

TOWN OF PORTSMOUTH, RHODE ISLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2020



Richard A. Rainer Jr.
Town Administrator

Lisa M. Mills
Finance Director

Town of Portsmouth, Rhode Island

Fiscal Year Ended June 30, 2020

Table of Contents

Introductory Section.....	1
Letter of Transmittal	2
Organizational Chart.....	7
List of Town Officials.....	8
GFOA Certificate of Achievement	9
Financial Section.....	11
<i>Independent Auditors' Report</i>	12
Management Discussion & Analysis (MD&A).....	15
Basic Financial Statements	27
Government-Wide Statements	27
Statement of Net Position	27
Statement of Activities.....	29
Governmental Funds	31
Balance Sheet.....	31
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position.....	32
Statement of Revenues, Expenditures and Changes in Fund Balances.....	33
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	34
Enterprise Funds	35
Statement of Net Position	35
Statement Revenues, Expenses and Changes in Net Position.....	37
Statement of Cash Flows.....	38
Fiduciary Funds	40
Statement of Fiduciary Net Position	40
Statement of Changes in Fiduciary Net Position	41
Notes to Financial Statements.....	42
Required Supplementary Information.....	112
Budgetary Comparison Schedule - General Fund.....	113
Budgetary Comparison Schedule – School Unrestricted Fund.....	115
Notes to Required Supplementary Information – Budgetary Comparison	116

Town of Portsmouth, Rhode Island

Fiscal Year Ended June 30, 2020

Combining General Fund and School Unrestricted Statements of Revenue, Expenditures and Changes in Fund Balance	117
Employees' Retirement System - Teacher's Pension Plan	118
Schedule of Town's Proportionate Share of The Net Pension Liability	118
Schedule of Town's Contributions	119
Employees' Retirement System-Teacher's Survivor Benefit Plan	120
Schedule of Town's Proportionate Share of The Net Pension Asset.....	120
Schedule of Town's Contributions – Teacher Survivor Benefit.....	121
Notes to State ERS and TSB Plans	122
Town Pension Plan	125
Schedule of Changes in Town's Net Pension Liability and Related Ratios	125
Schedule of Town Contributions	127
Schedule of Investment Returns and Notes	128
Town OPEB Plan.....	129
Net OPEB Liability and Related Ratios.....	129
Schedule of Contributions.....	131
Schedule of Investment Returns and Notes	132
School OPEB Plan.....	133
Net OPEB Liability and Related Ratios.....	133
Schedule of Contributions and Notes.....	135
Supplementary Information Section	136
Combining Non-Major Governmental Funds Balance Sheet	137
Combining Non-Major Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balance.....	138
Town Special Revenue	139
Combining Non-Major Governmental Funds Balance Sheet	139
Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance	145
School Special Revenue.....	151
Combining Non-Major Balance Sheet.....	151
Combining Non-Major Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balance	155
Town Capital Projects.....	159
Combining Non-Major Governmental Funds Balance Sheet	159

Town of Portsmouth, Rhode Island

Fiscal Year Ended June 30, 2020

Combining Non-Major Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balance	161
School Capital Projects	163
Combining Non-Major Governmental Funds Balance Sheet – School Capital Projects	163
Combining Non-Major Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balance	164
Permanent Funds.....	165
Combining Non-Major Governmental Funds Balance Sheet	165
Combining Non-Major Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balance	166
Combining Statement of Fiduciary Net Position – Employee Benefit Trust Funds	166
Combining Town Agency Funds Statement of Fiduciary Net Position.....	167
Combining Town Agency Funds Statement of Changes in Deposits Held	168
Tax Collector’s Annual Report.....	169
Annual Supplemental Transparency Report (MTP2)	171
Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2).....	178
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.....	180
Statistical Section.....	182
Net Position by Component	184
Change in Net Position by Component.....	185
Fund Balances, Governmental Funds	187
Changes in Fund Balances, Governmental Funds.....	188
Assessed Values and Estimated Actual Values of Taxable Property	189
Principal Taxpayers	190
Property Tax Levies and Collections	191
Ratio of Net Bonded Debt Outstanding by Type	192
Ratio of Net Bonded Debt Outstanding	193
Legal Debt Margin Information.....	194
Demographic and Economic Statistics	195
Principal Employers.....	196
Full -Time Employees Equivalent by Town Department	197
Operator Indicators by Function	198
Capital Asset Statistics by Function.....	199

Introductory Section



Town of Portsmouth, Rhode Island

2200 East Main Road, Portsmouth, RI 02871

Richard A. Rainer, *Town Administrator*

Lisa Mills, *Finance Director*

December 15, 2020

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

The Comprehensive Annual Financial Report of the Town of Portsmouth, Rhode Island for the fiscal year ended June 30, 2020 is hereby submitted as mandated by state statute. State laws require that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of certified public accountants licensed to practice in the State of Rhode Island.

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Portsmouth, Rhode Island for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 5th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish and easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

This report consists of management's representations concerning the finances of the Town of Portsmouth, Rhode Island. Consequently, management assumes full responsibilities for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to protect the government's accounts from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

As management, I assert, to the best of my knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Portsmouth's financial statements have been audited by Hague, Sahady, & Co., P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable

assurance that the financial statements of the Town of Portsmouth for the fiscal year ended June 30, 2020 are free of material misstatement. The independent audit involved the following: examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statements presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Portsmouth's financial statements for the fiscal year ended June 30, 2020 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Portsmouth was part of the broader, federal mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentations of the financial statements, but also on the audited government's internal controls and legal requirements with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are issued separate of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Portsmouth's MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE GOVERNMENT

General

The Town of Portsmouth (the Town), established in 1638 and incorporated as a town in 1640, had a population of 17,389 in 2010 and is located approximately 20 miles southeast of Providence. The Town occupies the northern portion of Aquidneck Island and is bordered by the Town of Bristol on the north, the Town of Middletown on the south, the Town of Tiverton on the east and Narragansett Bay on the west. The Town limits extend over an area of 59.3 miles, including a land area of 23.2 square miles and an inland water area of 36.1 square miles. Routes 138 and 114 are major highways connecting the Town to I-195, I-95, Route 24 and the entire northeast corridor. Air transportation is available at the Newport State Air Park in Middletown which provides charter air service to all major airports in New England and New York. The state's major airport facility is in the City of Warwick, approximately 30 miles from the Town. Nationwide intercity rail passenger service is offered through AMTRAK's Providence station. Freight transportation is provided by railroads, local and long-distance trucking firms and bus lines. The nearby Port of Providence provides the Town with excellent shipping facilities.

Government

The Town is governed by a seven-member Town Council, elected biannually in even years, and an appointed Town Administrator. The Town operates under a Home Rule Charter wherein all powers of

government are vested in the elected Town Council. The Council may enact local legislation subject only to the limitations imposed by the Charter, the State Constitution and the General Laws. Under the Charter, the Council determines policy, enacts law and appoints the Town Administrator.

The Town Administrator is the chief executive officer and the head of the administrative branch of the Town government. The Town Administrator is responsible for the following: carrying out the policies of the Town Council, overseeing the day to day operations of the Town and appointing all other employees, except School District personnel.

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

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

The Town Administrator uses these requests as the starting point for developing a proposed budget. It is the responsibility of the Town Administrator to submit a proposed budget for the following year to the Town Council on or before April 2 of each year. The Town Council holds several budget work sessions to discuss the details of the proposed budget document. The Town Council may revise and adopt a preliminary budget not later than 30 days after the submission of the Town Administrator's proposed budget. In June, at a regular Town Council meeting, the Council adopts the final Town budget by ordinance.

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

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

Budget to actual comparisons are provided in this report for the general fund and school unrestricted fund as listed in the table of contents.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statement is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Portsmouth operates.

Local Economy

Portsmouth is surrounded by water, which has been the major factor in creating the Town's impressive history as a leader in the marine trades industry. There are 39 companies of varying sizes located in Portsmouth engaged in marine and related services and manufacturing. The State of Rhode Island has designated the marine industry as one of five key sectors for economic growth in the State.

The 56-acre Portsmouth Business Park is home to a mix of light industrial manufacturing firms. The convenient location with immediate access to Route 24 places the Park in a strategic location for light industrial markets and labor supply. There are 23 companies located in the park.

Portsmouth's largest employer is the Integrated Defense Systems division of Raytheon Company. Current employment on the 150-acre campus is 1,250. This division is primarily involved in the research, development and manufacture of sonar and other shipboard and airborne electronic tracking systems. Excess Navy land in the Melville Marine District was approved for release to bolster the local marine trades. In cooperation with the Town, Commerce RI (the State's primary economic development agency) has been working in a partnership with marine companies to complete the transfer of the former Navy fueling facility. This prime waterfront property will be key in stimulating expansion of the existing and new marine trades.

The Town has an Enterprise Zone Exemption and a Town Farm Program Exemption. The Enterprise Zone is designed to provide incentives for job growth and encourage new construction and/or renovation of existing properties. The Town Farm program is designed to help conserve and preserve farmland which is increasingly coming under economic pressure to convert this use to development or other more profitable land use. These programs are provided for under Title 44. The Enterprise Zone is monitored by the Business Development Office and the Tax Assessor's Office and the Town Farm Program is monitored by The Tax Assessor's Office. Enterprise Zone is RI General Law 42-64.3-9 and the Town Farm Program is RI General Law 44-3-32.1.

The COVID-19 pandemic has had an unparalleled impact on the entire world, and notable impact on The Town of Portsmouth's economy. Whole industries shut down entirely. Those who could work from home did. Many who could not were laid off. Aggressive measures have contained the virus for now, but as time progresses through cautious reopening's, great uncertainty remains about how much and how quickly the Town of Portsmouth's economy will recover. The Town had a slight decrease in the Meals and Beverage Tax and a significant impact on the recreational areas, including the recreation department and Glen Manor House.

Pension and Other Post-Employment Benefits

Portsmouth has moved away from Town Managed defined benefit type pensions. Employees participate in the RI Municipal Employees' Retirement System (MERS) or a defined contribution (401 type) plan. There are grandfathered employees who are either in a defined benefit plan or a hybrid of defined benefit and defined contribution plans. All pension plans are locally administered plans, except for the teachers, Firefighters and Police Officers, who participate in a State administered plan.

In accordance with Rhode Island General Law, the Town submitted its Funding Improvement Plan (FIP) to the Locally Administered Pension Plans Study Commission. The plan's funded ratio was 49.52% as of the July 1, 2020 report. It should be noted that the Town assumes a return on investment of 6.40%, which is more conservative than the recommended rate of 7.50%.

Portsmouth has a net Other Post-Employment Benefits (OPEB) liability of \$21,452,027 (\$18,438,016 for the Town and \$3,014,011 for the School Department). The Town has established an OPEB Trust. As of the July 1, 2020 report, this trust is funded 8.0% for the Town and 0% for the School Department.

Other

Portsmouth believes in transparency and the accountability it inspires. This is the fourth year that the Town's annual audit is presented in the form of a Comprehensive Annual Financial Report. The Town has redesigned its monthly budget reports and publishes them on the Town's website, along with other financial data such as debt service schedules, monthly check registers and actuary reports.

