	4,400	-	-	-
Total revenues	-	-	4,400	-	-	5,000
Expenditures :						
General government	-	-	-	-	-	-
Public safety	-	-	4,998	-	7,899	-
Public works	-	-	-	-	-	-
Public and social services	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	4,998	-	7,899	-
Excess (deficiency) of revenues over expenditures	-	-	(598)	-	(7,899)	5,000
Other financing sources (uses):						
Transfers in	-	-	1,260	-	7,899	-
Transfers out	-	(17,090)	-	-	-	-
Total other financing sources (uses)	-	(17,090)	1,260	-	7,899	-
Net change in fund balance	-	(17,090)	662	-	-	5,000
Fund balance, July 1, 2024	4,234	249,681	1,398	6,378	-	10,505
Fund balance, June 30, 2025	\$ 4,234	\$ 232,591	\$ 2,060	\$ 6,378	\$ -	\$ 15,505

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

Town Special Revenue

For the Year Ended June 30, 2025

	AFG	Algonquin Trees - DPW	Impact fees School	Town Commons	Hazardous Materials Mitigation	Fire Mitigation	AIPC West Side Project
Revenues:							
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	382,798	-	-	2,856	-
Contributions and private grants	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
Total revenues	-	-	382,798	-	-	2,856	-
Expenditures :							
General government	-	-	40,715	-	-	-	-
Public safety	11,488	-	-	-	-	4,816	-
Public works	-	-	-	-	-	-	-
Public and social services	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	11,488	-	40,715	-	-	4,816	-
Excess (deficiency) of revenues over expenditures	(11,488)	-	342,083	-	-	(1,960)	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balance	(11,488)	-	342,083	-	-	(1,960)	-
Fund balance, July 1, 2024	11,488	65,900	316,511	289	10,318	2,746	20,000
Fund balance, June 30, 2025	\$ -	\$ 65,900	\$ 658,594	\$ 289	\$ 10,318	\$ 786	\$ 20,000

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

Town Special Revenue

For the Year Ended June 30, 2025

	Explorer Program	Fire Alarm Maintenance	Fire Plan Review	Historical Records	Joan Haskins Memorial	Veterans Wall
Revenues:						
Federal and state grants	\$ -	\$ -	\$ 44,352	\$ 3,203	\$ -	\$ 96
Charges for services	-	22,328	-	-	-	-
Contributions and private grants	-	-	5,145	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	-	22,328	49,497	3,203	-	96
Expenditures :						
General government	-	-	-	-	-	-
Public safety	-	73,425	7,775	-	-	-
Public works	-	-	-	-	-	-
Public and social services	-	-	-	-	-	803
Parks and recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	73,425	7,775	-	-	803
Excess (deficiency) of revenues over expenditures	-	(51,097)	41,722	3,203	-	(707)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	-	(51,097)	41,722	3,203	-	(707)
Fund balance, July 1, 2024	1,266	53,685	89,138	55,602	3,715	1,419
Fund balance, June 30, 2025	\$ 1,266	\$ 2,588	\$ 130,860	\$ 58,805	\$ 3,715	\$ 712

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

Town Special Revenue

For the Year Ended June 30, 2025

	Melville Recreation	NARC Forfeiture (PPD & A/G Holding)	ICAC	FDA - Tobacco Study	Dog Park Fund	Public Safety Radio Replacement
Revenues:						
Federal and state grants	\$ -	\$ -	\$ 1,428	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Contributions and private grants	-	1,167	-	-	13,633	-
Other revenues	-	-	-	-	-	-
Total revenues	-	1,167	1,428	-	13,633	-
Expenditures :						
General government	-	-	-	-	18,887	-
Public safety	-	3,264	874	60	-	-
Public works	-	-	-	-	-	-
Public and social services	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	3,264	874	60	18,887	-
Excess (deficiency) of revenues over expenditures	-	(2,097)	554	(60)	(5,254)	-
Other financing sources (uses):						
Transfers in	-	-	-	60	-	209,990
Transfers out	-	-	(2,999)	-	-	-
Total other financing sources (uses)	-	-	(2,999)	60	-	209,990
Net change in fund balance	-	(2,097)	(2,445)	-	(5,254)	209,990
Fund balance, July 1, 2024	942	23,393	2,445	-	19,883	0
Fund balance, June 30, 2025	\$ 942	\$ 21,296	\$ -	\$ -	\$ 14,629	\$ 209,990

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

Town Special Revenue

For the Year Ended June 30, 2025

	Tank Farm	Marshall Service	Tech Upgrade & Document Preservation	Tobacco Survey/Check	Glen Farm Stables Donation	Fire Smoke Detector
Revenues:						
Federal and state grants	\$ -	\$ -	\$ 750	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	13,535
Contributions and private grants	-	19,047	-	-	-	-
Other revenues	-	-	18,421	-	-	-
Total revenues	-	19,047	19,171	-	-	13,535
Expenditures :						
General government	-	-	-	-	-	-
Public safety	-	21,182	-	602	-	6,413
Public works	-	-	-	-	-	-
Public and social services	-	-	18,425	-	440	-
Parks and recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	21,182	18,425	602	440	6,413
Excess (deficiency) of revenues over expenditures	-	(2,135)	746	(602)	(440)	7,122
Other financing sources (uses):						
Transfers in	-	6,570	-	-	-	-
Transfers out	-	-	-	(60)	(3)	-
Total other financing sources (uses)	-	6,570	-	(60)	(3)	-
Net change in fund balance	-	4,435	746	(662)	(443)	7,122
Fund balance, July 1, 2024	26,077	(7,847)	140,327	-	443	833
Fund balance, June 30, 2025	\$ 26,077	\$ (3,412)	\$ 141,073	\$ (662)	\$ -	\$ 7,955

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

Town Special Revenue

For the Year Ended June 30, 2025

	Public Safety Capital	Byrne Grant	MED PODS	Low Income Spay-Neuter	Shelter Spay- Neuter	Conserv. Comm. Commom
Revenues:						
Federal and state grants	\$ -	\$ 7,585	\$ 8,000	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	746	-
Contributions and private grants	-	-	-	-	-	-
Other revenues	631,177	-	-	748	-	-
Total revenues	631,177	7,585	8,000	748	746	-
Expenditures :						
General government	-	-	-	-	-	-
Public safety	328,415	7,585	6,383	-	-	-
Public works	-	-	-	-	-	-
Public and social services	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	328,415	7,585	6,383	-	-	-
Excess (deficiency) of revenues over expenditures	302,762	-	1,617	748	746	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	302,762	-	1,617	748	746	-
Fund balance, July 1, 2024	931,853	-	64,034	10,357	14,245	50
Fund balance, June 30, 2025	\$ 1,234,615	\$ -	\$ 65,651	\$ 11,105	\$ 14,991	\$ 50

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

Town Special Revenue

For the Year Ended June 30, 2025

	Trust Safety Grant	Portsmouth Tree Commission	Conservation Comm Grant	Recreation Grant	Opiod Settlement	RI Learn 365
Revenues:						
Federal and state grants	\$ 3,360	\$ -	\$ 500	\$ 8,640	\$ -	\$ 21,000
Charges for services	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-
Other revenues	-	-	-	-	34,327	-
Total revenues	3,360	-	500	8,640	34,327	21,000
Expenditures :						
General government	-	-	-	-	-	-
Public safety	793	-	-	-	45,942	-
Public works	-	-	-	-	-	-
Public and social services	-	-	-	-	-	-
Parks and recreation	-	-	-	2,390	-	-
Education	-	-	-	-	-	32,699
Capital outlay	-	-	-	-	-	-
Total expenditures	793	-	-	2,390	45,942	32,699
Excess (deficiency) of revenues over expenditures	2,567	-	500	6,250	(11,615)	(11,699)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	2,567	-	500	6,250	(11,615)	(11,699)
Fund balance, July 1, 2024	851	-	115	-	111,098	-
Fund balance, June 30, 2025	\$ 3,418	\$ -	\$ 615	\$ 6,250	\$ 99,483	\$ (11,699)

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

Town Special Revenue

For the Year Ended June 30, 2025

	<u>Van Beuren Grant</u>	<u>ARPA Fund</u>	<u>Mayflower Wind</u>	<u>Total Town Special Revenue</u>
Revenues:				
Federal and state grants	\$ -	641,280	\$ -	\$ 1,061,558
Charges for services	-	-	-	429,663
Contributions and private grants	-	-	-	42,492
Other revenues	-	-	-	698,824
	-	641,280	-	2,232,538
Total revenues	-	641,280	-	2,232,538
Expenditures :				
General government	-	-	-	180,406
Public safety	-	-	-	946,526
Public works	-	-	-	60,240
Public and social services	-	36,061	-	55,729
Parks and recreation	-	-	-	3,711
Education	-	-	-	32,699
Capital outlay	-	626,304	-	626,304
	-	662,365	-	1,905,617
Total expenditures	-	662,365	-	1,905,617
Excess (deficiency) of revenues over expenditures	-	(21,085)	-	326,921
Other financing sources (uses):				
Transfers in	-	28,984	-	418,056
Transfers out	-	-	-	(50,639)
	-	28,984	-	367,417
Total other financing sources (uses)	-	28,984	-	367,417
Net change in fund balance	-	7,899	-	694,338
Fund balance, July 1, 2024	-	-	500,000	3,249,388
Fund balance, June 30, 2025	\$ -	\$ 7,899	\$ 500,000	\$ 3,943,726

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Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

School Special Revenue

June 30, 2025

	SPED Part B	IDEA Preschool	Title I Part A	Title II Part A	Perkins	Perkins CTE- Reserves
Assets						
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	242,030	10,099	152,938	51,785	10,554	5,238
Due from other funds	-	-	-	-	-	-
Other receivables, net	-	-	-	-	-	-
Total assets	<u>242,030</u>	<u>10,099</u>	<u>152,938</u>	<u>51,785</u>	<u>10,554</u>	<u>5,238</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>242,030</u>	<u>10,099</u>	<u>152,938</u>	<u>51,785</u>	<u>10,554</u>	<u>5,238</u>
Liabilities						
Accounts payable	6,160	-	-	1,595	-	-
Accrued expenses	-	-	-	-	-	3,043
Due to other funds	235,870	10,099	152,938	50,190	10,554	2,195
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>242,030</u>	<u>10,099</u>	<u>152,938</u>	<u>51,785</u>	<u>10,554</u>	<u>5,238</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						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 242,030</u>	<u>\$ 10,099</u>	<u>\$ 152,938</u>	<u>\$ 51,785</u>	<u>\$ 10,554</u>	<u>\$ 5,238</u>

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Combining Non-Major Governmental Funds Balance Sheet –

School Special Revenue

June 30, 2025

	Perkins Set- Aside	Perkins-CTE- Target- Leadership	USDA Fresh Fruit & Vegetables Program	ESSER III Priority Back to School	ESSER III	Rethink RI Algebra I Camp
Assets						
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	504	-	-	-	-
Due from other funds	-	-	-	-	-	-
Other receivables, net	-	-	-	-	-	-
Total assets	-	504	-	-	-	-
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	-	504	-	-	-	-
Liabilities						
Accounts payable	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	504	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	504	-	-	-	-
Deferred inflows of resources						
Deferred revenue	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund balance						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	-	-	-	-	-	-
Total liabilities, deferred inflows of resources and fund balance	\$ -	\$ 504	\$ -	\$ -	\$ -	\$ -

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Combining Non-Major Governmental Funds Balance Sheet –

School Special Revenue

June 30, 2025

	ESSER II Priority 5	Environmental Protection Agency (EPA)	US Department of Defense	US Department of Defense #2	Career & Tech Odd Year	Career & Tech Even Year	SBA Capital Fund- Learning Inside Out
Assets							
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	9,541	1,826	-	-	-
Due from other funds	-	1,333	-	-	21,862	6,748	-
Other receivables, net	-	-	-	-	-	-	-
Total assets	-	1,333	9,541	1,826	21,862	6,748	-
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	-	1,333	9,541	1,826	21,862	6,748	-
Liabilities							
Accounts payable	-	-	-	1,513	3,377	-	-
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	9,541	313	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	-	-	9,541	1,826	3,377	-	-
Deferred inflows of resources							
Deferred revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund balance							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	1,333	-	-	18,485	6,748	-
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	-	1,333	-	-	18,485	6,748	-
Total liabilities, deferred inflows of resources and fund balance	\$ -	\$ 1,333	\$ 9,541	1,826	\$ 21,862	\$ 6,748	\$ -

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Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

School Special Revenue

June 30, 2025

	School Support & Family Engagement	Rhode Island Foundation	Van Beuren Grant	Van Beuren Grant #2	Van Beuren Grant #3	Exxon Mobil Educational Alliance Program	Arts Grant
Assets							
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	13,655
Due from other funds	-	4,399	26,471	47,554	79,898	500	-
Other receivables, net	-	-	-	-	-	-	-
Total assets	<u>-</u>	<u>4,399</u>	<u>26,471</u>	<u>47,554</u>	<u>79,898</u>	<u>500</u>	<u>13,655</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>
Total assets and deferred outflows of resources	<u>-</u>	<u>4,399</u>	<u>26,471</u>	<u>47,554</u>	<u>79,898</u>	<u>500</u>	<u>13,655</u>
Liabilities							
Accounts payable	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	13,655
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,655</u>
Deferred inflows of resources							
Deferred revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	4,399	26,471	47,554	79,898	500	-
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>4,399</u>	<u>26,471</u>	<u>47,554</u>	<u>79,898</u>	<u>500</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ -</u>	<u>\$ 4,399</u>	<u>\$ 26,471</u>	<u>47,554</u>	<u>79,898</u>	<u>\$ 500</u>	<u>\$ 13,655</u>

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Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

School Special Revenue

June 30, 2025

	Benefactors of the Arts	Prevention Coalition Task Force	Building Use	Athletic Event Gate Revenue	COVID 19 Funding Restricted Local Revenue	School Lunch	Total School Special Revenue Funds
Assets							
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 858,591	\$ 858,591
Due from other governments	-	-	-	-	-	22,391	520,561
Due from other funds	4	-	144,743	125,441	3,881	-	462,834
Other receivables, net	-	-	6,338	-	-	12,626	18,964
Total assets	4	-	151,081	125,441	3,881	893,608	1,860,950
Deferred outflows of resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	4	-	151,081	125,441	3,881	893,608	1,860,950
Liabilities							
Accounts payable	-	-	-	-	-	154,247	166,892
Accrued expenses	-	-	1,764	-	-	-	4,807
Due to other funds	-	-	-	-	-	511,168	997,027
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	-	-	1,764	-	-	665,415	1,168,726
Deferred inflows of resources							
Deferred revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund balance							
Nonspendable	-	-	-	-	-	-	-
Restricted	4	-	149,317	125,441	3,881	228,193	692,224
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	4	-	149,317	125,441	3,881	228,193	692,224
Total liabilities, deferred inflows of resources and fund balance	\$ 4	\$ -	\$ 151,081	\$ 125,441	\$ 3,881	\$ 893,608	\$ 1,860,950

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Town of Portsmouth, Rhode Island

Supplementary Information

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

School Special Revenue

June 30, 2025

	SPED Part B	IDEA Preschool	Title I Part A	Title II Part A	Perkins	Perkins CTE- Reserves
Revenues:						
Federal and state grants	\$ 774,856	\$ 24,425	\$ 367,469	\$ 107,537	\$ 55,646	\$ 8,861
Charges for services	-	-	-	-	-	-
Interest and investment income	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>774,856</u>	<u>24,425</u>	<u>367,469</u>	<u>107,537</u>	<u>55,646</u>	<u>8,861</u>
Expenditures :						
Education	774,856	24,425	367,469	107,537	49,226	8,861
Other	-	-	-	-	-	-
Capital	-	-	-	-	6,420	-
Total expenditures	<u>774,856</u>	<u>24,425</u>	<u>367,469</u>	<u>107,537</u>	<u>55,646</u>	<u>8,861</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-	-
Fund balance, July 1, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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Town of Portsmouth, Rhode Island

Supplementary Information

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

School Special Revenue

June 30, 2025

	Perkins Set- Aside	Perkins-CTE- Target- Leadership	USDA Fresh Fruit & Vegetables Program	ESSER III Priority Back to School	ESSER III	Rethink RI Algebra I Camp
Revenues:						
Federal and state grants	\$ 380	\$ 676	\$ 36,824	\$ 23,049	10,059	41,044
Charges for services	-	-	-	-	-	-
Interest and investment income	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>380</u>	<u>676</u>	<u>36,824</u>	<u>23,049</u>	<u>10,059</u>	<u>41,044</u>
Expenditures :						
Education	380	676	36,824	23,049	10,059	41,044
Other	-	-	-	-	-	-
Capital	-	-	-	-	-	-
Total expenditures	<u>380</u>	<u>676</u>	<u>36,824</u>	<u>23,049</u>	<u>10,059</u>	<u>41,044</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-	-
Fund balance, July 1, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

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Town of Portsmouth, Rhode Island

Supplementary Information

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

School Special Revenue

June 30, 2025

	ESSER II Priority 5	Environmental Protection Agency (EPA)	US Department of Defense	US Department of Defense #2	Career & Tech Odd Year	Career & Tech Even Year	SBA Capital Fund- Learning Inside Out
Revenues:							
Federal and state grants	\$ -	\$ -	\$ 208,095	\$ 44,802	\$ 42,469	\$ -	\$ 326
Charges for services	-	-	-	-	-	-	-
Interest and investment income	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
Total revenues	-	-	208,095	44,802	42,469	-	326
Expenditures :							
Education	-	200	208,095	44,802	20,926	-	326
Other	-	-	-	-	-	-	-
Capital	-	-	-	-	3,398	-	-
Total expenditures	-	200	208,095	44,802	24,324	-	326
Excess (deficiency) of revenues over expenditures	-	(200)	-	-	18,145	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balance	-	(200)	-	-	18,145	-	-
Fund balance, July 1, 2024	-	1,533	-	-	340	6,748	-
Fund balance, June 30, 2025	\$ -	\$ 1,333	\$ -	-	\$ 18,485	\$ 6,748	\$ -

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Town of Portsmouth, Rhode Island

Supplementary Information

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

School Special Revenue

June 30, 2025

	School Support & Family Engagement	Rhode Island Foundation	Van Beuren Grant	Van Beuren Grant #2	Van Beuren Grant #3	Exxon Mobil Educational Alliance Program	Arts Grant
Revenues:							
Federal and state grants	9,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,688
Charges for services	-	-	-	-	-	-	-
Interest and investment income	-	-	-	-	-	-	-
Other revenues	-	-	-	61,415	79,898	-	-
Total revenues	<u>9,328</u>	<u>-</u>	<u>-</u>	<u>61,415</u>	<u>79,898</u>	<u>-</u>	<u>74,688</u>
Expenditures :							
Education	9,328	-	-	13,861	0	-	15,584
Other	-	-	-	-	-	-	-
Capital	-	-	51,879	-	-	-	59,104
Total expenditures	<u>9,328</u>	<u>-</u>	<u>51,879</u>	<u>13,861</u>	<u>-</u>	<u>-</u>	<u>74,688</u>
Excess (deficiency) of revenues over expenditures	-	-	(51,879)	47,554	79,898	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	(51,879)	47,554	79,898	-	-
Fund balance, July 1, 2024	<u>-</u>	<u>4,399</u>	<u>78,350</u>	<u>-</u>	<u>0</u>	<u>500</u>	<u>0</u>
Fund balance, June 30, 2025	<u>\$ -</u>	<u>\$ 4,399</u>	<u>\$ 26,471</u>	<u>47,554</u>	<u>79,898</u>	<u>\$ 500</u>	<u>\$ -</u>

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Town of Portsmouth, Rhode Island