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

Respectfully submitted,



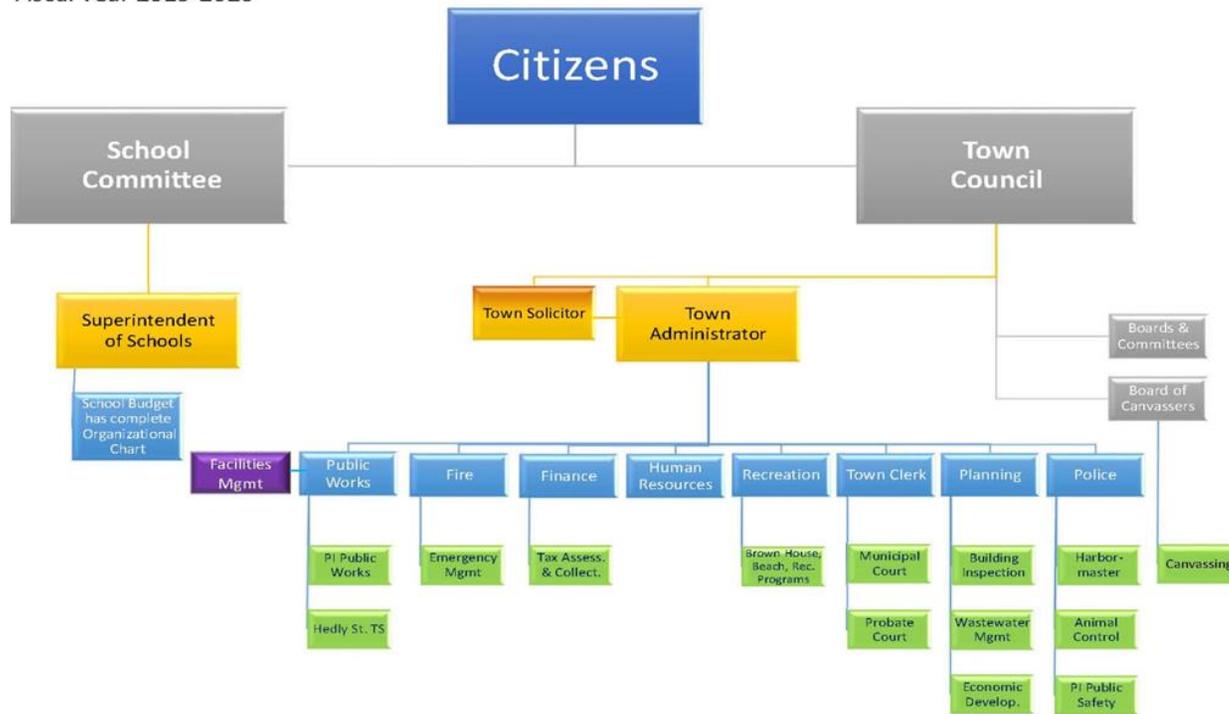
Richard A. Rainer
Town Administrator



Lisa Mills
Finance Director

Organizational Chart

Town of Portsmouth
Organizational Chart
Fiscal Year 2019-2020





Elected Town Officials

Portsmouth Town Council

Kevin M. Aguiar, President

Linda L. Ujifusa, Vice President

Daniela T. Abbott

Len Katzman

Andrew V. Kelly

Keith E. Hamilton

J. Mark Ryan



Portsmouth School Committee

Emily Copeland, Chair

Frederick Faerber, III, Vice-Chair

Catherine Holtman

Karen McDaid

Juan Carlos Payero

Allen J. Shers

Thomas R. Vadney



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Portsmouth
Rhode Island**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

Financial Section

This Section contains the Following Subsections:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

CERTIFIED PUBLIC ACCOUNTANTS

126 President Avenue

Fall River, MA 02720

TEL. (508) 675-7889

FAX (508) 675-7859

www.hague-sahady.com

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Portsmouth, Rhode Island as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Portsmouth, Rhode Island, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

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

Other Information

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

The supplementary Combining Financial Statements, Tax Collector's Annual Report, and Annual Supplemental Transparency Report (MTP2) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion Combining Financial Statements, Tax Collector's Annual Report and Annual Supplemental Transparency Report (MTP2) are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2020, on our consideration of the Town of Portsmouth, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Portsmouth, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Portsmouth, Rhode Island's internal control over financial reporting and compliance.

Hague, Sabady & Co. PC

Fall River, Massachusetts
December 15, 2020

Town of Portsmouth, Rhode Island
Management Discussion & Analysis (MD&A)
For the Year Ended June 30, 2020

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, 2020. We encourage the readers to consider the information presented here in conjunction with the letter of transmittal on pages 2-6 of this report as well as the Town's basic financial statements that follow this section.

Financial Highlights

Government-Wide Financial Statements:

- Government-wide liabilities and deferred inflows of resources of the Town of Portsmouth exceeded its assets and deferred outflows of resources at the end of the fiscal year ended June 30, 2020 by \$55,215,199.
- The net position of the Town decreased by \$3,404,798. The governmental net position decreased by \$3,326,622 and the business-type net position decreased by \$78,176.
- The governmental activities revenue increased from prior year by \$1,076,242 and the expenses from governmental activities increased from prior year by \$4,633,296. The results of governmental activities produced a decrease in net position of 3,326,622 in 2020 compared to a net position decrease of \$261,697 in 2019.
- The business-type activities revenue decreased by \$263,448 (or 16.76%) and the expenses from business-type activities decreased from prior year by \$59,461. In fiscal year 2020, the results of business-type activities produced a decrease in business-type net position of \$78,176 compared to an increase in net position of \$134,391 in fiscal year 2019.
- The Town's total assets increased by \$115,907 from the prior year. This increase is primarily due to the increase in the net pension asset.
- The Town's total liabilities increased by \$8,512,762 from prior year. The increase is primarily due to an increase in the pension liability of \$10,220,329. The OPEB liability increased by \$516,705 and bonds and notes payable decreased by \$2,021,924.

Governmental Fund Statements:

- The General Fund (the main operating fund) reflected on a current financial resource basis, reported an increase in fund balance of \$698,164 (or 8.4%) for fiscal year 2020 compared to a \$922,730 increase in the prior year.

Town of Portsmouth, Rhode Island
Management Discussion & Analysis (MD&A)
For the Year Ended June 30, 2020

Overview of the Financial Statements

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

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

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

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

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, streets and highways, education, beach and recreation. The business-type activities of the Town include the Wind Turbine Generator fund, Transfer Station fund, Glen Farm Equestrian Fund, School Lunch fund, Summer School fund and Septic System Loan Program fund. The government-wide financial statements can be found on pages 27-30 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. Revenues offsetting related functional expenses are separated into three categories: charges for services, operating grants and contributions, and capital grants and contributions.

Town of Portsmouth, Rhode Island
Management Discussion & Analysis (MD&A)
For the Year Ended June 30, 2020

Overview of the Financial Statements (continued)

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

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

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

The Town maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, School Unrestricted Fund, Town Capital Project Fund, and Special Fund Warrant 12-13 which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Fund data for each of these non-major governmental funds is provided in the form of combining statements included in the other supplementary information.

The Town adopts an annual appropriated budget for its General Fund and School Unrestricted Fund. Budgetary comparison statements have been provided for the General Fund and the School Department to demonstrate compliance with this budget. These comparison statements can be found on pages 113-117 of this report.

The basic governmental fund financial statements can be found on pages 31-34 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 six proprietary funds. The Transfer Station accounts for the solid waste operations of the town. The main transfer station is located on Hedley Street. An additional transfer station is located on Prudence Island to serve the citizens living there. The Wind Turbine Generator Fund accounts for activities associated with the Town owned wind turbine. During fiscal year ended June 30, 2016 the Town had disposed of the wind turbine

Town of Portsmouth, Rhode Island
Management Discussion & Analysis (MD&A)
For the Year Ended June 30, 2020

Overview of the Financial Statements (continued)

as it has not been in operation for years. The other proprietary funds are the School Lunch Fund, Summer School Fund, Septic System Loan Program Fund and the Glen Farm Equestrian Fund. The Town has no internal service funds.

The basic proprietary fund financial statements can be found on pages 35-39 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 pages 40-41 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 pages 42-111 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 pages 112-135 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 pages 136-178 of this report.

Town of Portsmouth, Rhode Island
Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2020

Government-wide Financial Analysis

Statement of Net Position
June 30, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current assets	\$ 17,174,373	\$ 16,312,790	\$(93,151)	\$ 51,976	\$ 17,081,222	\$ 16,364,766
Other assets	4,205,948	3,202,420	-	-	4,205,948	3,202,420
Capital assets	47,656,172	49,208,999	586,175	637,425	48,242,347	49,846,424
Total assets	<u>69,036,493</u>	<u>68,724,209</u>	<u>493,024</u>	<u>689,401</u>	<u>69,529,517</u>	<u>69,413,610</u>
Deferred outflows of resources						
Pension related outflows	16,971,443	12,587,053	-	-	16,971,443	12,587,053
OPEB related outflows	2,848,254	1,841,992	-	-	2,848,254	1,841,992
Other deferred outflows	9,951	39,802	-	-	9,951	39,802
Total deferred outflows of resources	<u>19,829,648</u>	<u>14,468,847</u>	<u>-</u>	<u>-</u>	<u>19,829,648</u>	<u>14,468,847</u>
Liabilities						
Current liabilities	4,789,282	5,173,134	136,266	164,028	4,925,548	5,337,162
Long-term liabilities	130,088,915	121,074,100	412,317	502,756	130,501,232	121,576,856
Total liabilities	<u>134,878,197</u>	<u>126,247,234</u>	<u>548,583</u>	<u>666,784</u>	<u>135,426,780</u>	<u>126,914,018</u>
Deferred inflows of resources						
Pension related inflows	4,547,904	4,701,546	-	-	4,547,904	4,701,546
OPEB related inflows	4,421,944	3,959,651	-	-	4,421,944	3,959,651
Unearned revenue - other	177,736	117,643	-	-	177,736	117,643
Total deferred inflows of resources	<u>9,147,584</u>	<u>8,778,840</u>	<u>-</u>	<u>-</u>	<u>9,147,584</u>	<u>8,778,840</u>
Net Position						
Net investment in capital assets	26,392,634	25,991,078	319,699	321,499	26,712,333	26,312,577
Restricted	3,673,182	3,599,709	269,854	233,704	3,943,036	3,833,413
Unrestricted	(85,225,456)	(81,423,805)	(645,112)	(532,586)	(85,870,568)	(81,956,391)
Total net position	<u><u>\$(55,159,640)</u></u>	<u><u>\$(51,833,018)</u></u>	<u><u>\$(55,559)</u></u>	<u><u>\$ 22,617</u></u>	<u><u>\$(55,215,199)</u></u>	<u><u>\$(51,810,401)</u></u>

Town of Portsmouth, Rhode Island
Management Discussion & Analysis (MD&A)
For the Year Ended June 30, 2020

Government-wide Financial Analysis (continued)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Portsmouth, the net position is \$(55,215,199) as of June 30, 2020 consisting of \$(55,159,640) from governmental activities and \$(55,559) from business-type activities. For the fiscal year ended June 30, 2020 \$(85,870,568) of the total \$(55,215,199) in the net position is unrestricted.

Net investment in capital assets comprises \$26,708,359 of net position at June 30, 2020, respectively. This category reflects the total net investment in capital assets (vehicles, equipment, etc.) net of any related debt used to acquire capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources since the capital asset cannot be used to liquidate these liabilities.

The second category of net position, restricted net position, represents net position that is subject to external restriction on how it may be used (i.e., special revenue funds, capital project funds and recycling). Restricted net position as of June 30, 2020 totaled \$3,833,413.

The current and other assets are \$21,287,170 at June 30, 2020. Of that balance \$21,380,321 is from governmental activities and \$(93,151) is from business-type activities. The total current and other assets consist of the following: \$12,732,158 of cash and cash equivalents, restricted cash held in escrow and investments, \$2,093,986 of property tax receivable, \$561,627 of ambulance receivables, \$784,465 of receivable due from federal and state governments \$4,205,948 of net pension asset and \$908,986 of other assets.

The current liabilities are \$4,925,548 at the end of fiscal year 2020. Of that balance, \$4,789,282 is from governmental activities and \$136,266 is from business-type activities. The total current liabilities consist of \$1,707,486 of short-term payables, \$2616,468 of short-term payables related to borrowings, and \$601,594 of other liabilities.

The long-term liabilities are \$130,505,205 at June 30, 2020. Of that balance \$130,092,888 is from governmental activities and \$412,317 is from business-type activities. The total long-term liabilities consist of \$1,932,972 of accrued compensated absences, \$21,452,027 of net OPEB liability, \$88,225,959 of net pension liability and \$18,894,248 of net long-term obligations for bonds, notes and capital leases.

Town of Portsmouth, Rhode Island
Management Discussion & Analysis (MD&A)
For the Year Ended June 30, 2020

Government-wide Financial Analysis (continued)

	Statement of Activities					
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for service	\$ 3,805,583	\$ 5,355,480	\$ 1,103,798	\$ 1,378,016	\$ 4,909,381	\$ 6,733,496
Operating grants & contributions	9,422,525	8,576,083	214,438	208,055	9,636,963	8,784,138
Capital grants & contributions	281,987	35,269	-	-	281,987	35,269
General Revenues:						
Property taxes	56,053,578	54,448,500	-	-	56,053,578	54,448,500
State aid to town	1,652,108	1,705,352	-	-	1,652,108	1,705,352
Other revenue	5,204	1,027	-	-	5,204	1,027
Earnings on investments	82,728	105,760	(10,041)	(14,428)	72,687	91,332
Total revenues	<u>71,303,713</u>	<u>70,227,471</u>	<u>1,308,195</u>	<u>1,571,643</u>	<u>72,611,908</u>	<u>71,799,114</u>
Expenses						
General government	11,024,983	8,256,939	-	-	11,024,983	8,256,939
Public safety	13,668,340	13,466,990	-	-	13,668,340	13,466,990
Public services	5,121,921	4,263,138	-	-	5,121,921	4,263,138
Education	42,477,570	42,596,950	-	-	42,477,570	42,596,950
Community services	2,067,949	1,093,681	-	-	2,067,949	1,093,681
Interest on debt	699,602	749,371	-	-	699,602	749,371
School cafeteria fund	-	-	581,345	723,645	581,345	723,645
Transfer station	-	-	858,179	775,107	858,179	775,107
Septic system loan program	-	-	366	599	366	599
Glen manor equestrian	-	-	-	-	-	-
Total expenses	<u>75,060,365</u>	<u>70,427,069</u>	<u>1,439,890</u>	<u>1,499,351</u>	<u>76,500,255</u>	<u>71,926,420</u>
Excess(deficiency) in net assets before transfers	(3,756,652)	(199,598)	(131,695)	72,292	(3,888,347)	(127,306)
Transfers in (out)	(53,519)	(62,099)	53,519	62,099	-	-
Proceeds from capital leases	483,549	-	-	-	483,549	-
Change in net position	(3,326,622)	(261,697)	(78,176)	134,391	(3,404,798)	(127,306)
Net position, July 1,	<u>(51,833,018)</u>	<u>(51,571,321)</u>	<u>22,617</u>	<u>(111,774)</u>	<u>(51,810,401)</u>	<u>(51,683,095)</u>
Net position, June 30	<u>\$ (55,159,640)</u>	<u>\$ (51,833,018)</u>	<u>\$ (55,559)</u>	<u>\$ 22,617</u>	<u>\$ (55,215,199)</u>	<u>\$ (51,810,401)</u>

Town of Portsmouth, Rhode Island
Management Discussion & Analysis (MD&A)
For the Year Ended June 30, 2020

Government-wide Financial Analysis (continued)

General revenues include all revenues not required to be reported as program revenues. The totals of general revenues in the governmental activities for the fiscal year 2020 and 2019 were \$57,793,618 and \$56,260,639, respectively. Included in these totals were \$56,053,578 and \$54,448,500 of property taxes for the years ended June 30, 2020 and 2019, respectively.

Expenses are presented by function and total \$76,500,255 and \$71,926,420 for the years ended June 30, 2020 and 2019, respectively. In fiscal years 2020 and 2019, expenses in the governmental activities were \$75,060,365 and \$70,427,069, respectively. In fiscal years 2020 and 2019, the business-type activities, expenses were \$1,439,890 and \$1,499,351, respectively.

Changes in governmental net position were a decrease of \$3,326,622 and a decrease of \$261,697 in fiscal years 2020 and 2019, respectively. Changes in the business type net position were a decrease of \$78,176 and a decrease of \$134,391 in fiscal years 2020 and 2019, respectively.

Financial Analysis of the Town of Portsmouth's Funds

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

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

At the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$13,350,462. Approximately 53.8% or \$7,175,518 is available from the Town's fund balance for spending at the government's discretion. The remaining fund balance of \$6,170,055 includes \$504,423 non-spendable for prepaid items, inventory and permanent funds, \$3,673,182 restricted to specific programs and \$1,997,339 committed and assigned.

The General Fund is the chief operation fund of the Town of Portsmouth. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,367,374, while the total fund balance of the General Fund was \$9,026,981. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to the total General Fund budgeted expenditures. Unassigned fund balance represents 14.3% of the FY 2020 Adopted General Fund Expenditure Budget. Total fund balance represents 14.4% of the same budget.

Town of Portsmouth, Rhode Island
Management Discussion & Analysis (MD&A)
For the Year Ended June 30, 2020

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

The \$1,005,185 current fiscal year increase in fund balance (including \$442,451 of net change from fund balance for capital expenditures) of the Town's Capital Project Fund (one of major governmental funds) is due to less capital expenditures in FY20 due to COVID-19 pandemic.

The School Unrestricted fund had ending fund balance of \$1,668,202, which includes a committed fund balance of \$1,594,569 at June 30, 2020. The committed fund balance represents 3.9% of total School Department expenditures of \$40,465,936. The School Unrestricted fund balance increased by \$270,225 during the fiscal year ended June 30, 2020. The change in fund balance is primarily due to school closure. Distance learning was put in place and the need for daily substitutes teachers decreased dramatically. Additionally, all spring sports were cancelled, and stipend related to that were not spent.

The Town is reporting one of its capital projects funds as a major fund in fiscal year 2020. This major fund began fiscal year 2019 and ended with a fund balance of \$884,091. In FY20 this fund recognized \$1,184,807 worth of capital outlay expenditures, net of proceeds from capital leases of \$483,549 and transfers in of \$1,143,709 ultimately reducing fund balance by \$442,451. This fund reported a fund balance at year-end of \$1,326,542, all of which is classified as restricted for capital expenditures.

The Town is reporting one of its Special Fund Warrant 12-13 as a major fund in fiscal year 2020. This major fund began fiscal year 2020. This fund recognizes fund balance of \$(1,792,252). There are no revenue or expenditures related to this fund in the current year. See page 44 a and b for major fund determination.

The Other Governmental Funds had a total fund balance of \$2,780,596, which represents a \$405,655 decrease in fund balance during the fiscal year ended June 30, 2020. The decrease in fund balance is primarily due to the excess of expenditures over revenue in the in the School Capital Projects funds of \$507,920 and excess of expenditures over revenue in the School Special Revenue funds of \$133,855 offset by excess of revenues over expenditures in the Town Special Revenue funds and Town Capital Projects funds.

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

Net position of the School Cafeteria Fund at June 30, 2020 amounted to \$226,120, of which \$144,728 is unrestricted. Transfer Station Fund net position amounted to \$(58,934), of which \$(297,241) is unrestricted. Wind Turbine Generator Fund net position amounted to \$(387,418), of which \$(387,418) is unrestricted. Summer School net position amounted to \$(234), of which \$(234) is unrestricted. Septic System Loan Program Fund net position amounted to \$119,973, of which \$(149,881) is unrestricted. Glen Farm Equestrian Fund net position amounted to \$44,934, of which \$44,934 is unrestricted. The total growth in net position for each of the six funds was \$(3,559), \$(131,234), \$0, \$0, \$43,117 and \$13,500, respectively. Other factors concerning the finances of these six funds have already been addressed in the discussion of the Town's business-type activities.

Town of Portsmouth, Rhode Island
Management Discussion & Analysis (MD&A)
For the Year Ended June 30, 2020

Town General Fund Budgetary Highlights

Overall, the Town of Portsmouth, Rhode Island finished the 2019-2020 fiscal year with a budgetary surplus of \$698,164.

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

Unfavorable variances from the final budget to actual results occurred in Fees and licenses of \$40,059, hotel and meal of \$5,044, and School Aid of \$251,036.

Favorable results were reported for the General Fund revenue resources including \$94,645 in MV excise tax, \$60,546 in School Housing Aid, and \$3,087 in leases and rentals.

Total expenditures have a favorable balance of \$820,621. Of this balance:

- Lower than budgeted fire of \$147,318;
- Legal lower than budgeted of \$62,541;
- Lower than budgeted public works and snow and road expenditures of \$271,558;
- Lower than budgeted police expenditures of \$193,776; and,
- Various expenditures remaining lower than budgeted of \$196,269.

School Department Unrestricted Fund Budgetary Highlights

Overall, the Portsmouth School Department finished the 2019-2020 fiscal year with a budgetary surplus of \$734,417.

Major School Unrestricted Fund Revenue Factors:

- Impact aid revenue exceeded budgeted amount by \$18,441

Total expenditures for the School Department Unrestricted Fund had a favorable balance of \$1,034,212.

Under Budgeted amounts are as follows:

- Salaries and benefits of \$516,963;
- Purchased services of \$413,641;
- Supplies and materials of \$79,996; and,
- All others of \$23,612.

Town of Portsmouth, Rhode Island

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2020

Capital Assets and Debt Administration

Capital Assets -The Town of Portsmouth's capital assets for its government and business-type activities as of June 30, 2020 amount to \$48,242,347 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, improvements, machinery and equipment, park and recreation facilities, infrastructure and construction in progress. Additional information on the Town of Portsmouth's capital assets can be found in Note 4 (pages 68-69) to the financial statements.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land and land easements	\$ 6,175,279	\$ 6,175,279	\$ 37,251	\$ 37,251	\$ 6,212,530	\$ 6,212,530
Construction in progress	54,957	10,103	-	-	54,957	10,103
Land improvements, net	413,064	440,792	-	-	413,064	440,792
Building & improvements, net	22,972,902	24,020,999	-	400,214	22,972,902	24,421,213
Machinery and equipment, net	3,377,065	3,800,028	548,924	199,960	3,925,989	3,999,988
Infrastructure, net	12,023,101	12,283,754	-	-	12,023,101	12,283,754
Vehicles, net	2,639,804	2,478,044	-	-	2,639,804	2,478,044
Total	<u>\$ 47,656,172</u>	<u>\$ 49,208,999</u>	<u>\$ 586,175</u>	<u>\$ 637,425</u>	<u>\$ 48,242,347</u>	<u>\$ 49,846,424</u>

Debt Administration - At the end of the current fiscal year, the Town of Portsmouth had total bonded debt outstanding of \$19,854,260 and capital leases outstanding of \$1,656,457, entirely backed by the full faith and credit of the Town. Additional information on the Town of Portsmouth's debt obligations can be found in Note 7 (pages 70-72) to the financial statements.

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

	<u>Governmental Activities</u>		<u>Debt Administration Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Bonds and notes payable	\$ 19,510,618	\$ 21,536,516	\$ 339,668	\$ 399,602	\$ 19,850,286	\$ 21,936,118
Capital leases	1,493,369	1,452,135	163,088	192,603	1,656,457	1,644,738
Total	<u>\$ 21,003,987</u>	<u>\$ 22,988,651</u>	<u>\$ 502,756</u>	<u>\$ 592,205</u>	<u>\$ 21,506,743</u>	<u>\$ 23,580,856</u>

Town of Portsmouth, Rhode Island
Management Discussion & Analysis (MD&A)
For the Year Ended June 30, 2020

Capital Asset and Debt Administration (continued)

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, 2020, the Town had a debt limit of \$101,582,021 at the State level and \$70,773,325 at a local level.

In October of 2015 the Town of Portsmouth was rated “AAA” by S&P Global Ratings as part of a bond offering, their highest rating. S&P Global Ratings affirmed the Town’s “AAA” rating on January 18, 2017. Moody’s Investors Service rates the Town “Aa2.” Moody’s affirmed the Town’s rating on January 17, 2017.

Economic Factors and COVID-19

The Town of Portsmouth’s total proposed General Fund budget for fiscal year 2021 amounts to \$66,607,971, which reflects an increase of 2.67% over the fiscal 2020 budget. Of the Town’s \$66,607,971 budget, \$38,616,740 or 57.98% is budgeted for the Portsmouth Public Schools. The Town is budgeted to receive \$4,190,058 or 5.17% from the State of Rhode Island for aid for Education.

The Town’s tax rate for fiscal year 2020 is \$16.40 per thousand vs \$15.97 per thousand in fiscal year 2019.

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

Due to this pandemic, public schools are operating at various levels of remote and in-person learning. Town Hall departments are operating at 40% capacity.

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

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.