Supplementary Information

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

School Special Revenue

June 30, 2025

	Benefactors of the Arts	Prevention Coalition Task Force	Building Use	Athletic Event Gate Revenue	COVID 19 Funding Restricted Local Revenue	School Lunch	Total School Special Revenue Funds
Revenues:							
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -	303,159	\$ 2,133,693
Charges for services	-	-	56,885	26,076	-	531,244	614,205
Interest and investment income	-	-	-	-	-	-	-
Other revenues	4,000	-	-	-	-	4,100	149,413
Total revenues	4,000	-	56,885	26,076	-	838,503	2,897,311
Expenditures :							
Education	-	-	44,312	21,391	-	911,921	2,735,152
Other	-	-	-	-	-	-	-
Capital	3,996	-	-	-	-	27,889	152,686
Total expenditures	3,996	-	44,312	21,391	-	939,810	2,887,838
Excess (deficiency) of revenues over expenditures	4	-	12,573	4,685	-	(101,307)	9,473
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balance	4	-	12,573	4,685	-	(101,307)	9,473
Fund balance, July 1, 2024	0	-	136,744	120,756	3,881	329,500	682,751
Fund balance, June 30, 2025	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 149,317</u>	<u>\$ 125,441</u>	<u>\$ 3,881</u>	<u>\$ 228,193</u>	<u>\$ 692,224</u>

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Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Town Capital Projects

June 30, 2025

	Capital Project Reserve	Glen Manor House	Capital Improvement Plan - Town	Open Space Reserve	08-09 Warrants	09-10 Warrants	12-13 Warrant	Capital Improvement Plan - School	Revolving Capital - School	Total Town Capital Project
Assets										
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	169,730	4,209	222,320	71,450	-	-	-	890,335	91,088	1,449,132
Total assets	169,730	4,209	222,320	71,450	-	-	-	890,335	91,088	1,449,132
Deferred outflows of resources										
Deferred outflows	-	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	169,730	4,209	222,320	71,450	-	-	-	890,335	91,088	1,449,132
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	169,730	4,209	222,320	71,450	-	-	-	890,335	91,088	1,449,132
Unassigned	-	-	-	-	(19,027)	(5,743)	-	-	-	(24,770)
Total fund balance	169,730	4,209	222,320	71,450	(19,027)	(5,743)	-	890,335	91,088	1,424,362
Total liabilities, deferred inflows of resources, and fund balances	\$ 169,730	\$ 4,209	\$ 222,320	\$ 71,450	\$ -	\$ -	\$ -	\$ 890,335	\$ 91,088	\$ 1,449,132

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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, 2025

	Capital Project Reserve	Glen Manor House	Capital Improvement Plan	Open Space Reserve	08-09 Warrants	09-10 Warrants	12-13 Warrant	Capital Improvement Plan - School	Revolving Capital - School	Total Town Capital Project
Revenues										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment income	-	-	-	-	-	-	-	-	-	-
Federal and state grants	-	43,698	12,226	-	-	-	-	-	209,790	265,714
Other revenues	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>43,698</u>	<u>12,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>209,790</u>	<u>265,714</u>
Expenditures										
General government	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Capital	-	49,413	536,584	-	-	-	-	-	118,702	704,699
Total expenditures	<u>-</u>	<u>49,413</u>	<u>536,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,702</u>	<u>704,699</u>
Excess (deficiency) of revenues over expenditures	-	(5,715)	(524,358)	-	-	-	-	-	91,088	(438,985)
Other financing sources (uses)										
Transfers in	11,439	-	606,702	71,450	-	-	368,086	890,335	-	1,948,012
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>11,439</u>	<u>-</u>	<u>606,702</u>	<u>71,450</u>	<u>-</u>	<u>-</u>	<u>368,086</u>	<u>890,335</u>	<u>-</u>	<u>1,948,012</u>
Net change in fund balance	<u>11,439</u>	<u>(5,715)</u>	<u>82,344</u>	<u>71,450</u>	<u>-</u>	<u>-</u>	<u>368,086</u>	<u>890,335</u>	<u>91,088</u>	<u>1,509,027</u>
Fund balance, July 1, 2024	158,291	9,924	139,976	-	(19,027)	(5,743)	(368,086)	-	-	(84,665)
Fund balance, June 30, 2025	<u>\$ 169,730</u>	<u>\$ 4,209</u>	<u>\$ 222,320</u>	<u>\$ 71,450</u>	<u>\$ (19,027)</u>	<u>\$ (5,743)</u>	<u>\$ -</u>	<u>\$ 890,335</u>	<u>\$ 91,088</u>	<u>\$ 1,424,362</u>

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Town of Portsmouth, Rhode Island
 Supplementary Information
 Combining Non-Major Governmental Funds Balance Sheet –
 School Capital Projects
June 30, 2025

	School Capital Projects	Phase 2 Project	Athletic Improvements	Total School Capital Project
Assets				
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -
Due from other funds	119,027	1,534,103	14	1,653,144
Total assets	119,027	1,534,103	14	1,653,144
Deferred outflows of resources				
Deferred outflows	-	-	-	-
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	119,027	1,534,103	14	1,653,144
Liabilities				
Accounts payable	-	86,149	-	86,149
Due to other funds	-	-	-	-
Total liabilities	-	86,149	-	86,149
Deferred inflows of resources				
Unearned revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balance				
Restricted	119,027	1,447,954	14	1,566,995
Unassigned	-	-	-	-
Total fund balance	119,027	1,447,954	14	1,566,995
Total liabilities, deferred inflows of resources, and fund balances	\$ 119,027	\$ 1,534,103	\$ 14	\$ 1,653,144

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Town of Portsmouth, Rhode Island

Supplementary Information

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

For the Year Ended June 30, 2025

	School Capital Projects	Phase 2 Project	Athletic Improvements	Total School Capital Project
Revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Interest and investment income	-	-	-	-
Federal and state grants	-	-	-	-
Other revenues	-	103,000	-	103,000
Total revenues	-	103,000	-	103,000
Expenditures				
General government	-	-	-	-
Education	-	-	-	-
Capital	-	123,928	-	123,928
Total expenditures	-	123,928	-	123,928
Excess (deficiency) of revenues over expenditures	-	(20,928)	-	(20,928)
Other financing sources (uses)				
Transfers in	-	987,910	-	987,910
Transfers out	-	-	-	-
Total other financing sources (uses)	-	987,910	-	987,910
Net change in fund balance	-	966,982	-	966,982
Fund balance, July 1, 2024	119,027	480,972	14	600,013
Fund balance, June 30, 2025	\$ 119,027	\$ 1,447,954	\$ 14	\$ 1,566,995

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Town of Portsmouth, Rhode Island

Supplementary Information

Combining Non-Major Governmental Funds Balance Sheet –

Permanent Funds

June 30, 2025

	Sherman Trust	Cemetery Trust	Total
Assets			
Cash and cash equivalents	\$ 19,220	161,256	\$ 180,476
Investment	-	135,389	135,389
Due from other funds	-	20,274	20,274
Total assets	19,220	316,919	336,139
Deferred outflows of resources			
Deferred outflows	-	-	-
Total assets and deferred outflows of resources	19,220	316,919	336,139
Liabilities			
Due to other funds	-	-	-
Total liabilities	-	-	-
Deferred inflows of resources			
Deferred revenue	-	-	-
Fund Balances			
Nonspendable	14,269	306,362	320,631
Restricted - Expendable	4,951	10,557	15,508
Unassigned	-	-	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 19,220	\$ 316,919	\$ 336,139

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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, 2025

	Sherman Trust	Cemetery Trust	Total
Revenues			
Investment income	5,564	32,062	\$ 37,626
Total revenues	5,564	32,062	37,626
Expenditures			
None	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenue over expenditures	5,564	32,062	37,626
Other financing sources (uses)			
Transfer from (to) other funds	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	5,564	32,062	37,626
Fund Balance, July 1, 2023	17,722	229,709	247,431
Fund Balance, June 30, 2024	\$ 23,286	\$ 261,771	\$ 285,057

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Town of Portsmouth, Rhode Island

Supplementary Information

Combining Custodial Funds Statement of Fiduciary Net Position

June 30, 2025

	Soil Erosion	New Development - Road Bonds	Glen Park Damage Deposit	Probate Court	Prescott Point	Pass Through Cash Conduit
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 236,883	\$ 124,299	\$ -
Receivables from external parties	565,530	17	950	-	-	50,388
Total assets	565,530	17	950	236,883	124,299	50,388
Liabilities						
Accounts payable						
Payable to external parties	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Net Position Restricted	\$ 565,530	\$ 17	\$ 950	\$ 236,883	\$ 124,299	\$ 50,388

	Hathaway	Melville	PMS	PHS	Total School Custodial Funds	Total Town and School Custodial Funds
Assets						
Cash and cash equivalents	\$ 62,632	\$ 61,213	\$ 27,750	\$ 244,939	\$ 396,534	\$ 757,716
Receivables from external parties	-	-	-	-	-	616,885
Total assets	62,632	61,213	27,750	244,939	396,534	1,374,601
Liabilities						
Accounts payable	0	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Net Position Restricted	\$ 62,632	\$ 61,213	\$ 27,750	\$ 244,939	\$ 396,534	\$ 1,374,601

See independent auditor's report

Town of Portsmouth, Rhode Island

Supplementary Information

Combining Custodial Funds Statement of Changes in Net Position

For the Year Ended June 30, 2025

	Soil Erosion	New Development - Road Bonds	Glen Park Damage Deposit	Probate Court	Prescott Point	Pass Through Cash Conduit
Additions						
Net investment income	\$ -	\$ -	\$ -	\$ 119	\$ -	\$ -
Funds received on behalf of others	233,435	-	-	-	9,363	50,388
Total additions	233,435	-	-	119	9,363	50,388
Deductions						
Funds distributed on behalf of others	109,925	-	-	-	-	-
Total deductions	109,925	-	-	-	-	-
Change in net position	123,510	-	-	119	9,363	50,388
Net position - beginning	442,020	17	950	236,764	114,936	-
Net position - ending	\$ 565,530	\$ 17	\$ 950	\$ 236,883	\$ 124,299	\$ 50,388

	Hathaway	Melville	PMS	PHS	Total School Custodial Funds	Total Town and School Custodial Funds
Additions						
Net investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119
Funds received on behalf of others	28,177	24,178	34,749	306,517	393,621	686,807
Total additions	28,177	24,178	34,749	306,517	393,621	686,926
Deductions						
Funds distributed on behalf of others	34,822	16,856	27,802	304,719	384,199	494,124
Total deductions	34,822	16,856	27,802	304,719	384,199	494,124
Change in net position	(6,645)	7,322	6,947	1,798	9,422	192,802
Net position - beginning	69,277	53,891	20,803	243,141	387,112	1,181,799
Net position - ending	\$ 62,632	\$ 61,213	\$ 27,750	\$ 244,939	\$ 396,534	\$ 1,374,601

See independent auditor's report

Town of Portsmouth, Rhode Island

Tax Collector's Annual Report

For the Year Ended June 30, 2025

Tax Roll Year	Balance July 1, 2024	Assessment	Additions	Abatements	Amount to be collected	Current Year Collections, Net of Refunds	Transfers	Balance June 30, 2025
2024	\$ (89,779)	\$ 64,231,745	\$ 84,941	\$ (12,134)	\$ 64,214,773	\$ 62,892,941	\$ 5,584	\$ 1,327,416
2024 - Prorated	-	199,529	-	-	199,529	192,461	(2,072)	4,996
2023	1,327,529	-	-	(25)	1,327,504	1,230,857	(7,805)	88,842
2023 - Prorated	3,300	-	-	-	3,300	4,614	1,314	-
2022	77,228	-	-	-	77,228	6,258	-	70,970
2021	61,530	-	-	-	61,530	6,536	-	54,994
2020	44,886	-	-	-	44,886	2,863	(165)	41,858
2019	40,724	-	-	-	40,724	1,380	-	39,344
2018	75,266	-	-	-	75,266	5,837	-	69,429
2017	63,286	-	-	-	63,286	1,109	-	62,177
2016	69,822	-	-	-	69,822	1,242	-	68,580
2015	49,554	-	-	-	49,554	1,192	-	48,362
2014	54,386	-	-	-	54,386	467	-	53,919
2013	43,739	-	-	(27,105)	16,634	135	-	16,499
2012	13,811	-	-	(120)	13,691	459	-	13,232
2011 and prior	30,591	-	-	(3)	30,588	422	(128)	30,038
	<u>\$ 1,865,873</u>	<u>\$ 64,431,274</u>	<u>\$ 84,941</u>	<u>\$ (39,387)</u>	<u>\$ 66,342,701</u>	<u>\$ 64,348,773</u>	<u>\$ (3,272)</u>	<u>\$ 1,990,656</u>
Less: Allowance for Uncollectible accounts	<u>(536,510)</u>							<u>(561,426)</u>
	<u>\$ 1,329,363</u>							<u>\$ 1,429,231</u>

See independent auditor's report

Town of Portsmouth, Rhode Island

Tax Collector's Annual Report

For the Year Ended June 30, 2025

FY 2025 Cash Collections, Net Summary

July - August 2024 Collections Subject to 60-day FY24 Accrual	September - June-25 Collections	Total FY 2025 Cash Collections	July - August 2025 (FY 25) Cash Collections Subject to 60-day FY 25 Accrual
\$ -	\$ 62,892,941	\$ 62,892,941	\$ 611,627
-	192,461	192,461	1,506
480,093	750,764	1,230,857	5,312
-	4,614	4,614	-
888	5,370	6,258	2,384
379	6,157	6,536	1,844
983	1,880	2,863	1,465
-	1,380	1,380	291
24	5,813	5,837	-
-	1,109	1,109	48
188	1,054	1,242	-
150	1,042	1,192	-
-	467	467	-
-	135	135	16
-	459	459	160
-	422	422	-
\$ 482,705	\$ 63,866,068	\$ 64,348,773	\$ 624,653

Schedule of property valuation assessed as of December 31, 2023: For Tax Roll 2024

	<u>Valuation</u>	<u>Levy</u>
Real property	\$ 4,838,055,865	\$ 63,770,414
Tangible personal property	12,709,434	1,989,108
Total	4,850,765,299	65,759,522
Less: Exemptions and motor vehicle phase out		
Real property	(103,096,353)	(1,358,913)
Tangible personal property	(10,789,670)	(168,869)
Total	<u>\$ 4,736,879,275</u>	<u>\$ 64,231,740</u>

Reconciliation of Current Year Property Tax Revenue

Current Year Collections, net of refunds	\$ 64,348,773
60-day FY23 Accrual	(482,705)
<i>July-August 2024 Collections</i>	
60-day FY24 Accrual	624,653
<i>July-August 2024 Collections</i>	
Prior Year Taxes Collected in Advance	89,779
Interest & Penalties	286,507
Tax Transfers	3,272
Miscellaneous - Other	(1,073)
Current Year Property Tax Revenue	<u>\$ 64,869,206</u>

See independent auditor's report

Town of Portsmouth, Rhode Island
Annual Supplemental Transparency Report (MTP2)
For the Year Ended June 30, 2025

OTHER SUPPLEMENTARY INFORMATION

The Annual Supplemental Transparency Report Schedules
required by the State of Rhode Island General Law § 45-12-22.2 and § 44-35-10

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Municipal

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Education Department

Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

See independent auditors' report

Town of Portsmouth, Rhode Island
Annual Supplemental Transparency Report (MTP2)
For the Year Ended June 30, 2025

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 63,594,347	\$ -
Last Year's Levy Tax Collection	756,076	-
Prior Years Property Tax Collection	31,496	-
Interest & Penalty	286,507	-
PILOT & Tax Treaty (excluded from levy) Collection	12,577	-
Other Local Property Taxes	200,778	-
Licenses and Permits	1,889,451	-
Fines and Forfeitures	104,864	-
Investment Income	554,134	-
Departmental	1,638,145	-
Rescue Run Revenue	262,438	-
Police & Fire Detail	81,434	-
Other Local Non-Property Tax Revenues	61,823	-
Tuition	-	2,240,440
Impact Aid	-	267,462
Medicaid	-	411,322
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	290,228
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	1,670,613
COVID - ESSER	-	33,108
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
COVID - ARPA	641,280	-
MV Excise Tax Reimbursement	-	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	139,256	-
Library Construction Aid	-	-
Public Service Corporation Tax	252,509	-
Meals & Beverage Tax / Hotel Tax	537,329	-
LEA Aid	-	3,792,844
Group Home	-	-
Housing Aid Capital Projects	137,378	-
Housing Aid Bonded Debt	-	-
State Food Service Revenue	-	9,152
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	130,591
Motor Vehicle Phase Out	2,417,779	-
Tangible Property Reimbursement	168,858	-
Cannabis Tax Distribution	85,484	-
Other Revenue	-	1,137,136
Local Appropriation for Education	-	38,177,838
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 73,853,944	\$ 48,160,734
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ -	\$ -

See independent auditors' report

Town of Portsmouth, Rhode Island
Annual Supplemental Transparency Report (MTP2)
For the Year Ended June 30, 2025

<u>EXPENDITURES</u>	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 739,582	\$ 764,356	\$ -	\$ 43,286	\$ 494,470	\$ -	\$ 1,432,846	\$ 198,543	\$ 3,561,361
Compensation - Group B	-	-	-	-	-	-	-	-	-
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	28,662	1,340	-	-	4,346	-	88,099	-	472,196
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	23,516
Active Medical Insurance - Group A	93,097	106,553	-	2,500	75,040	-	324,429	38,305	508,784
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	5,580	6,274	-	-	5,793	-	16,517	1,678	25,904
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	53,147	78,819	-	4,013	36,898	-	109,331	14,574	300,372
Life Insurance	6,491	4,394	-	249	2,694	-	9,658	995	19,981
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	3,780	50,697	-	-	2,467	-	3,750	2,496	3,950
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	600,000	472,516	-	-	-	-	188,793	-	1,924,426
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	148,975
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	67,790	74,754	-	4,046	41,886	-	124,466	11,867	47,972
Purchased Services	234,142	94,411	-	101,841	92,662	-	166,688	586	74,183
Materials/Supplies	16,464	22,570	-	-	9,146	-	21,605	49,477	50,982
Software Licenses	2,573	37,999	-	248,764	5,871	-	-	-	-
Capital Outlays	703,080	-	-	-	-	-	50,458	-	-
Insurance	889,726	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	1,400,930	22,370	58,183
Vehicle Operations	-	-	-	-	763	-	53,653	549	136,734
Utilities	-	73,587	-	-	-	-	101,417	13,133	89,057
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	211,530	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	93,238	-	-
Trash Removal & Recycling	-	-	-	-	-	-	628,076	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	178,421	-	-	-	-	-	-	-	-
Other Operation Expenditures	132,220	258,030	-	-	28,979	710,766	114,280	914	106,731
Tipping Fees	-	-	-	-	-	-	80,994	-	-
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	\$ 3,754,753	\$ 2,046,300	\$ -	\$ 404,697	\$ 801,014	\$ 710,766	\$ 5,220,759	\$ 355,488	\$ 7,553,307

See independent auditors' report

Town of Portsmouth, Rhode Island
Annual Supplemental Transparency Report (MTP2)
For the Year Ended June 30, 2025