Town of Portsmouth, Rhode Island

Statement of Net Position

June 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 12,442,768	\$ 19,536	\$ 12,462,304
Restricted cash	-	269,854	269,854
Investments	-	-	-
Receivables, net			
Personal property taxes	2,093,986	-	2,093,986
User charges	505,321	56,306	561,627
Intergovernmental	784,465	-	784,465
Departmental and other	527,287	25,865	553,152
Internal balances	486,520	(486,520)	-
Prepaid items	284,449	-	284,449
Inventory	49,577	21,808	71,385
Net pension asset	4,205,948	-	4,205,948
Capital assets:			
Nondepreciable assets	6,230,236	37,251	6,267,487
Depreciable assets, net	41,425,936	548,924	41,974,860
Total capital assets	47,656,172	586,175	48,242,347
Total assets	69,036,493	493,024	69,529,517
DEFERRED OUTFLOWS OF RESOURCES			
Pension related outflows	16,971,443	-	16,971,443
OPEB related outflows	2,848,254	-	2,848,254
Loss on debt refunding	9,951	-	9,951
Total deferred outflows of resources	19,829,648	-	19,829,648
Total assets and deferred outflows of resources	\$ 88,866,141	\$ 493,024	\$ 89,359,165

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Statement of Net Position

June 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable and accrued expenses	\$ 1,667,465	\$ 40,021	\$ 1,707,486
Other liabilities	13,276	-	13,276
Accrued interest	269,502	5,807	275,309
Payables to external parties	211,274	-	211,274
Current portion of capital leases	494,105	30,504	524,609
Current portion of bonds and notes payable	2,031,925	59,934	2,091,859
Current portion of compensated absences	101,735	-	101,735
Portion due or payable in more than one year:			
Capital leases	999,264	132,584	1,131,848
Bonds and notes payable	17,478,693	279,733	17,758,426
Compensated absences	1,932,972	-	1,932,972
Net other post-employment benefit liability	21,452,027	-	21,452,027
Net pension liability	88,225,959	-	88,225,959
Total liabilities	134,878,197	548,583	135,426,780
DEFERRED INFLOWS OF RESOURCES			
Pension related inflows	4,547,904	-	4,547,904
OPEB related inflows	4,421,944	-	4,421,944
Deferred revenue - other	177,736	-	177,736
Total deferred inflows of resources	9,147,584	-	9,147,584
NET POSITION			
Net investment in capital assets	26,392,634	319,699	26,712,333
Restricted	-	269,854	269,854
General government	568,801	-	568,801
Public safety programs	275,355	-	275,355
Educational purposes	1,388,067	-	1,388,067
Public works and social services	68,731	-	68,731
Community services	45,686	-	45,686
Capital projects	1,326,542	-	1,326,542
Unrestricted	(85,225,456)	(645,112)	(85,870,568)
Total net position	(55,159,640)	(55,559)	(55,215,199)
Total liabilities, deferred inflows or resources and net position	\$ 88,866,141	\$ 493,024	\$ 89,359,165

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Statement of Activities

For the Year Ended June 30, 2020

	<u>Net (Expense) Revenue and Changes in Net</u>						
	<u>Program Revenues</u>				<u>Primary Government</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities							
General government	\$ 11,024,983	\$ 750,332	\$ 121,190	\$ 76,987	\$(10,076,474)	\$ -	\$(10,076,474)
Public safety	13,668,340	1,065,030	178,387	-	(12,424,923)	-	(12,424,923)
Public services	5,121,921	456,718	-	-	(4,665,203)	-	(4,665,203)
Education	42,477,570	1,399,538	9,051,071	205,000	(31,821,961)	-	(31,821,961)
Community services	2,067,949	133,965	71,877	-	(1,862,107)	-	(1,862,107)
Interest on debt	699,602	-	-	-	(699,602)	-	(699,602)
Total governmental activities	<u>75,060,365</u>	<u>3,805,583</u>	<u>9,422,525</u>	<u>281,987</u>	<u>(61,550,270)</u>	<u>-</u>	<u>(61,550,270)</u>
Business-Type Activities							
School cafeteria fund	581,345	357,702	214,438	-	-	(9,205)	(9,205)
Transfer station	858,179	729,113	-	-	-	(129,066)	(129,066)
Septic system loan program	366	3,483	-	-	-	3,117	3,117
Glen manor equestrian	-	13,500	-	-	-	13,500	13,500
Total business-type activities	<u>1,439,890</u>	<u>1,103,798</u>	<u>214,438</u>	<u>-</u>	<u>-</u>	<u>(121,654)</u>	<u>(121,654)</u>
Total Town of Portsmouth	<u>\$ 76,500,255</u>	<u>\$ 4,909,381</u>	<u>\$ 9,636,963</u>	<u>\$ 281,987</u>	<u>\$ (61,550,270)</u>	<u>\$ (121,654)</u>	<u>\$ (61,671,924)</u>

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Statement of Activities

For the Year Ended June 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Town of Portsmouth, Rhode Island	\$ (61,550,270)	\$ (121,654)	\$ (61,671,924)
General revenues			
Real estate and personal property, net of reserve for abatements	56,053,578	-	56,053,578
Hotels and meals tax	301,511	-	301,511
Telephone tax	218,050	-	218,050
Earnings on investments	82,728	(10,041)	72,687
State aid to town	361,091	-	361,091
Group home aid	557,258	-	557,258
Medicaid	214,198	-	214,198
Miscellaneous	5,204	-	5,204
Total general revenues	<u>57,793,618</u>	<u>(10,041)</u>	<u>57,783,577</u>
Transfers			
Transfers in (out)	(53,519)	53,519	-
Proceeds from capital leases	483,549	-	483,549
Total transfers	<u>(53,519)</u>	<u>53,519</u>	<u>-</u>
Total general revenues and transfers	<u>58,223,648</u>	<u>43,478</u>	<u>58,267,126</u>
Changes in net position	(3,326,622)	(78,176)	(3,404,798)
Net position - July 1, 2019	<u>(51,833,018)</u>	<u>22,617</u>	<u>(51,810,401)</u>
Net position - June 30, 2020	<u>\$ (55,159,640)</u>	<u>\$ (55,559)</u>	<u>\$ (55,215,199)</u>

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Governmental Funds

Balance Sheet

June 30, 2020

	Major Fund				Non-Major	Total
	General Fund	School Unrestricted Fund	Town Capital Project Fund	Special Fund Warrant 12-13	Governmental Funds	Governmental Funds
Assets						
Cash and cash equivalents	\$ 8,759,556	\$ 3,044,432	\$ 6,275	\$ -	\$ 632,505	\$ 12,442,768
Investments	-	-	-	-	-	-
Receivables:						
Property taxes, net	2,093,986	-	-	-	-	2,093,986
Intergovernmental	428,210	-	-	-	356,255	784,465
Ambulance receivable	505,321	-	-	-	-	505,321
Other	332,674	98,360	-	-	96,253	527,287
Due from other funds	92,295	428,583	1,320,267	-	2,145,308	3,986,453
Inventory	49,577	-	-	-	-	49,577
Prepaid items	210,816	73,633	-	-	-	284,449
Total assets	12,472,435	3,645,008	1,326,542	-	3,230,321	20,674,306
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 12,472,435	\$ 3,645,008	\$ 1,326,542	\$ -	\$ 3,230,321	\$ 20,674,306
Liabilities						
Accounts payable and accrued expenses	\$ 1,042,897	\$ 524,399	\$ -	\$ -	\$ 100,169	\$ 1,667,465
Other liabilities	13,276	-	-	-	-	13,276
Payable to external parties	211,274	-	-	-	-	211,274
Due to other funds	-	1,414,827	-	1,792,252	292,854	3,499,933
Total liabilities	1,267,447	1,939,226	-	1,792,252	393,023	5,391,948
Deferred inflows of resources						
Unavailable property tax revenue	1,248,839	-	-	-	-	1,248,839
Unavailable ambulance revenue	505,321	-	-	-	-	505,321
Deferred revenue - other	83,454	37,580	-	-	56,702	177,736
Total deferred inflows of resources	1,837,614	37,580	-	-	56,702	1,931,896
Fund balance						
Nonspendable	260,393	73,633	-	-	170,397	504,423
Restricted	-	-	1,326,542	-	2,346,640	3,673,182
Committed	-	1,594,569	-	-	322,770	1,917,339
Assigned	80,000	-	-	-	-	80,000
Unassigned	9,026,981	-	-	(1,792,252)	(59,211)	7,175,518
Total fund balance	9,367,374	1,668,202	1,326,542	(1,792,252)	2,780,596	13,350,462
Total liabilities, deferred inflows of resources, and fund balance	\$ 12,472,435	\$ 3,645,008	\$ 1,326,542	\$ -	\$ 3,230,321	\$ 20,674,306

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, 2020

Total governmental fund balances	\$ 13,350,462
Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, net	47,656,172
TSB net pension asset	4,205,948
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.	1,754,160
Other long-term assets related to net pension and OPEB activity and therefore, are deferred inflows of resources in the funds.	
Pension related inflows	(4,547,904)
OPEB related inflows	(4,421,944)
Other long-term liabilities related to net pension and OPEB activity and therefore, are deferred outflows of resources in the funds.	
Pension related outflows	16,971,443
OPEB related outflows	2,848,254
Long term asset relating to bond refunding amortized over the life of the bond.	9,951
In the statement of activities, interest is accrued on outstanding long-term debt whereas in governmental funds interest is not reported until due.	(269,502)
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	(19,510,618)
Capital leases	(1,493,369)
Compensated absences	(2,034,707)
Other postemployment benefits	(21,452,027)
Town net pension liability	(56,779,646)
ERS net pension liability	(31,446,313)
Net position of governmental activities	<u>\$ (55,159,640)</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, 2020

	Major Fund				Non-Major	Total
	General Fund	School Unrestricted Fund	Town Capital Project Fund	Special Fund Warrant 12-13	Governmental Funds	Governmental Funds
Revenues						
General property taxes and interest	\$ 55,757,474	\$ -	\$ -	\$ -	\$ -	\$ 55,757,474
State aid and grants	1,867,852	4,257,829	-	-	1,526,900	7,652,581
Licenses, permits, and fees	2,676,211	-	-	-	-	2,676,211
Charges for services	221,944	1,521,436	-	-	539,727	2,283,107
Investment income	78,961	-	-	-	3,767	82,728
Other revenue	-	13,091	-	-	622,924	636,015
State contribution to pension plan	-	1,919,514	-	-	-	1,919,514
Total revenues	60,602,442	7,711,870	-	-	2,693,318	71,007,630
Expenditures						
General government	4,829,068	-	-	-	403,989	5,233,057
Public safety	12,832,180	-	-	-	200,528	13,032,708
Public works	3,830,808	-	-	-	72,000	3,902,808
Public and social services	868,539	-	-	-	32,215	900,754
Parks and recreation	293,635	-	-	-	-	293,635
Education	-	40,465,936	-	-	1,318,379	41,784,315
Capital outlay	-	-	1,184,807	-	1,448,179	2,632,986
Debt service						
Principal	1,953,040	-	-	-	-	1,953,040
Interest	699,172	-	-	-	-	699,172
Total expenditures	25,306,442	40,465,936	1,184,807	-	3,475,290	70,432,475
Excess (deficiency) of revenues over expenditures	35,296,000	(32,754,066)	(1,184,807)	-	(781,972)	575,155
Other financing sources (uses)						
Issuance of capital leases	-	-	483,549	-	-	483,549
Transfers in	87,875	33,494,126	1,143,709	-	464,192	35,189,902
Transfers out	(34,685,711)	(469,835)	-	-	(87,875)	(35,243,421)
Total other financing sources (uses)	(34,597,836)	33,024,291	1,627,258	-	376,317	430,030
Net change in fund balance	698,164	270,225	442,451	-	(405,655)	1,005,185
Fund balance, July 1, 2019	8,669,210	1,397,977	884,091	(1,792,252)	3,186,251	12,345,277
Fund balance, June 30, 2020	<u>\$ 9,367,374</u>	<u>\$ 1,668,202</u>	<u>\$ 1,326,542</u>	<u>\$ (1,792,252)</u>	<u>\$ 2,780,596</u>	<u>\$ 13,350,462</u>

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities For the Year Ended June 30, 2020

Net change in fund balances - total governmental funds	\$ 1,005,185
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.	
Cost basis, acquisition of assets	1,378,955
Depreciation expense	<u>(2,931,782)</u>
	(1,552,827)
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.	
Deferred taxes	296,105
Deferred ambulance revenue	(210,256)
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.	
Debt principal payments	1,953,040
Bond premium amortized	72,858
Capital lease proceeds	(483,549)
Capital lease payments	442,315
Bond refundings for long term debt are amortized over the course of the payable but are not reported as an expenditure in governmental fund statements	(29,851)
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest, is not reported until due.	(430)
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.	(167,707)
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.	
Change in OPEB related outflows	1,006,262
Change in OPEB related inflows	(462,293)
Change in net OPEB liability	(516,705)
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.	
Change in net pension asset	(75,975)
Change in pension related outflows	4,384,390
Change in pension related inflows	153,642
Change in net pension liability	<u>(9,140,826)</u>
Change in net position of governmental activities	<u>\$ (3,326,622)</u>