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 3,887,515	-	\$ 106,710	-	-	-	\$ 11,228,670	\$ 20,050,396
Compensation - Group B	-	-	-	-	-	-	-	2,158,944
Compensation - Group C	-	-	-	-	-	-	-	4,053,544
Compensation -Volunteer	126,732	-	-	-	-	-	126,732	-
Overtime- Group A	774,425	-	512	-	-	-	1,369,579	-
Overtime - Group B	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	121,464
Police & Fire Detail	-	-	-	-	-	-	23,516	-
Active Medical Insurance - Group A	590,452	-	7,129	-	-	-	1,746,289	2,511,784
Active Medical Insurance- Group B	-	-	-	-	-	-	-	255,749
Active Medical Insurance- Group C	-	-	-	-	-	-	-	865,813
Active Dental insurance- Group A	34,906	-	360	-	-	-	97,013	119,848
Active Dental Insurance- Group B	-	-	-	-	-	-	-	12,436
Active Dental Insurance- Group C	-	-	-	-	-	-	-	39,541
Payroll Taxes	342,107	-	8,007	-	-	-	947,267	719,319
Life Insurance	23,722	-	497	-	-	-	68,680	54,072
State Defined Contribution- Group A	-	-	-	-	-	-	-	482,117
State Defined Contribution - Group B	-	-	-	-	-	-	-	38,988
State Defined Contribution - Group C	-	-	-	-	-	-	-	2,597
Other Benefits- Group A	49,833	-	500	-	-	-	117,472	69,985
Other Benefits- Group B	-	-	-	-	-	-	-	24,174
Other Benefits- Group C	-	-	-	-	-	-	-	22,591
Local Defined Benefit Pension- Group A	1,588,849	-	-	-	-	-	4,774,584	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	43,990
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	628,359
State Defined Benefit Pension- Group A	167,559	-	-	-	-	-	316,534	3,002,936
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	248,203
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	13,882
Other Defined Benefit / Contribution	34,167	-	4,912	-	-	-	411,859	276,188
Purchased Services	117,140	-	-	-	-	-	881,652	8,579,074
Materials/Supplies	78,941	-	1,276	-	-	-	250,460	622,951
Software Licenses	-	-	-	-	-	-	295,207	60,950
Capital Outlays	-	-	-	-	-	-	753,538	631,528
Insurance	-	-	-	-	-	-	889,726	582,191
Maintenance	36,879	-	-	-	-	-	1,518,362	445,643
Vehicle Operations	27,063	-	2,535	-	-	-	221,297	8,304
Utilities	365,739	-	1,597	-	-	-	644,530	826,307
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	211,530	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	93,238	-
Trash Removal & Recycling	-	-	-	-	-	-	628,076	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	178,421	2,695
Other Operation Expenditures	100,469	-	53,639	-	-	-	1,506,027	88,592
Tipping Fees	-	-	-	-	-	-	80,994	-
Local Appropriation for Education	-	-	-	38,177,838	-	-	38,177,838	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	1,126,006	-	1,126,006	-
Municipal Debt- Interest	-	-	-	-	392,180	-	392,180	-
School Debt- Principal	-	-	-	-	257,043	-	257,043	128,004
School Debt- Interest	-	-	-	-	46,173	-	46,173	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	74,193
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	1,001,865	1,001,865	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 8,346,498	\$ -	\$ 187,673	\$ 38,177,838	\$ 1,821,403	\$ 1,001,865	\$ 70,382,362	\$ 47,867,355

Financing Uses: Transfer to Capital Funds	\$ 655,861	\$ -
Financing Uses: Transfer to Other Funds	2,439,102	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 3,094,963	\$ -
Net Change in Fund Balance¹	2,078,510	293,380
Fund Balance¹- beginning of year	\$12,847,456	\$2,620,676
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	12,847,456	2,620,676
Rounding	-	-
Fund Balance¹ - end of year	\$ 14,925,966	\$ 2,914,056

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

See independent auditor's report

Town of Portsmouth, Rhode Island
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2025

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, 2024						\$ 12,847,457	\$ -	\$ 12,847,457	
<i>Removed funds for fiscal 2024</i>						-	-	-	
<i>Added funds for fiscal 2024</i>						-	-	-	
<i>Miscellaneous adjustment(s) made for fiscal 2024</i>						-	-	-	
Fund Balance1 - per MTP-2 at June 30, 2025 adjusted						<u>\$ 12,847,457</u>	<u>\$ -</u>	<u>\$ 12,847,457</u>	
General Fund	\$ 72,544,463	\$ -	\$ 30,671,318	\$ 41,301,785	\$ 571,360	\$ 12,087,779	\$ -	\$ 12,087,779	\$ 12,659,139
Transfer Station	285,403	-	814,570	-	(529,167)	443,167	-	443,167	(86,000)
Curbside Collections	-	-	15,556	-	(15,556)	-	-	-	(15,556)
School Impact Fees	382,798	-	40,715	-	342,083	316,511	-	316,511	658,594
ARPA funds	641,280	28,984	662,365	-	7,899	-	-	-	7,899
Totals per audited financial statements	<u>\$ 73,853,944</u>	<u>\$ 28,984</u>	<u>\$ 32,204,524</u>	<u>\$ 41,301,785</u>	<u>\$ 376,619</u>	<u>\$ 12,847,457</u>	<u>\$ -</u>	<u>\$ 12,847,457</u>	<u>\$ 13,224,077</u>
Reconciliation from financial statements to MTP2									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 38,177,838	\$ (38,177,838)	\$ -	\$ -	\$ -	\$ -	\$ -
To eliminate transfer from General Fund to ARPA fund	-	(28,984)	-	(28,984)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 73,853,944</u>	<u>\$ -</u>	<u>\$ 70,382,361</u>	<u>\$ 3,094,962</u>	<u>\$ 376,621</u>	<u>\$ 12,847,457</u>	<u>\$ -</u>	<u>\$ 12,847,457</u>	<u>\$ 13,224,077</u>

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

See independent auditor's report

Town of Portsmouth, Rhode Island
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2025

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, 2024						\$ 2,620,676	\$ -	\$ 2,620,676	
No miscellaneous adjustment(s) made for fiscal 2024						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2024 adjusted						<u>\$ 2,620,676</u>	<u>\$ -</u>	<u>\$ 2,620,676</u>	
School Unrestricted Fund	\$ 9,316,353	\$ 38,177,838	\$ 47,189,356	\$ 987,910	\$ (683,075)	\$ 1,337,911	\$ -	\$ 1,337,911	\$ 654,836
SBA School Capital Project Fund	103,000	987,910	123,928	-	966,982	600,013	-	600,013	1,566,995
School Special Revenue Funds	2,897,311	-	2,887,838	-	9,473	682,752	-	682,752	692,225
Totals per audited financial statements	<u>\$ 12,316,664</u>	<u>\$ 39,165,748</u>	<u>\$ 50,201,122</u>	<u>\$ 987,910</u>	<u>\$ 293,380</u>	<u>\$ 2,620,676</u>	<u>\$ -</u>	<u>\$ 2,620,676</u>	<u>\$ 2,914,056</u>
Reconciliation from financial statements to MTP2									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 38,177,838	\$ (38,177,838)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(2,333,767)	-	(2,333,767)	-	-	-	-	-	-
Transfer from School Unrestricted Fund to the School Capital Projects Funds is reported as an Other Financing Sources and Use for GAAP while it is not reported in UCOA or the MTP2 because the transfers net out to zero	-	(987,910)	-	(987,910)	-	-	-	-	-
Miscellaneous variances between UCOA & FS	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 48,160,735</u>	<u>\$ -</u>	<u>\$ 47,867,355</u>	<u>\$ -</u>	<u>\$ 293,380</u>	<u>\$ 2,620,676</u>	<u>\$ -</u>	<u>\$ 2,620,676</u>	<u>\$ 2,914,056</u>
Reconciliation from MTP2 to UCOA									
Adjustement for Custodial Funds	\$ 393,624		\$ 384,200						
Miscellaneous variance between MTP2 and UCOA	(1)		-						
Totals per UCOA Validated Totals Report Dated 12/15/25	<u>\$ 48,554,358</u>		<u>\$ 48,251,555</u>						

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

See independent auditor's report

Town of Portsmouth, Rhode Island

Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2025

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, 2025

NOTE 4. Employee Groups - Compensation and Benefit Costs (continued)

Group B: For Police and Fire Departments, compensation and benefits paid to its administrative employees and civilian dispatch employees are reported under Group B. The Education Department reports compensation and benefits paid to executive/mid-level educational administration employees under Group B.

Group C: This group is only used for the Education Department and it includes administrative and support staff.

Other post-employment benefits (OPEB) are not reported by employee groups on the MTP2. They are reported in total as either (1) contributions to a qualified OPEB trust or (2) the amount paid for medical and dental insurance for retirees when an OPEB trust fund has not been established. The detail employee group information for the Education Department can be found on the State's Municipal Transparency portal website.

NOTE 5. Education Revenue and Expenditures

The revenues and expenditures presented on the MTP2 under the Education Department is consistent with existing Uniform Chart of Accounts (UCOA) guidelines. Each MTP account code has been mapped to the corresponding UCOA code or group of UCOA codes to facilitate the preparation of the MTP reporting.

Additional guidance and definitions regarding the State's Municipal Transparency Portal can be found on the State Division of Municipal Finance website: <http://www.municipalfinance.ri.gov/>.

See independent auditors' report

Statistical Section

The Statistical Schedules differ from other financial statement presentations because they generally disclose more than one fiscal year and may present non-accounting data such as social and economic data and financial trends of the Town.