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Enterprise Funds

Statement of Net Position

June 30, 2020

	<u>School Cafeteria Fund</u>	<u>Transfer Station</u>	<u>Wind Turbine Generator Fund</u>	<u>Summer School</u>	<u>Septic System Loan Program</u>	<u>Glen Farm Equestrian</u>	<u>Total</u>
Assets							
Current assets							
Cash and cash equivalents	\$ 19,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,536
Restricted cash	-	-	-	-	269,854	-	269,854
Receivables, net:							
User fees, less allowance for doubtful accounts	-	-	-	-	56,306	-	56,306
Other	-	25,865	-	-	-	-	25,865
Due from other funds	135,501	-	-	-	35,899	47,095	218,495
Inventory	21,808	-	-	-	-	-	21,808
Total current assets	<u>176,845</u>	<u>25,865</u>	<u>-</u>	<u>-</u>	<u>362,059</u>	<u>47,095</u>	<u>611,864</u>
Non-current assets							
Nondepreciable	-	37,251	-	-	-	-	37,251
Depreciable, net	81,392	467,532	-	-	-	-	548,924
Total non-current assets	<u>81,392</u>	<u>504,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>586,175</u>
Total assets	<u>258,237</u>	<u>530,648</u>	<u>-</u>	<u>-</u>	<u>362,059</u>	<u>47,095</u>	<u>1,198,039</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>\$ 258,237</u>	<u>\$ 530,648</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362,059</u>	<u>\$ 47,095</u>	<u>\$ 1,198,039</u>

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Enterprise Funds

Statement of Net Position

June 30, 2020

	School Cafeteria Fund	Transfer Station	Wind Turbine Generator Fund	Summer School	Septic System Loan Program	Glen Farm Equestrian	Total
Liabilities							
Current liabilities:							
Accounts payable and accrued expenses	\$ 32,117	\$ 5,743	\$ -	\$ -	\$ -	\$ 2,161	\$ 40,021
Accrued interest payable	-	3,721	-	-	2,086	-	5,807
Due to other funds	-	317,363	387,418	234	-	-	705,015
Current portion of lease payable	-	30,504	-	-	-	-	30,504
Current portion of bonds payable	-	19,934	-	-	40,000	-	59,934
Total current liabilities	<u>32,117</u>	<u>377,265</u>	<u>387,418</u>	<u>234</u>	<u>42,086</u>	<u>2,161</u>	<u>841,281</u>
Non-current liabilities:							
Lease payable	-	132,584	-	-	-	-	132,584
Bonds payable	-	79,733	-	-	200,000	-	279,733
Total non-current liabilities	<u>-</u>	<u>212,317</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>412,317</u>
Total liabilities	<u>32,117</u>	<u>589,582</u>	<u>387,418</u>	<u>234</u>	<u>242,086</u>	<u>2,161</u>	<u>1,253,598</u>
Deferred inflows of resources							
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position							
Net investment in capital assets	81,392	238,307	-	-	-	-	319,699
Restricted for septic system program	-	-	-	-	269,854	-	269,854
Unrestricted	<u>144,728</u>	<u>(297,241)</u>	<u>(387,418)</u>	<u>(234)</u>	<u>(149,881)</u>	<u>44,934</u>	<u>(645,112)</u>
Total net position	<u>\$ 226,120</u>	<u>\$ (58,934)</u>	<u>\$ (387,418)</u>	<u>\$ (234)</u>	<u>\$ 119,973</u>	<u>\$ 44,934</u>	<u>\$ (55,559)</u>

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Enterprise Funds

Statement Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2020

	School Cafeteria Fund	Transfer Station	Wind Turbine Generator Fund	Summer School	Septic System Loan Program	Glen Farm Equestrian	Total
Operating revenues							
Charges for services	\$ 357,702	\$ 729,113	\$ -	\$ -	\$ 3,483	\$ 13,500	\$ 1,103,798
Intergovernmental	214,438	-	-	-	-	-	214,438
Total operating revenues	572,140	729,113	-	-	3,483	13,500	1,318,236
Operating expenses							
Cafeteria operations	570,490	-	-	-	-	-	570,490
Transfer station expenses	-	817,784	-	-	-	-	817,784
Septic system loan program	-	-	-	-	366	-	366
Depreciation and amortization	10,855	40,395	-	-	-	-	51,250
Total operating expenses	581,345	858,179	-	-	366	-	1,439,890
Operating income (loss)	(9,205)	(129,066)	-	-	3,117	13,500	(121,654)
Nonoperating revenues (expenses)							
Interest income (expense)	3	(2,168)	-	-	(7,876)	-	(10,041)
Income (loss) before transfers	(9,202)	(131,234)	-	-	(4,759)	13,500	(131,695)
Transfers							
Transfers in	5,643	-	-	-	47,876	-	53,519
Total transfers	5,643	-	-	-	47,876	-	53,519
Change in net position	(3,559)	(131,234)	-	-	43,117	13,500	(78,176)
Net position, July 1, 2019	229,679	72,300	(387,418)	(234)	76,856	31,434	22,617
Net position, June 30, 2020	\$ 226,120	\$ (58,934)	\$ (387,418)	\$ (234)	\$ 119,973	\$ 44,934	\$ (55,559)

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Enterprise Funds

Statement of Cash Flows

For the Year Ended June 30, 2020

	School Cafeteria Fund	Transfer Station	Wind Turbine Generator Fund	Summer School	Septic System Loan Program	Glen Farm Equestrian	Total
Cash flows from operating activities:							
Receipts from customers	\$ 357,702	\$ 729,113	\$ -	\$ -	\$ 33,033	\$ 13,500	\$ 1,133,348
Receipts from others	-	4,389	-	-	3,483	-	7,872
Receipts from interfund activities	10,730	-	-	-	-	-	10,730
Payments to employees for services	-	-	-	-	-	-	-
Payments to suppliers of goods and services	(603,433)	(816,946)	-	-	(366)	-	(1,420,745)
Net cash provided (used) by operating activities	(235,001)	(83,444)	-	-	36,150	13,500	(268,795)
Cash flows from noncapital financing activities:							
Cash received from other funds	13,184	136,051	-	-	-	(13,500)	135,735
Net cash provided (used) by noncapital financing activities	13,184	136,051	-	-	-	(13,500)	135,735
Cash flows from capital and related financing activities:							
Principal paid on capital debt	-	(50,439)	-	-	(40,000)	-	(90,439)
Interest paid on capital debt	-	-	-	-	(7,876)	-	(7,876)
Proceeds from other funds	220,081	-	-	-	47,876	-	267,957
Net cash provided (used) by capital and related financing activities	220,081	(50,439)	-	-	-	-	169,642
Cash flows from investing activities:							
Interest income	3	(2,168)	-	-	-	-	(2,165)
Net cash provided by investing activities	3	(2,168)	-	-	-	-	(2,165)
Net increase in cash and cash equivalents	(1,733)	-	-	-	36,150	-	34,417
Balances-beginning of the year	21,269	-	-	-	233,704	-	254,973
Balances-end of the year	\$ 19,536	\$ -	\$ -	\$ -	\$ 269,854	\$ -	\$ 289,390
Displayed as:							
Cash and cash equivalents	\$ 19,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,536
Restricted cash	-	-	-	-	269,854	-	269,854
Total	\$ 19,536	\$ -	\$ -	\$ -	\$ 269,854	\$ -	\$ 289,390

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Enterprise Funds

Statement of Cash Flows

For the Year Ended June 30, 2020

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	School Cafeteria Fund	Transfer Station	Wind Turbine Generator Fund	Summer School	Septic System Loan Program	Glen Farm Equestrian	Total
Operating income (loss)	\$ (9,205)	\$ (129,066)	\$ -	\$ -	\$ 3,117	\$ 13,500	\$ (121,654)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	11,425	40,395	-	-	-	-	51,820
Change in assets and liabilities:							
(Increase) decrease in user charges receivables, net	-	-	-	-	33,033	-	33,033
(Increase) decrease in intergovernmental receivable	10,160	-	-	-	-	-	10,160
(Increase) decrease in other receivable	-	3,971	-	-	-	-	3,971
(Increase) decrease in inventory	(3,355)	-	-	-	-	-	(3,355)
Increase (decrease) in accounts payable	(29,588)	838	-	-	-	-	(28,750)
Increase decrease in other liabilities	-	418	-	-	-	-	418
Increase (decrease) in due to other funds	(214,438)	-	-	-	-	-	(214,438)
Net cash provided (used) by operating activities	<u>\$ (235,001)</u>	<u>\$ (83,444)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,150</u>	<u>\$ 13,500</u>	<u>\$ (268,795)</u>

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2020

	Employee Benefit Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 828,058	\$ 952,099
Investments, at fair value		
Mutual funds	35,012,899	-
Fixed income securities	21,469,985	-
Receivable from external parties	-	211,274
Total assets	<u>57,310,942</u>	<u>1,163,373</u>
Deferred outflows of resources		
Deferred outflows	-	-
Total assets and deferred outflows of resources	<u>\$ 57,310,942</u>	<u>\$ 1,163,373</u>
Liabilities		
Deposit held	\$ -	\$ 1,163,373
Total liabilities	-	<u>1,163,373</u>
Deferred inflows of resources		
Unearned revenue	-	-
Total deferred inflows of resources	-	-
Net Position		
Restricted for pension	55,706,800	-
Restricted for OPEB	1,604,142	-
Total net position	<u>57,310,942</u>	<u>-</u>
Total liabilities and net position	<u>\$ 57,310,942</u>	<u>\$ 1,163,373</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, 2020

	Employee Benefit Trust Funds
Additions	
Employer contributions	\$ 5,536,862
Plan member contributions	305,260
Net investment income	<u>65,540</u>
Total additions	<u>5,907,662</u>
Deductions	
Benefits paid	6,619,233
Net investment loss	773,812
Administrative expenses	<u>5,000</u>
Total deductions	<u>7,398,045</u>
Changes in net position held in trust for individuals, organizations, and other governments	(1,490,383)
Net position, July 1, 2019	<u>58,801,325</u>
Net position, June 30, 2020	<u><u>\$ 57,310,942</u></u>

The accompanying notes are an integral part of this statement

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies:

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

Financial reporting entity:

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

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

Reporting Entity

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

Reporting Entity (continued)

- 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 2020:

- * 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.

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 revenues.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

Basis of presentation (continued):

Fund financial statements:

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

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

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

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

Governmental funds:

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

The Town uses the following governmental funds:

General Fund:

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

Special revenue funds:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Town's major special revenue fund is the School Department, which provides primary education to the Town's children.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

Basis of presentation (continued):

Fund financial statements – Governmental Funds (continued):

Capital projects funds:

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

Permanent funds:

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

Proprietary funds:

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

Fiduciary funds:

Fiduciary funds are used to report assets held by the Town in a trustee or agency capacity and, therefore, cannot be used to support the Town's own programs. The following fiduciary funds are used by the Town:

Pension trusts:

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

Other postemployment benefits (OPEB) trust:

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

Agency:

Agency funds are established when the Town holds assets in custody for others in an agency capacity. The reporting entity includes ten agency funds (Soil Fund, Glen Manor House Deposit Fund, Road Bond, Glen Park Damage Deposit Fund, City Clerk Restoration Fund, Prescott Point Fund and four Student Activities funds).

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

Basis of presentation (continued):

Major and Non-Major Funds

The funds are further classified as major or non-major as follows:

	<i>Brief Description:</i>
Major:	
General Fund	See description on page 44.
School Unrestricted Fund	Accounts for operations of school servicing students and met the criteria for major fund.
Town Capital Project Fund	Accounts for the Town's acquisition or construction of specific capital projects. This fund was reported as a major fund.
Warrant 12-13 Fund	Accounts for a RIHEBC loan used for school repairs and fire code upgrades.
Proprietary Funds:	
School Cafeteria Fund	Accounts for the operation of the school breakfast and lunch program of the School Department and reported as a major fund.
Transfer Station Fund	Accounts for the Town's transfer station operations. This fund did not meet the criteria for reporting as a major fund. However, management elected to present the fund as a major fund.
Wind Turbine Generator Fund	Accounts for the operation of the Town's wind turbine generator.
Summer School Fund	Accounts for the operation of the summer school program of the School Department.
Septic System Loan Program	Accounts for activity related to the Town's septic system loan program. This fund did not meet the criteria for reporting as a major fund. However, management elected to present the fund as a major fund.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

Basis of presentation (continued):

Major and Non-Major Funds (continued)

Major (continued):

Brief Description:

Proprietary Funds (continued):

Glen Farm Equestrian

Accounts for activity related to the Town's Glen Farm Equestrian fund. This fund did not meet the criteria for reporting as a major fund. However, management elected to present the fund as a major fund.

Non-major:

Special Revenue Funds:

The Town currently maintains sixty-two (62) special revenue funds and the School maintains twenty-two (22) special revenue funds which have been classified as non-major governmental funds.

Capital Project Funds:

The Town of Portsmouth currently maintains eight (8) capital project funds and the School maintains two (2) capital project funds which have been classified as non-major governmental funds.

Permanent Funds:

The Town of Portsmouth currently maintains two (2) permanent Funds which have been classified as non-major governmental funds.

Measurement focus and basis of accounting:

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

Basis of presentation (continued):

Measurement focus and basis of accounting (continued):

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

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

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

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

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

Basis of presentation (continued):

Measurement focus and basis of accounting (continued):

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

Cash and cash equivalents:

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

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

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

Investments:

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

Real Estate and Personal Property Taxes:

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

Taxes levied in July are payable quarterly on September 1, December 1, March 1 and June 1. Failure to make payments on the prior year's assessment by mid-March will result in a lien on the taxpayer's property. Real estate and personal property tax are shown net of an allowance for uncollectible accounts. The allowance is calculated based on the age of the individual receivables and amounted to \$435,652 at June 30, 2020 in the governmental statement and statement of net position, respectively.

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

Due from Federal and State Government:

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

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

Short term Interfund Receivables and Payables:

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

Inventory and prepaid items:

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

Capital assets and depreciation:

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

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

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

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

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 position that apply to a future period and which will not be recognized as an outflow of resources (expense/expenditure) until that later date. At June 30, 2020 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 \$16,971,443 results from differences between expected and actual experience, changes in assumptions or other inputs, the net differences between projected and actual earnings on pension plan investments, changes in proportionate share and system contributions and contributions subsequent to the measurement date. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

Deferred inflows and outflows of resources (continued):

The deferred outflow of resources related to OPEB totaling \$2,848,254 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). The deferred charge on refunding totaling \$9,951 for governmental activities is the unamortized balance of the difference between the carrying value of the refunded debt and the new debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate section represents the acquisition of net position that applies to a future period and, therefore, will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2020, the Town had three items that qualified as a deferred inflow of resources in the governmental funds balance sheet. The unavailable tax revenue represents property taxes receivables which are assessed on December 31, 2019 and prior and are not collected within 60 days of June 30, 2020. Net unavailable property tax revenue included in the fund financial statements was \$1,248,839 at June 30, 2020. The unavailable ambulance revenue represents ambulance rescue fee receivables that are not collected as of June 30, 2020. Net unavailable ambulance rescue fee revenue included in the fund financial statements was \$505,321 at June 30, 2020. Deferred revenues - other totaled \$177,736 as of June 30, 2020. These amounts are deferred and will be recognized as an inflow of resources in the year in which the amounts become available.

At June 30, 2020 the Town of Portsmouth, Rhode Island reports deferred inflows related to pension and OPEB in the Government-wide statement of net position. The deferred inflow of resources related to pension totaling \$4,547,904 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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

Deferred inflows and outflows of resources (continued):

These amounts are deferred and included as a reduction in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). The deferred inflow of resources related to OPEB totaling \$4,421,944 results from differences between expected and actual experience, changes in assumptions or other inputs and net differences between projected and actual earnings on OPEB plan investments. These amounts are deferred and included as a reduction in OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees).

Compensated absences:

Under the terms of various contracts and agreements, Town employees are granted vacation and sick leave in varying amounts based on length of service. Vacation benefits are accrued as a liability based on the accumulated benefits earned at June 30. Sick leave benefits are based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The liability is calculated at the rate of pay in effect at June 30, 2020.

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

Accrued liabilities and long-term debt:

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

Accrued liabilities and long-term debt (continued):

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

Interfund activities:

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

Reciprocal interfund activities:

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

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

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

Non-reciprocal interfund activities:

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

Fund equity (continued):

Governmental fund financial statements:

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

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

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

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

Assigned – amounts that are intended by the Town to be used for specific purposes, but are neither restricted nor committed

The Town Council delegates to the Town Administrator or designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

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

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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

Pensions

Employees' Retirement System plan (ERS)

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

Teachers' Survivors Benefit plan (TSB)

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

Other Post-Employment Benefits (OPEB)

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

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

Intergovernmental revenues:

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

Enterprise revenue:

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

Claims and Judgements:

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

Use of estimates:

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

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

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

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

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

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

Accounting pronouncements implemented in the current year:

During the fiscal year June 30, 2020, the Town of Portsmouth has adopted the following new accounting standards issued by GASB:

Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". GASB Statement No. 95 was effective immediately and postponed the effective dates of certain GASB Statements and Implementation Guides for one year from their respective original effective dates to provide relief to governments and other stakeholders in light of the COVID-19 pandemic. The adoption of this Statement provided for early adoption of any of the postponed GASB Statements and Implementation Guides.

The effective dates of certain provisions in the following pronouncements are postponed by one year:

- Statement No. 83, "Certain Asset Retirement Obligations"
- Statement No. 84, "Fiduciary Activities"
- Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements" *
- Statement No. 90, "Majority Equity Interest"
- Statement No. 91, "Conduit Debt Obligations"
- Statement No. 92, "Omnibus 2020"
- Statement No. 93, "Replacement of Interbank Offered Rates"

*This pronouncement was adopted by the Town of Portsmouth as of June 30, 2019.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, "Leases"
- Implementation Guide No. 2019-3, "Leases"

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

GASB Statement No. 84, *Fiduciary Activities* is effective for periods beginning after December 15, 2020. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should present a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. The impact of this standard will be evaluated by the Town of Portsmouth, Rhode Island's management.

Statement No. 87, "Leases". GASB Statement No. 87 requires that government lessees recognize a lease liability and intangible assets representing the lessee's right to use the leased asset and report in its financial statements amortization expense for using the lease asset for the shorter of the lease term or the useful life of the underlying asset, interest expense on the lease liability and note disclosures about the lease. The Statement also requires government lessors recognize a lease receivable and a deferred inflow of resources and continue to report the leased asset in its financial statements. The revenue, recognized over the term of the lease, corresponding with the reduction of the deferred inflow, interest income on the receivable and note disclosures about the lease must also be included in the financial statements. The requirements of this Statement are effective for the Town of Portsmouth, Rhode Island's for fiscal year ending June 30, 2022.

Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period". GASB Statement No. 89 provides accounting requirements for interest cost incurred before the end of a construction period. It establishes guidance designed to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. The impact of this standard will be evaluated by the Town of Portsmouth, Rhode Island's management for fiscal year ending June 30, 2022.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

Statement No. 90, “Majority Equity Interests”. The primary objective of GASB Statement No. 90 is to improve the consistency and comparability of reporting a governments’ majority equity interest in a legally separate organization and to improve the financial statements relevance for certain component units. The impact of this standard will be evaluated by the Town of Portsmouth, Rhode Island’s management for fiscal year ending June 30, 2022.

Statement No. 91, “Conduit Debt Obligations”. The primary objectives of GASB Statement No. 91 are to provide a single method to report conduit debt obligation and to eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations and related note disclosures. The impact of this standard will be evaluated by the Town of Portsmouth, Rhode Island’s management for fiscal year ending June 30, 2023.

Statement No. 92, “Omnibus 2020”. GASB Statement No. 92 addresses a variety of topics including, among other things, Leases, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, Fiduciary Activities, Measurement of liabilities related to AROs. The impact of this standard will be evaluated by the Town of Portsmouth, Rhode Island’s management for fiscal year ending June 30, 2022.

Statement No. 93, “Replacement of Interbank Offered Rates”. GASB Statement No. 93 assists state and local governments in the transition away from existing interbank offered rates (IBOR) to other reference rates because of global reference rate reform, wherein the London Interbank Offered Rate (LIBOR) is expected to cease to exist in its current form at the end of 2021. The objective of this Statement is to address implications that result from the replacement of an IBOR in Statement No. 53, Accounting and Financial Reporting for Derivative Instruments and Statement No. 87, Leases and other accounting and financial reporting implications. The impact of this standard will be evaluated by the Town of Portsmouth, Rhode Island’s management for fiscal year ending June 30, 2022.

Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”. GASB Statement No. 94 establishes standards of accounting and financial reporting for Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs). The impact of this standard will be evaluated by the Town of Portsmouth, Rhode Island’s management for fiscal year ending June 30, 2023.

Statement No. 96, “Subscription-Based Information Technology Arrangements”. GASB Statement No. 96 establishes standards of accounting and financial reporting for subscription-based information technology (SBITAs) for government end users. Under this Statement, a government generally should recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability. The impact of this standard will be evaluated by the Town of Portsmouth, Rhode Island’s management for fiscal year ending June 30, 2022.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of significant accounting policies (continued):

Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GFASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32". The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The impact of this standard will be evaluated by the Town of Portsmouth, Rhode Island's management for fiscal year ending June 30, 2021.

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

At June 30, 2019, the carrying amount of the Town's cash and cash equivalents was \$14,512,315 (including Fiduciary Funds and cash held in escrow) while the bank balance was \$13,697,010. Of the bank balance, \$2,005,591 was covered by federal depository insurance, \$2,607,021 was covered by collateralization agreements and \$9,084,398 was uninsured. Reconciliation to Government-wide.

Statement of Net Position:

	<u><i>Carrying Amount</i></u>
Total Cash and Cash Equivalents	\$ 14,512,315
Less: Fiduciary fund cash, including time deposits (not included in the Government-wide statement)	<u>(1,780,157)</u>
<i>Total Cash and Cash Equivalents Reported in the Financial Statements</i>	<u><u>\$ 12,732,158</u></u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

2. Cash Deposits and Investments (continued):

	<u><i>Bank Balance</i></u>
Insured (Federal depository insurance funds)	\$ 2,005,591
Collateralized with securities held by pledging financial institution or its agent in the Town's name	2,607,021
Uninsured and uncollateralized	<u>9,084,398</u>
Total	<u>\$ 13,697,010</u>

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

Restricted Cash Held in Escrow

Restricted cash held in escrow of \$269,854 reported in the Statement of Net Position at June 30, 2020 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).

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

2. Cash Deposits and Investments (continued):

Investments (continued):

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

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

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

The following table summarizes the assets and liabilities of the Town for which fair values are determined on a recurring basis as of June 30, 2020:

Description	Fair Value	Level 1	Level 2	Level 3
Mutual Funds				
Domestic Equity	\$ 14,649,732	\$ 14,649,732	\$ -	\$ -
Global Real Estate	2,763,491	2,763,491	-	-
International Equity	6,168,598	6,168,598	-	-
Emerging Markets	4,302,076	4,302,076	-	-
Large Cap Multi-Style Fund	5,524,860	5,524,860	-	-
Growth Fund	1,604,142	1,604,142	-	-
Fixed Income Securities	21,469,985	21,469,985	-	-
	<u>\$ 56,482,884</u>	<u>\$ 56,482,884</u>	<u>\$ -</u>	<u>\$ -</u>

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

Description	Fair Value	0-3 Years	3-5 Years	Over 5 Years
Fixed Income Securities	\$ 21,469,985	\$ 4,101,134	\$ 6,845,027	\$10,523,824

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

2. Cash Deposits and Investments (continued):

Investments (continued):

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

Concentration of Credit Risk

At June 30, 2020, 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, 2020, the following pension investments represent 5% or more of the Town Plan's net position:

Dimensional Fund Advisors:

Vanguard Total Bond	\$ 10,523,824
Vanguard Total International Bond	6,845,027
Five Year Fixed Income	4,101,134
US Core Equity 2 Portfolio	7,622,894
International Vector Equity	3,869,672
US Vector Equity Portfolio	7,026,747
Global Real Estate	2,763,491
Emerging Market Core	2,723,017
AQR Large Cap Multi-Style	9,402,845

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

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, 2020:

<u>Town Special Revenue Funds</u>	
Bulletproof vest	\$ (7,290)
Distracted Driver	(241)
EMS 2012 FO 03583	(10,866)
RIEMA-PDM	(3,750)
IICAC	(5,940)
Blue RIPTIDE Speed Management	(258)
PPC Beach and Alcohol Patrol	(802)
Synar Tobacco Survey	(2,149)
Blue RIPTIDE Impaired	<u>(3,094)</u>
<u>School Special Revenue Funds</u>	
Title II, Part A	<u>(51)</u>
<u>Town Capital Projects Funds</u>	
08-09 Warrants	(19,027)
09-10 Warrants	(5,743)
<u>Major Special Fund Warrant 12-13</u>	
12-13 Warrants	<u>(1,792,252)</u>
<u>Enterprise funds</u>	
Wind Turbine Generator Fund	(387,418)
Summer School	(234)
Transfer Station	<u>(58,934)</u>
Total	<u><u>\$ (2,298,049)</u></u>