Town of Portsmouth, Rhode Island

Statistical Section

For the Year Ended June 30, 2025

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, 2025

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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Net Investment in Capital Assets	\$ 18,884,330	\$ 12,808,535	\$ 18,492,317	\$ 25,991,078	\$ 26,392,634	\$ 27,414,404	\$ 29,120,106	\$ 29,448,127	\$ 29,443,836	\$ 26,757,656
Permanent Trust Funds										
Expandable	-	-	-	-	-	-	-	11,127	-	-
Nonexpandable	-	-	-	-	-	80,932	248,384	236,304	268,936	320,631
Education	-	-	-	-	-	-	-	-	-	-
Restricted for specific programs	-	13,224,782	9,539,508	3,599,709	3,673,182	3,042,916	2,377,299	29,889,404	13,241,297	16,884,521
Unrestricted	(48,236,404)	(76,737,772)	(79,603,146)	(81,423,805)	(85,225,456)	(85,683,751)	(80,967,161)	(100,402,496)	(81,383,635)	(73,506,822)
Total Governmental Activities Net Position	\$ (29,352,074)	\$ (50,704,455)	\$ (51,571,321)	\$ (51,833,018)	\$ (55,159,640)	\$ (55,145,499)	\$ (49,221,372)	\$ (40,817,534)	\$ (38,429,566)	\$ (29,544,014)
Business-type Activities:										
Net Investment in Capital Assets	\$ 214,640	\$ 246,923	\$ 287,681	\$ 321,499	\$ 319,699	\$ 362,365	\$ 265,547	\$ 277,974	\$ 214,732	\$ 276,892
Restricted for recycling	42,925	-	-	-	-	-	-	-	-	-
Restricted for specific programs	-	135,043	182,330	233,704	269,854	162,734	201,775	69,231	-	-
Unrestricted	(484,211)	(279,674)	(581,785)	(532,586)	(645,112)	(159,697)	275,397	(140,536)	309,514	(299,107)
Total Business-type Activities Net Position	\$ (226,646)	\$ 102,292	\$ (111,774)	\$ 22,617	\$ (55,559)	\$ 365,402	\$ 742,719	\$ 206,669	\$ 524,246	\$ (22,215)
Primary Government:										
Net Investment in Capital Assets	\$ 19,098,970	\$ 13,055,458	\$ 18,779,998	\$ 26,312,577	\$ 26,712,333	\$ 27,776,769	\$ 29,385,653	\$ 29,726,101	\$ 29,658,568	\$ 27,034,548
Permanent Funds:										
Expandable	-	-	-	-	-	-	-	11,127	-	-
Nonexpandable	-	-	-	-	-	80,932	248,384	236,304	268,936	320,631
Education	-	-	-	-	-	-	-	-	-	-
Restricted for recycling	42,925	-	-	-	-	-	-	-	-	-
Restricted for specific programs	-	13,359,825	9,721,838	3,833,413	3,943,036	3,205,650	2,579,074	29,958,635	13,241,297	16,884,521
Unrestricted	(48,720,615)	(77,017,446)	(80,184,931)	(81,956,391)	(85,870,568)	(85,843,448)	(80,691,764)	(100,543,032)	(81,074,121)	(73,805,929)
Total Primary Government Net Position	\$ (29,578,720)	\$ (50,602,163)	\$ (51,683,095)	\$ (51,810,401)	\$ (55,215,199)	\$ (54,780,097)	\$ (48,478,653)	\$ (40,610,865)	\$ (37,905,320)	\$ (29,566,229)

Town of Portsmouth, Rhode Island

Statistical Section

Changes in Net Position by Component

Last 10 Years

(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	\$ 779,018	\$ 1,276,782	\$ 1,301,265	\$ 1,382,222	\$ 750,332	\$ 1,115,137	\$ 1,715,749	\$ 1,521,334	\$ 2,555,175	\$ 2,646,398
General Education	1,223,557	1,324,821	1,457,114	1,675,281	1,399,538	1,564,959	1,822,100	589,106	2,704,332	2,854,645
Public Safety	810,523	1,247,938	1,296,168	1,358,718	1,065,030	736,301	1,024,445	1,097,712	795,288	491,659
Public Services	786,402	904,663	1,312,384	862,965	456,718	885,519	989,637	912,647	459,624	525,087
Community Service	570,530	269,131	54,321	76,294	133,965	13,878	19,148	-	-	-
Operating Grants and Contributions	5,581,847	5,964,893	8,142,481	8,576,083	9,422,525	9,919,166	11,139,603	15,465,475	9,470,023	7,775,524
Capital Grants and Contributions	250,313	-	11,021	35,269	281,987	582,311	11,900	-	2,027,486	1,009,994
Total Governmental Activities Program Revenues	10,002,190	10,988,228	13,574,754	13,966,832	13,510,095	14,817,271	16,722,582	19,586,274	18,011,928	15,303,307
Business-type Activities:										
Charges for Services:										
School Lunch Fund	504,002	526,846	505,390	537,564	357,702	27,785	-	-	-	-
Transfer Station	633,222	667,281	649,039	816,838	729,113	750,452	736,910	857,025	1,080,125	308,437
Wind Turbine Generator Fund	-	-	-	-	-	-	-	-	40,017	-
Septic System Loan Program	-	7,789	6,875	5,614	3,483	-	1,629	-	-	-
Non-major Funds	5,400	4,500	18,000	18,000	13,500	-	56,639	264,105	-	-
Operating Grants and Contributions	254,731	331,602	218,628	208,055	214,438	1,319,430	809,754	-	-	-
Total Business-type Activities	1,397,355	1,538,018	1,397,932	1,586,071	1,318,236	2,097,667	1,604,932	1,121,130	1,120,142	308,437
Total Primary Government Program Revenues	11,399,545	12,526,246	14,972,686	15,552,903	14,828,331	16,914,938	18,327,514	20,707,404	19,132,070	15,611,744
Expenses:										
Governmental Activities:										
General Government	5,830,129	5,631,833	7,402,421	8,256,939	11,024,983	9,363,478	7,089,033	7,223,743	12,582,404	8,342,468
General Education	40,753,345	40,978,207	42,132,819	42,596,950	42,477,570	42,127,041	45,423,850	46,768,441	50,472,443	52,702,735
Public Safety	11,371,782	13,281,332	12,902,054	13,466,990	13,668,340	15,301,872	14,857,010	16,676,200	22,256,443	12,035,620
Public Services	3,237,659	3,384,612	4,242,174	4,263,138	5,121,921	5,538,420	6,156,263	4,648,119	1,105,757	2,619,081
Community Service	1,290,100	1,297,889	1,164,372	1,093,681	2,067,949	1,426,058	1,363,894	1,203,091	2,111,495	1,061,377
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Interest on Long Term Debt	556,894	640,732	838,661	749,371	699,602	622,807	572,010	556,103	371,421	1,230,279
Amortization Expense	-	-	-	-	-	-	-	-	-	-
Non-Operating Expense	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	63,039,909	65,214,605	68,682,501	70,427,069	75,060,365	74,379,676	75,462,060	77,075,697	88,899,963	77,991,560

Town of Portsmouth, Rhode Island

Statistical Section

Changes in Net Position by Component

Last 10 Years

(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business-type Activities:										
School Cafeteria Fund	711,503	752,768	728,816	723,645	581,345	564,388	-	-	-	-
Transfer Station	569,944	682,031	924,230	775,107	858,179	729,297	701,077	750,383	774,398	814,570
Wind Turbine Generator Fund	1,193,708	-	-	-	-	-	-	-	-	-
Septic System Loan Program	16,421	894	743	599	366	-	-	351,061	2,682	1,964
Curlside Collections	-	-	-	-	-	-	-	-	-	15,556
Non-major Funds	10,162	10,470	9,066	-	-	244,211	414,679	402,591	25,487	22,808
Total Business-type Activities	2,501,738	1,446,163	1,662,855	1,499,351	1,439,890	1,537,896	1,115,756	1,504,035	802,567	854,898
Total Primary Government Program Expenses	65,541,647	66,660,768	70,345,356	71,926,420	76,500,255	75,917,572	76,577,816	78,579,732	89,702,530	78,846,458
Net (Expenses)/Revenue:										
Governmental Activities	(53,037,719)	(54,226,377)	(55,107,747)	(56,460,237)	(61,550,270)	(59,835,405)	(58,739,478)	(57,489,423)	(70,888,035)	(62,688,253)
Business-type Activities	(1,104,383)	91,855	(264,923)	86,720	(121,654)	559,771	489,176	(382,905)	317,575	(546,461)
Total Primary Government Net Expenses	(54,142,102)	(54,134,522)	(55,372,670)	(56,373,517)	(61,671,924)	(59,275,634)	(58,250,302)	(57,872,328)	(70,570,460)	(63,234,714)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes, MV Phase Out, and PILOT	49,910,345	51,008,411	52,466,837	54,448,500	56,056,578	57,221,898	59,957,332	59,478,590	62,045,269	64,828,126
State Aid (unrestricted)	6,359,063	4,387,343	1,682,968	1,705,352	1,652,108	2,117,657	3,838,822	4,116,199	7,337,873	3,738,593
Investment Income	13,433	39,911	103,984	105,760	82,728	90,902	11,517	292,707	594,559	614,230
Other Revenues	1,452,173	61,917	48,410	1,027	488,753	86,799	227,957	1,941,428	3,298,304	411,322
Transfers	35,217	(504,341)	(61,318)	(62,099)	(53,519)	138,810	40,000	64,327	-	-
Total Governmental Activities	56,671,838	57,770,231	54,993,241	56,198,540	58,226,648	59,656,066	64,075,628	65,893,251	73,276,005	69,592,271
Business-type Activities:										
Transfers	10,500	254,341	61,318	62,099	(138,810)	(138,810)	(40,000)	(153,145)	-	-
Investment Income	5,792	(17,258)	(10,461)	(14,428)	-	-	-	-	-	-
Total Business-type Activities	16,292	237,083	50,857	47,671	(138,810)	(138,810)	(40,000)	(153,145)	-	-
Total Primary Government General Revenues and Other Changes in Net Position	56,678,847	57,786,523	55,230,324	56,246,211	58,087,838	59,517,256	64,035,628	65,740,106	73,276,005	69,592,271
Change in Net Position:										
Governmental Activities	3,634,119	3,543,854	766,864	(261,697)	(3,323,622)	(179,339)	5,336,150	8,403,828	2,387,970	6,904,018
Business-type Activities	(1,097,374)	108,147	328,938	134,391	(260,464)	420,961	449,176	(536,050)	317,575	(546,461)
Total Change in Net Position of Primary Government	\$ 2,536,745	\$ 3,652,001	\$ 1,095,802	\$ (127,306)	\$ (3,584,086)	\$ 241,622	\$ 5,785,326	\$ 7,867,778	\$ 2,705,545	\$ 6,357,557