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

3. Capital Assets

Capital asset activity for the year ended June 30, 2020 is as follows:

	<i>Balance July 1, 2019</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance June 30, 2020</i>
Governmental Activities:				
Nondepreciable assets:				
Land	\$ 4,755,279	\$ -	\$ -	\$ 4,755,279
Land easements	1,420,000	-	-	1,420,000
Construction in progress	10,103	54,957	10,103	54,957
Total capital assets not being depreciated	<u>6,185,382</u>	<u>54,957</u>	<u>10,103</u>	<u>6,230,236</u>
Depreciable assets:				
Land improvements	1,044,074	13,613	-	1,057,687
Buildings	32,344,285	-	-	32,344,285
Buildings and improvements	13,408,358	221,131	-	13,629,489
Machinery and equipment	10,492,077	3,132	-	10,495,209
Construction equipment	396,909	-	-	396,909
Infrastructure	30,563,375	612,907	-	31,176,282
Vehicles	6,445,025	483,318	-	6,928,343
Total Capital assets being depreciated	<u>94,694,103</u>	<u>1,334,101</u>	<u>-</u>	<u>96,028,204</u>
Total Capital Assets	<u>100,879,485</u>	<u>1,389,058</u>	<u>10,103</u>	<u>102,258,440</u>
Less accumulated depreciation for:				
Land improvements	603,282	41,341	-	644,623
Buildings	17,034,137	502,969	-	17,537,106
Buildings and improvements	4,697,507	766,259	-	5,463,766
Machinery and equipment	6,692,050	426,095	-	7,118,145
Construction equipment	396,908	-	-	396,908
Infrastructure	18,279,621	873,560	-	19,153,181
Vehicles	3,966,981	321,558	-	4,288,539
Total Accumulated Depreciation	<u>51,670,486</u>	<u>2,931,782</u>	<u>-</u>	<u>54,602,268</u>
Governmental Activities Capital Assets, Net	<u>\$ 49,208,999</u>	<u>\$ (1,542,724)</u>	<u>\$ 10,103</u>	<u>\$ 47,656,172</u>
Business-Type Activities				
Nondepreciable assets:				
Land	\$ 37,251	\$ -	\$ -	\$ 37,251
Total Capital assets not being depreciated	<u>37,251</u>	<u>-</u>	<u>-</u>	<u>37,251</u>
Depreciable assets:				
Buildings and improvements	458,111	-	-	458,111
Machinery and equipment	319,622	-	-	319,622
Total Capital assets being depreciated	<u>777,733</u>	<u>-</u>	<u>-</u>	<u>777,733</u>
Total Capital Assets	<u>814,984</u>	<u>-</u>	<u>-</u>	<u>814,984</u>
Less accumulated depreciation for:				
Buildings and improvements	57,897	32,176	-	90,073
Machinery and equipment	119,662	19,074	-	138,736
Total Accumulated Depreciation	<u>177,559</u>	<u>51,250</u>	<u>-</u>	<u>228,809</u>
Business-Type Activities Capital Assets, Net	<u>\$ 637,425</u>	<u>\$ (51,250)</u>	<u>\$ -</u>	<u>\$ 586,175</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

4. Capital Assets (continued):

Depreciation expense was charged to governmental functions as follows:

General government	\$ 316,260
Public safety	552,244
Public works	887,736
Community service	56,620
Education	1,118,922
Total Depreciation Expense	<u>\$ 2,931,782</u>

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

School lunch	\$ 10,502
Transfer Station	40,748
Total Depreciation Expense	<u>\$ 51,250</u>

5. Lease Revenue

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

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>
2021	120,146
2022	123,514
2023	127,049
2024	136,042
Total	<u>\$ 506,751</u>

6. Stewardship, Compliance and Accountability

The Town issues general obligation bonds to provide funds for the acquisition of equipment, as well as construction and improvements to capital facilities. General obligation bonds have been issued for both general governmental and school department activities. In addition, general obligation bonds have been issued to refund previously outstanding general obligation bonds. The Town's legal debt margin as set forth by State statute is limited to three percent of the total taxable assessed value and approximates \$101,582,021 at the State level and \$70,773,325 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, 2020, the Town's bonds outstanding totaled \$18,890,334.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

7. Long-Term Obligations

The following is a summary of changes in long-term debt for the year ended June 30, 2020:

Description of Purpose	Amount of Original Issue	Date of Issue	Interest Rates	Date of Maturity	Balance 6/30/2019	Transfers in & Additions	Transfers Out & Retirements	Balance 6/30/2020	Amounts Due Within One Year
Governmental Activities issued through public sale:									
<i>General obligation, revenue bonds, and loans:</i>									
School Improvements (refunding bond)	\$ 4,665,000	6/4/2009	2.00-5.00%	\$ 44,136	\$ 930,000	\$ -	\$ 470,000	\$ 460,000	\$ 460,000
Open Space/Recreation Bond	1,980,000	6/15/2010	2.00-4.00%	6/15/2025	730,000	-	125,000	605,000	125,000
General Obligation Refunding Bond - Series A									
Open Space/Recreation Bond	250,000	5/23/2013	2.35%	2/15/2028	150,554	-	16,626	133,928	16,626
Town Improvements	562,000	5/23/2013	2.35%	2/15/2028	338,446	-	37,374	301,072	37,374
Town Projects	1,505,000	10/23/2014	1.75%-4%	10/15/2024	780,400	-	130,066	650,334	130,066
Open Space	600,000	11/18/2015	2.00-4.00%	10/1/2035	508,887	-	30,312	478,575	30,375
School Projects	471,500	11/18/2015	2.00-4.00%	10/1/2035	399,899	-	23,776	376,123	23,873
Town Projects	3,373,500	11/18/2015	2.00-4.00%	10/1/2035	2,861,214	-	170,912	2,690,302	170,753
School Projects	1,575,000	12/22/2015	3.00-5.00%	5/15/2026	1,085,000	-	198,000	887,000	198,000
School Projects	605,000	12/22/2015	3.00-5.00%	5/15/2022	360,000	-	77,000	283,000	77,000
Town Projects-Police Station	10,000,000	2/9/2017	3.00-5.00%	2/1/2038	9,644,520	-	363,944	9,280,576	376,640
Town Projects-Recreational	520,000	2/9/2017	3.00-5.00%	2/1/2038	501,515	-	18,925	482,590	19,585
Town Projects	648,861	2/9/2017	3.00-5.00%	2/1/2038	625,795	-	23,615	602,180	24,439
School Improvements	646,139	2/9/2017	3.00-5.00%	2/1/2038	623,170	-	23,516	599,654	24,336
Town Legal Settlement	600,000	2/9/2017	2.25-2.65%	2/1/2023	485,000	-	115,000	370,000	120,000
<i>Total General Obligation Bonds, Revenue Bonds, and Loans issued through public sale</i>					<u>\$ 20,024,400</u>	<u>\$ -</u>	<u>\$ 1,824,066</u>	<u>\$ 18,200,334</u>	<u>\$ 1,834,067</u>
Governmental Activities issued through direct placements:									
<i>General obligation, revenue bonds, and loans:</i>									
Portsmouth High School Sprinklers	1,100,000	8/7/2008	3.75-6.00%	5/15/2024	\$ 350,000	\$ -	\$ 70,000	\$ 280,000	\$ 70,000
General Obligation Refunding Bond - Series A									
School Projects	1,100,000	8/28/2013	3.06%	6/30/2028	465,000	-	55,000	410,000	55,000
<i>Total General Obligation Bonds, Revenue Bonds, and Loans issued through direct placements</i>					<u>815,000</u>	<u>-</u>	<u>125,000</u>	<u>690,000</u>	<u>125,000</u>
<i>Total General Obligation Bonds, Revenue Bonds, and Loans</i>					<u>\$ 20,839,400</u>	<u>\$ -</u>	<u>\$ 1,949,066</u>	<u>\$ 18,890,334</u>	<u>\$ 1,959,067</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

7. Long-Term Obligations (continued)

Description of Purpose	Amount of Original Issue	Date of Issue	Interest Rates	Date of Maturity	Balance 6/30/2019	Transfers in & Additions	Transfers Out & Retirements	Balance 6/30/2020	Amounts Due Within One Year
Governmental Activities (continued):									
<i>Capital lease obligations:</i>									
School IT	\$ 271,463	7/15/2015	2.69%	7/15/2019	\$ 51,373	\$ -	\$ 51,373	\$ -	\$ -
Town Vehicles	393,991	8/12/2016	4.01%	8/15/2022	229,228	-	53,873	175,355	56,100
School	289,974	7/15/2016	2.42%	7/15/2020	98,251	-	48,301	49,950	49,950
Town Vehicles & Equipment	239,942	8/2/2017	4.59%	8/4/2021	143,771	-	45,826	97,945	47,931
School IT	268,344	7/19/2017	4.46%	8/1/2021	104,548	-	81,302	23,246	11,876
DPW Vehicle	148,638	8/18/2017	2.87%	8/18/2023	106,085	-	20,034	86,051	20,609
Town Vehicles & Equipment	328,495	8/6/2018	3.26%	8/6/2024	263,185	-	56,727	206,458	58,577
School IT	315,251	6/25/2018	3.14%	7/1/2022	241,783	-	66,053	175,730	66,053
Ambulance	253,845	9/27/2018	3.34%	9/27/2024	213,911	-	32,789	181,122	33,884
Town Vehicles & Equipment	483,548				-	483,548	149,124	334,424	149,125
Total capital lease obligations					<u>1,452,135</u>	<u>483,548</u>	<u>605,402</u>	<u>1,330,281</u>	<u>494,105</u>
Deferred amount for issuance premiums					697,116	-	72,858	624,258	69,630
Compensated absences					1,867,000	324,257	156,550	2,034,707	101,735
Net pension liability					78,005,630	10,220,329	-	88,225,959	-
Net OPEB Liability					20,935,322	516,705	-	21,452,027	-
Total governmental funds long-term debt					<u>\$ 122,981,603</u>	<u>\$ 11,544,839</u>	<u>\$ 2,658,876</u>	<u>\$ 131,867,566</u>	<u>\$ 2,499,537</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	119,602	-	19,934	99,668	19,934
Septic Loan Program	415,000	11/18/2015	2.34-3.236%	10/1/2025	280,000	-	40,000	240,000	40,000
Total general obligation bonds and loans issued through public sale					<u>399,602</u>	<u>-</u>	<u>59,934</u>	<u>339,668</u>	<u>59,934</u>
<i>Capital lease obligations:</i>									
TS Compactor	228,509	6/29/2018	3.31%	7/2/2024	192,603	-	29,515	163,088	30,504
Total capital lease obligations					<u>192,603</u>	<u>-</u>	<u>29,515</u>	<u>163,088</u>	<u>30,504</u>
Total business type long-term debt					<u>592,205</u>	<u>-</u>	<u>89,449</u>	<u>502,756</u>	<u>90,438</u>
Total long-term obligations					<u>\$ 123,573,808</u>	<u>\$ 11,544,839</u>	<u>\$ 2,748,325</u>	<u>\$ 132,370,322</u>	<u>\$ 2,589,975</u>

The payment of long-term obligations of the governmental activities is the responsibility of the Town's General Fund and School Unrestricted Fund.

As of June 30, 2020, the Town General Fund paid \$66,118 and the School Unrestricted Fund paid \$90,432 in compensated absences.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

7. Long-Term Obligations (continued):

The debt service requirements for long-term debt at June 30, 2020 were as follows:

	<i>Issued Through Public Sale</i>					
	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 1,854,000	\$ 645,221	\$ 2,499,221	\$ 59,934	\$ 8,734	\$ 68,668
2022	1,419,000	586,304	2,005,304	59,934	7,220	67,154
2023	1,314,000	529,632	1,843,632	59,934	5,528	65,462
2024	1,204,000	475,989	1,679,989	59,934	3,834	63,768
2025	1,204,000	428,796	1,632,796	59,932	2,140	62,072
2026-2030	4,270,000	1,578,221	5,848,221	40,000	647	40,647
2031-2035	4,485,000	849,489	5,334,489	-	-	-
2036-2039	2,450,334	162,044	2,612,378	-	-	-
	<u>\$ 18,200,334</u>	<u>\$ 5,255,696</u>	<u>\$ 23,456,030</u>	<u>\$ 339,668</u>	<u>\$ 28,103</u>	<u>\$ 367,771</u>

	Governmental Activities (Direct Placements)			Capital Leases		
	Principal	Interest	Total	Principal	Interest	Total
2021	125,000	26,984	151,984	492,341	52,638	544,979
2022	125,000	21,101	146,101	482,147	38,860	521,007
2023	120,000	16,093	136,093	329,056	24,659	353,715
2024	120,000	11,150	131,150	189,825	14,933	204,758
2025	50,000	6,120	56,120			
2026-2028	150,000	9,180	159,180	-	-	-
	<u>\$ 690,000</u>	<u>\$ 90,628</u>	<u>\$ 780,628</u>	<u>\$ 1,493,369</u>	<u>\$ 131,090</u>	<u>\$ 1,624,459</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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

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, 2020 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.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

8. Risk Management (continued):

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.