Town of Portsmouth, Rhode Island

Statistical Section

Fund Balances, Governmental Funds

Last 10 Years

(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Nonspendable:										
Permanent Funds:										
Perpetual Care and Endowed Funds	\$ 160,404	\$ 161,552	\$ 163,633	\$ 167,452	\$ 170,397	\$ 167,452	\$ 248,384	\$ 236,304	\$ 268,936	\$ 320,631
General Fund:										
Advances to Other Funds	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses	429,048	667,511	785,135	751,534	284,449	664,087	794,290	782,126	57,575	654,118
Inventory	36,300	62,208	33,287	55,470	49,577	33,602	66,069	57,227	252,170	33,609
Encumbrances	-	-	-	-	-	-	-	-	-	-
Total Nonspendable Fund Balance	\$ 625,752	\$ 891,271	\$ 982,055	\$ 974,456	\$ 504,423	\$ 865,141	\$ 1,108,743	\$ 1,075,657	\$ 578,681	\$ 1,008,358
Restricted:										
Town Special Revenue Funds	\$ 767,279	\$ 1,016,479	\$ 489,325	\$ 685,468	\$ 958,510	\$ 1,102,287	\$ 1,482,208	\$ 2,469,697	\$ 3,342,478	\$ 4,016,393
Debt Service	-	-	-	-	-	-	20,388,397	18,651,399	11,179,136	3,698,486
School Special Revenue Funds	434,041	408,188	283,973	514,174	380,074	512,847	895,091	772,268	682,752	692,225
Permanent Funds	-	-	-	-	-	80,932	10	11,127	16,121	15,508
Town Capital Project Funds	3,125,294	11,021,908	7,102,320	884,154	1,326,605	716,290	555,785	372,276	308,191	1,449,132
School Capital Project Funds	1,378,118	778,207	1,663,890	1,515,913	1,007,993	711,492	341,351	802,486	600,013	1,566,995
Total Restricted Fund Balance	\$ 5,704,732	\$ 13,224,782	\$ 9,539,508	\$ 3,599,709	\$ 3,673,182	\$ 3,123,848	\$ 23,662,842	\$23,079,253	\$16,128,691	\$11,438,739
Committed:										
Committed for Education	\$ 1,114,909	\$ 1,260,145	\$ 928,995	\$ 847,141	\$ 1,594,569	\$ 931,571	\$ 894,909	\$ 874,618	\$ 855,444	\$ 252,801
Committed for Department Reserved	98,739	344,658	-	-	-	341,351	-	370,000	-	-
Committed for Warrant 12-13	-	-	-	-	-	160,908	314,221	499,955	368,086	-
Committed for Pension & OPEB	-	-	-	-	-	-	-	-	-	285,680
Committed for Preservation and Maintenance of Glen Manor Property	191,209	242,246	381,315	406,631	322,770	-	-	-	-	-
Total Committed Fund Balance	\$ 1,404,857	\$ 1,847,049	\$ 1,310,310	\$ 1,253,772	\$ 1,917,339	\$ 1,433,830	\$ 1,209,130	\$ 1,744,573	\$ 1,223,530	\$ 538,481
Assigned:										
Open Space	\$ 9,378	\$ 9,378	\$ 139,754	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prudence Island Fire Department	-	-	-	80,000	80,000	-	-	-	-	-
Total Assigned Fund Balance	\$ 9,378	\$ 9,378	\$ 139,754	\$ 80,000	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned:										
General Fund	\$ 6,871,853	\$ 6,912,353	\$ 7,317,622	\$ 8,333,042	\$ 9,026,981	\$ 9,342,401	\$ 9,261,302	\$ 9,668,628	\$11,409,948	\$12,087,767
Town Capital Project Fund	-	-	-	-	(1,792,252)	-	(924,390)	(892,811)	(392,856)	(24,770)
Town Warrant 12-13 Fund	-	-	-	-	-	(1,343,170)	-	-	-	-
Other Governmental Funds	(941,689)	(1,246,698)	(1,330,332)	(1,895,702)	(59,211)	96,860	(1,317,775)	(146,344)	(93,089)	(72,666)
Total Unassigned Fund Balance	\$ 5,930,164	\$ 5,665,655	\$ 5,987,290	\$ 6,437,340	\$ 7,175,518	\$ 8,096,091	\$ 7,019,137	\$ 8,629,473	\$10,924,003	\$11,990,331

Town of Portsmouth, Rhode Island

Statistical Section

Changes in Fund Balances, Governmental Funds

Last 10 Years

(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General property taxes and interest	\$ 50,384,667	\$ 50,764,048	\$ 52,587,567	\$ 54,457,593	\$ 55,757,474	\$ 58,300,557	\$ 59,267,166	\$ 59,695,882	\$ 61,841,664	\$ 64,869,206
State aid and grants	9,608,787	10,000,238	9,709,798	10,050,391	9,572,095	10,306,709	13,253,566	14,110,085	16,309,610	11,034,895
Licenses, permits, and fees	2,530,159	2,468,756	2,721,235	2,799,577	2,676,211	3,224,080	3,550,286	2,980,615	452,795	2,274,754
Charges for services	2,439,840	2,428,718	2,576,007	2,341,269	2,283,107	2,039,283	2,222,301	3,121,625	2,417,462	4,392,086
Investment income	70,150	39,911	103,984	105,760	82,728	90,902	(563)	292,707	3,915,532	614,232
Other revenue	221,776	314,691	140,229	400,662	636,015	1,163,644	1,045,475	1,770,330	4,876,291	4,234,304
Total revenues	65,255,379	66,016,362	67,838,820	70,155,252	71,007,630	75,125,175	79,338,231	81,971,244	89,813,354	87,419,477
General government	4,679,504	4,856,775	5,033,136	5,129,664	5,233,057	6,516,209	6,625,257	6,837,903	6,511,186	7,251,898
Public safety	11,451,321	11,815,833	12,385,996	12,430,456	13,032,708	13,757,688	15,834,995	16,448,468	16,200,359	17,133,731
Public works	3,224,582	3,325,211	3,489,791	3,462,129	3,902,808	4,542,620	5,704,874	3,704,216	4,003,378	4,524,599
Public and social services	751,662	780,716	807,887	817,715	900,754	1,079,405	958,560	945,599	1,027,383	943,916
Parks and recreation	299,081	399,049	233,044	219,140	293,635	326,416	376,009	249,239	1,084,112	369,517
Education	38,227,325	40,105,874	40,685,778	42,370,779	41,784,315	44,384,834	45,969,264	44,849,466	51,730,464	49,565,934
Capital outlay	6,581,293	6,905,580	7,003,672	9,266,681	2,632,986	2,082,328	2,833,420	5,529,221	12,668,605	9,519,541
Principal	1,686,362	1,905,979	1,658,067	2,135,066	1,953,040	1,959,066	1,524,064	1,473,866	1,303,937	1,234,066
Interest	630,907	517,121	816,273	772,754	699,172	640,451	579,088	468,489	475,512	1,237,738
Total expenses	67,532,037	70,612,138	72,113,644	76,604,384	70,432,475	75,289,017	80,405,531	80,506,467	95,004,936	91,780,940
Excess (deficit) of revenues over (under) expenditures before other financing sources (uses)	(2,276,658)	(4,595,776)	(4,274,824)	(6,449,132)	575,155	(163,842)	(1,067,300)	1,464,777	(5,191,582)	(4,361,463)
Other financing sources (uses)	5,261,352	12,559,028	595,606	835,492	430,030	138,810	20,975,731	64,327	-	-
Total change in fund balance	2,984,694	7,963,252	(3,679,218)	(5,613,640)	1,005,185	(25,032)	19,908,431	1,529,104	(5,191,582)	(4,361,463)
Beginning fund balance	10,690,189	13,674,883	21,638,135	17,958,917	12,345,277	13,543,942	13,091,422	32,983,459		29,337,372
Ending fund balance	\$ 13,674,883	\$ 21,638,135	\$ 17,958,917	\$ 12,345,277	\$ 13,350,462	\$ 13,518,910	\$ 32,999,853	\$ 34,512,563	\$ (5,191,582)	\$ 24,975,909
Ratio of total debt service expenditures to total noncapital expenditures	3.95%	3.95%	3.95%	4.51%	4.07%	3.68%	2.79%	2.66%	2.21%	3.10%

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
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%
2022	3,422,501,952	309,606,965	127,859,056	-	158,392,051	178,144,509	3,840,215,515	\$15.305/1,000	\$22.50/1,000	4,018,360,024	95.57%
2023	3,448,805,837	309,117,526	140,641,018	-	-	86,496,265	3,812,068,116	\$15.651/1,000	-	3,898,564,381	97.78%
2024	4,362,694,777	415,841,845	135,107,654	-	-	100,913,818	4,812,730,458	\$12.782/1,000	-	4,913,644,276	97.95%
2025	4,426,289,180	411,766,685	127,091,434	-	-	113,886,023	4,851,261,276	\$13.181/1,000	-	4,965,147,299	97.71%

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	2015 ROLL				2024 ROLL		
	2016				2025		
	Taxable Assessed Value	Rank	% of Total Taxable Value		Taxable Assessed Value	Rank	% of Total Taxable Value
Carnegie Holdings LLC	65,378,700	1	2.100	RI Energy/National Grid	\$ 64,112,545	1	1.322
Raytheon Corp	\$ 40,572,260	2	1.303	Raytheon Corp	51,350,162	2	1.059
Newport Water	27,984,883	3	0.090	SHM LLC	34,988,972	3	0.721
Northern Waterfront Assoc. LP	20,275,300	4	0.651	Newport Water	22,680,394	4	0.468
National Grid	18,040,671	5	0.579	Aquidneck CC	19,972,075	5	0.412
CA Club Acquisitions ILLP	16,044,400	6	0.515	Talaria RE Holdings	18,824,500	6	0.388
TDS Realty	15,758,930	7	0.506	Bay View Holdings	18,258,479	7	0.376
GMH Military Housing	15,407,383	8	0.495	Narragansett Bay Club/Newport Beach Club	14,534,700	8	0.300
Talaria RE Holdings	15,183,900	9	0.488	GMH Military Housing	11,791,900	9	0.243
Conlan Rhode Island Acquisitions	8,291,700	10	0.266	Nationwide Health Prop	10,277,427	10	0.212
TOTAL	\$ 242,938,127		6.994		\$ 266,791,154		5.500

Source: Town of Portsmouth Tax Assessor Office

2015 ROLL NAV = 3,113,434,005

2024 ROLL NAV = 4,851,261,276

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 6/30/2025	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2014	48,021,888	46,165,831	96.13%	47,901,430	99.75%
2015	49,187,965	47,811,260	97.20%	47,910,226	97.40%
2016	49,815,131	48,589,909	97.54%	48,668,559	97.70%
2017	50,971,055	49,443,601	97.00%	49,507,232	97.13%
2018	52,436,990	50,871,776	97.02%	50,936,258	97.14%
2019	54,365,635	53,035,757	97.55%	53,089,938	97.65%
2020	56,047,236	54,036,889	96.41%	55,377,532	98.81%
2021	57,734,217	56,614,437	98.06%	57,689,331	99.92%
2022	59,257,906	58,209,310	98.23%	59,196,376	99.90%
2023	59,662,963	58,613,450	98.24%	59,585,735	99.87%
2024	62,101,236	60,921,502	98.10%	60,921,502	98.10%
2025	64,517,217	62,947,740	97.57%	64,423,877	99.86%

Source: Town of Portsmouth Tax Assessor Office

Town of Portsmouth, Rhode Island

Statistical Section

Legal Debt Margin Information

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	Leases								
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	228,509	25,028,440	Unavailable	Unavailable	1,445	17,315	3,357,470,923	0.7455%	
2019	18,829,400	2,010,000	1,452,135	592,205	192,603	23,076,343	0.2194%	50,636	1,331	17,344	3,366,094,057	0.6856%	
2020	17,030,332	1,860,000	207,435	339,668	163,088	19,600,523	0.2678%	52,483	1,138	17,226	3,538,666,234	0.5539%	
2021	15,471,268	1,460,000	1,189,459	279,732	132,585	18,533,044	0.3175%	58,835	1,037	17,871	3,963,323,378	0.4676%	
2022	14,407,000		1,541,482	219,800	101,059	16,269,341	0.3379%	54,981	916	17,754	4,018,360,024	0.4049%	
2023	13,208,134	20,295,000	844,973	159,867	68,476	34,576,450	0.1590%	54,981	1,958	17,659	3,898,564,381	0.8869%	
2024	12,489,066	19,710,000	776,497	99,934	32,618	33,108,115	0.1946%	64,438	1,898	17,447	4,913,644,276	0.6738%	
2025	11,304,999	19,660,000	700,170	40,000	-	31,705,169	0.2032%	64,438	1,823	17,391	4,965,147,299	0.6386%	

¹ US Census Bureau

² RI Department of Planning

³ RI Department of Labor & Training

Town of Portsmouth, Rhode Island

Statistical Section

Legal Debt Margin Information

Last 10 Years

(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assessed Value	\$ 3,113,434,005	\$ 3,145,004,989	\$ 3,366,696,071	\$ 3,366,094,057	\$ 3,386,067,375	\$ 3,795,427,445	\$ 3,840,215,515	\$ 4,812,730,458	\$ 4,851,261,276	\$ 4,900,059,592
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	93,403,020	94,350,150	101,000,882	100,982,822	101,582,021	113,862,823	115,206,465	144,381,914	145,537,838	147,001,788
Total Debt Applicable to Limit General Obligation Bonds	14,727,000	25,162,000	23,622,509	21,431,605	21,504,870	17,211,000	35,196,800	33,663,000	32,291,881	31,005,000
Legal Debt Margin	\$ 78,676,020	\$ 69,188,150	\$ 77,378,373	\$ 79,551,217	\$ 80,077,151	\$ 96,651,823	\$ 80,009,665	\$ 110,718,914	\$ 113,245,957	\$ 115,996,788
Total Net Debt Applicable to the Limit as % of Debt Limit	18.72%	36.37%	30.53%	26.94%	26.86%	17.81%	43.99%	30.40%	28.51%	26.73%

Town of Portsmouth, Rhode Island

Statistical Section

Demographic and Economic Statistics

Last 10 Years

(Unaudited)

Fiscal Year 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
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%
2022	17,754	2,262	870	126,971	41,393,176	54,981	39,603	3.38%	4.08%	4.19%
2023	17,659	2,281	865	118,123	40,951,625	54,981	39,603	2.70%	2.90%	3.60%
2024	17,447	2,147	855	118,363	37,175,553	60,121	43,324	3.40%	4.30%	4.10%
2025	17,391	2,134	774	120,000	35,857,000	64,438	46,525	3.20%	4.50%	4.30%

¹ US Census Bureau

² RI Department of Labor & Training

³ Portsmouth School Department

⁴ US Bureau of Labor Statistics

** Not seasonally adjusted, annual average

*** Estimated by the US Census Bureau

<https://dlt.ri.gov/documents/pdf/lmi/portsmouth.pdf>

<https://dlt.ri.gov/documents/pdf/lmi/riunadj.pdf>

<https://dlt.ri.gov/documents/pdf/lmi/usunadj.pdf>

Town of Portsmouth, Rhode Island

Statistical Section

Full -Time Employees Equivalent by Town Department

Last 10 Years

(Unaudited)

	<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>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
General Government:											
Council	7	7	7	7	7	7	7	7	7	7	7
Administration	2	2	2	2	2	2	2	2	2	2	2
Town Clerk	3	2	3	4	4	3	4	4	4	4	4
Canvassing	1.5	1.5	1.5	2	2	2	2	2	2	2	2
Finance/Personnel	5	5	5	5	5	5	6	6	6	5	5
Tax Assessment/Collection	5	5	5	5	5	5	4	4	4	4	4
Planning and Development	1.5	2.5	3.5	4	4	4	4	4	4	4	4
Building Inspection/Zoning	3	3	2	3	3	3	3	3	3	3	3
Total General Government	28	28	29	32	32	31	32	32	32	31	31
Public Safety:											
Police	30	33	34	36	36	36	39	39	39	39	43
Harbormaster	0.5	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	1
Animal Control	1	1	1	1	1	1	1	1	1	1	1
Fire	34	34	35	36	36	38	47	47	47	47	47
Total Public Safety	66.5	69.5	71.5	74.5	74.5	76.5	88.5	88.5	88.5	88.5	92.5
Public Health:											
Public Works	16	16	15	19.5	19.5	18.5	18.5	18.5	18.5	19.5	20.5
Total Public Health	16	16	15	19.5	19.5	18.5	18.5	18.5	18.5	19.5	20.5
Public Welfare:											
Parks and Recreation	5	5	12	9	9	9	9	9	9	10	0
Total Public Welfare	5	5	12	9	9	9	9	9	9	10	0
Public Education:											
Teachers	223	210	210	220	217.4	224	218	217.9	231.5	229	222.6
Pupil Support	103	75	75	75	88	86	89	98.2	90	92	88
Executive and Administrative	16	16	16	16	14.5	15.5	16	15	14	14	15
Total Public Education	342	301	301	311	319.9	325.5	323	331.1	335.5	335	325.6
Total	457.5	419.5	428.5	446	454.9	460.5	471	479.1	483.5	484	469.6

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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government:											
Building permits issued	535	788	803	755	690	832	938	1024	959	1,114	1,226
Number of inspections made	2,210	2,188	1,416	1,827	1,886	2,021	2,537	2,839	3,402	3,562	3,689
Town Clerk:											
Number of transactions											
Beverage licenses	35	35	35	35	35	29	31	30	34	34	33
Dog licenses	1,652	1,584	1,714	1,735	1,675	1,427	1,733	1,477	1,462	1,450	1,356
Other licenses	209	191	143	143	253	246	260	83	311	380	339
Vital records	1,050	1,038	1,138	1,082	1,014	706	704	1,194	953	1,073	864
Land evidence	4,227	4,145	4,532	4,830	4,532	4,720	6658	5,224	3,529	3,299	3,528
Probate cases	92	105	157	153	93	178	124	98	111	102	125
Public Safety:											
Number of police personnel and officers											
Number of arrests	714	798	745	511	532	695	946	974	559	442	516
Number of parking violations	74	118	43	66	38	374	143	66	76	123	128
Number of traffic violations	1,987	3,128	3,500	5,911	8,018	8,885	9,320	9,618	7,854	8,530	10,056
Number of fatal car crashes	-	-	1	1	1	-	-	-	2	-	-
Number of motor vehicle accidents	159	147	153	527	456	499	380	452	468	478	509
Number of paid firefighters	34	35	35	35	35	34	47	47	47	47	42
Number of fire emergency responses	679	629	643	909	946	1,021	1,198	1,016	1,069	1,240	1,267
Number of fires extinguished	88	34	32	39	49	64	98	101	108	116	119
Number of ambulance calls	1,924	2,057	2,211	2,010	2,274	2,004	2033	2,091	2,405	2,390	2,375
Public Works:											
Number of streets paved											
Inches of snow removed (accumulative)	69	31	41	46	21.1	12.9	32.5	34	9.1	12.7	17
Tons collected and disposed:											
Solid waste											
Metal (tons)						113	72	135	130	135.7	127
Mattress (each)						13	29	29	22	21	7
Tires (each)						150	195	134	154	160	279
Metal, Mattress, Tires	211	182	1,029	1,029	147						
Recyclable	1,981	1,257	1,101	1,304	1,137	898	874	815	723	626	669.1
Number of Christmas trees pickup	1,390	1,355	1,330	1,147	1,407	1,387	1,481	1,135	1,145	1,400	1,030
Wastewater											
Catch basins cleaned											
Emergency calls	0	0	0	0	0	0	0	0	0	0	0
Number of new street signs	145	60	80	80	28	88	44	47	33	22	37

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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government:											
Number of general government buildings	1	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	1
Number of Fire Stations	1	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	2
Number of Transfer Station	1	1	1	1	1	1	1	1	1	1	1
Miles of streets	111	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	49
Water:											
Miles of water mains	130+	130+	130+	130+	130+	130+	130+	130+	130+	130+	130+
Number of fire hydrants	578	581	581	581	581	581	581	581	581	581	581
Recreations and Parks:											
Number of parks and recreation facilities	17	17	17	17	22	22	22	24	24	24	24
Acres of parks and recreation facilities	355	355	355	355	386	386	386	386	386	386	386

Source: Various Town Departments

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

<http://www.portsmouthwater.org>

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Town of Portsmouth, Rhode Island (Town), as of and for the year ended June 30, 2025, 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 22, 2025.

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., CPA's. P.C.

Fall River, Massachusetts
December 22, 2025