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:

	Due from Other Funds	Due to Other Funds	Other Financing Sources	Other Financing Uses
<u>Major Governmental Funds</u>				
General fund	\$ 92,295	\$ -	\$ 87,875	\$ 34,685,711
School unrestricted fund	428,583	1,414,827	33,494,126	469,835
Town capital projects	1,320,267	-	1,143,709	
Special Revenue 12-13	-	1,792,252		
<u>Non-Major Governmental Funds</u>				
Town special revenue	422,658	92,961	-	-
School special revenue	367,580	175,122	-	-
Town capital projects	322,762	24,771	-	87,875
School capital projects	1,023,463	-	464,192	-
Permanent funds	8,845	-	-	-
<u>Proprietary Funds</u>				
School cafeteria fund	135,501	-	5,643	-
Transfer station	-	317,363	-	-
Wind turbine generator fund	-	387,418	-	-
Summer school	-	234	-	-
Septic system loan program	35,899	-	47,876	-
Glen farm equestrian	47,095	-	-	-
Totals	\$ 4,204,948	\$ 4,204,948	\$ 35,243,421	\$ 35,243,421

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

10. Fund Balances

The Town has classified governmental fund balances at June 30, 2020 as follows:

	Major Funds				Non-Major Funds					Total
	General Fund	School Unrestricted	Town Capital Project Fund	Special Fund Warrant 12-13	Town Special Revenue	School Special Revenue	Town Capital Projects	School Capital Projects	Permanent Funds	
Fund Balances										
Nonspendable										
In Form	\$ 260,393	\$ 73,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 170,397	\$ 504,423
Restricted for										
General government	-	-	-	-	568,738	-	63	-	-	568,801
Public safety programs	-	-	-	-	275,355	-	-	-	-	275,355
Educational purposes	-	-	-	-	-	380,074	-	1,007,993	-	1,388,067
Public works and social services	-	-	-	-	68,731	-	-	-	-	68,731
Community services	-	-	-	-	45,686	-	-	-	-	45,686
Capital projects	-	-	1,326,542	-	-	-	-	-	-	1,326,542
Committed to										
Educational purposes	-	1,594,569	-	-	-	-	-	-	-	1,594,569
Capital projects	-	-	-	-	-	322,770	-	-	-	322,770
Assigned to										
Prudence Island Fire Department	80,000	-	-	-	-	-	-	-	-	80,000
Unassigned	9,026,981	-	-	(1,792,252)	(34,390)	(51)	(24,770)	-	-	7,175,518
Total	<u>\$9,367,374</u>	<u>\$ 1,668,202</u>	<u>\$ 1,326,542</u>	<u>\$ (1,792,252)</u>	<u>\$ 924,120</u>	<u>\$ 380,023</u>	<u>\$ 298,063</u>	<u>\$ 1,007,993</u>	<u>\$ 170,397</u>	<u>\$13,350,462</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

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, 2020.

Summary of Significant Accounting Policies and Plan Asset Matters

a. 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.

b. Benefits and Employee Contributions:

The Trust paid 100% of the amount for medical and dental costs incurred by eligible retirees, which totaled \$1,027,477 for the year ended June 30, 2020.

Public Works, Fire and Police contributed 0.25%, 1.5% and 1.0% of salary respectively, to the OPEB Trust which amounted to \$58,601 in employee contributions and \$1,052,477 in employer contributions for the year ended June 30, 2020.

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

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

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

As of June 30, 2020, the plan membership data is as follows:

Description	Active Employees	Inactive or Beneficiaries Receiving Benefits	Total
Number	122	53	175

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, 2020.

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

Concentrations:

There were no concentrations noted as of June 30, 2020.

Rate of return:

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense was 6.46%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

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

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

Net OPEB Liability of the Town:

The components of the net OPEB liability of the Town at June 30, 2020 were as follows:

Total OPEB liability	\$ 20,042,158
Plans fiduciary net position	<u>1,604,142</u>
Town's net OPEB liability	<u>\$ 18,438,016</u>
Plan net position as a percentage of the total OPEB liability	8.00%

Actuarial Methods and Assumptions

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

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

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

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

Key assumptions

Valuation Date:	Actuarially Determined Contribution was calculated as of June 30, 2019.
Actuarial Cost Method:	Entry Age Normal Level % of salary method where: <ul style="list-style-type: none">•Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and•Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to Payroll Growth.
Asset-Valuation Method:	Market Value of Assets as of the Measurement Date, June 30, 2020.
Actuarial Assumptions:	
Investment Rate of Return:	5.00%, net of OPEB plan investment expense
Medical inflation	For medical/rx benefits, the trend rates have been reset to an initial rate of 7.50% decreasing by 0.50% annually to an ultimate rate of 4.50%
Inflation:	2.50% as of June 30, 2020 and for future periods
Salary Increases:	3.50% annually as of July 1, 2018 and for future periods
Pre-Retirement Mortality:	SOA Pub-2010 Mortality Table fully generational using Scale MP-2019.
Assumed rate of retirement:	40% for 20 or more years of service, 5% for 21-22 years of service, 25% for 23-24 years of service and 100% for 25+ years of service.
Marriage assumptions	80% of males and 80% of females assumed to be married with wives to be three years younger than their husbands
Changes in Assumptions:	Effective June 30, 2020 <ul style="list-style-type: none">• Discount rate is 2.94% previously 3.78%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are summarized in the following table:

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

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

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

Asset Class	Long-term Expected Real Rate of Return
US Large Cap Equity	5.90%
US Mid Cap Equity	7.30%
US Small Cap Equity	5.90%
International Equity	5.40%
EM Equity	8.90%
US Aggregate Bonds	3.10%
U.S. Short Duration	3.00%
US High Yield Bonds	4.90%
TIPS	2.80%
Diversifying Strategies	4.78%
I. Real Rate of Return	5.00%
II. Inflation Assumption	2.50%
III. Total Nominal Return [I. + II.]	7.50%

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2019	\$ 19,400,227	\$ 1,460,001	\$ 17,940,226
Service cost	685,689	-	685,689
Interest on net OPEB liability and service cost	740,008	-	740,008
Differences between actual and expected experience	(1,273,550)	-	(1,273,550)
Changes in assumptions	1,517,261	-	1,517,261
Benefit payments, including refunds	(1,027,477)	(1,027,477)	-
Trust administrative expenses	-	(5,000)	5,000
Contributions - employer	-	1,052,477	(1,052,477)
Contributions - active employees	-	58,601	(58,601)
Net investment income	-	65,540	(65,540)
Net changes	641,931	144,141	497,790
Balances at June 30, 2020	\$ 20,042,158	\$ 1,604,142	\$ 18,438,016

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

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

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

Discount rate

The discount rate used to measure the total OPEB liability was 2.94 percent. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the net OPEB liability of the Town, as well as what the Town’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.94 percent) or 1- percentage-point higher (3.94 percent) than the current discount rate:

	Impact of 1% Change in Discount Rate		
	1% Decrease (1.94%)	Current discount rate (2.94%)	1% Increase (3.94%)
Total OPEB liability	\$ 20,481,714	\$ 18,438,016	\$ 16,650,367

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 (6.5 percent decreasing to 3.50 percent) or 1-percentage-point higher (8.5 percent decreasing to 5.50 percent) than the current healthcare cost trend rates:

	Impact of 1% Change in Healthcare Trend Rate		
	1% Decrease (6.50% decreasing to 3.50%)	Current trend rate (7.50% decreasing to 4.50%)	1% Increase (8.50% decreasing to 5.50%)
Total OPEB liability	\$ 16,286,136	\$ 18,438,016	\$ 20,970,227

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

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, 2020 the Town recognized OPEB expense of \$1,120,902. At June 30, 2020, 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	\$ 1,136,403
Changes in assumptions	1,290,051
Deferred inflows of resources	
Differences between actual and expected experience	2,997,332
Changes in assumptions	490,752
Net difference between projected and actual earnings on OPEB plan investments	23,256
Total	\$ (1,084,886)

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

Year ended June 30:	
2021	\$ (176,252)
2022	(167,578)
2023	(160,093)
2024	(488,584)
2025	(92,379)
Thereafter	-
Total	\$ (1,084,886)

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

Plan Description

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

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

a. 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.

b. Benefits and Employee Contributions:

For the year ended June 30, 2020 the School Department paid 100% of the cost of individual health care insurance and dental insurance benefits for all retired eligible employees, AFSCME and At-Will employees for six years, NEA (Teachers) and Administrators for nine years, capped at the premium cost at the time of retirement. The amounts due for these benefits are funded on an at-will basis. Employees who decline health coverage at retirement are eligible to receive a one-time payment of \$3,500.

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

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

School Department funds post-retirement benefits on a pay-as-you go basis, which totaled \$179,755 for the year ended June 30, 2020.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

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

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

As of June 30, 2020, the plan membership data is as follows:

<u>Description</u>	<u>Active Employees</u>	<u>Inactive or Beneficiaries Receiving Benefits</u>	<u>Total</u>
Number	301	21	322

Net OPEB Liability of the School:

The components of the net OPEB liability of the School at June 30, 2020 were as follows:

Total OPEB liability	\$ 3,014,011
Plans fiduciary net position	<u>-</u>
Town's net OPEB liability	<u>\$ 3,014,011</u>

Actuarial Methods and Assumptions

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

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

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

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

Key assumptions

Valuation Date: Actuarially Determined Contribution was calculated as of June 30, 2020.
 Actuarial Cost Method: Entry Age Normal Actuarial Cost Method

Actuarial Assumptions:

Investment Rate of Return: 2.66%, net of OPEB plan investment expense
 Medical inflation: 7.50% trending to an ultimate rate of 4.50%
 Inflation: 2.50% per year
 Salary Increases: 3.00% annually as of June 30, 2019 and for future periods
 Pre-Retirement Mortality: Certified Teacher Participants: SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generationally using Scale MP-2019.

All Other Participants: SOA Pub - 2010 General Headcount Weighted Mortality Table fully generationally using Scale MP-2019.

Assumed rate of retirement: Annular rates of retirement by group (AFSCME, Teachers & Admin) are based on historical experience from 2010 through 2016:
 AFSCME: Ages 55 through 64 ranges from 5% - 35%
 Ages 65+ ranges from 50% - 100%
 Teachers & Admin: Ages 55 through 64 ranges from 15% - 40%
 Ages 65+ ranges from 50% - 100%

Marriage assumptions: 70% of employees are assumed to be married at retirement. Husbands are assumed to be three years older than wives.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2019	\$ 2,995,096	\$ -	\$ 2,995,096
Service cost	61,389	-	61,389
Interest on net OPEB liability and service cost	104,155	-	104,155
Differences between actual and expected experience	(161,761)	-	(161,761)
Changes in assumptions	194,887	-	194,887
Benefit payments, including refunds	(179,755)	(179,755)	-
Contributions - employer	-	179,755	(179,755)
Net changes	18,915	-	18,915
Balances at June 30, 2020	\$ 3,014,011	\$ -	\$ 3,014,011

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

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

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

Discount rate

The discount rate used to measure the total OPEB liability was 2.66 percent. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the net OPEB liability of the School, as well as what the School’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.66 percent) or 1-percentage-point higher (3.66 percent) than the current discount rate:

	Impact of 1% Change in Discount Rate		
	1% Decrease (1.66%)	Current discount rate (2.66%)	1% Increase (3.66%)
Total OPEB liability	\$ 3,268,944	\$ 3,014,011	\$ 2,786,632

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 (6.5 percent decreasing to 3.5 percent) or 1-percentage-point higher (8.5 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	Impact of 1% Change in Healthcare Trend Rate		
	1% Decrease (6.50% decreasing to 3.50%)	Current trend rate (7.50% decreasing to 4.50%)	1% Increase (8.50% decreasing to 5.50%)
Total OPEB liability	\$ 2,753,297	\$ 3,014,011	\$ 3,313,211

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

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

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

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

For the year ended June 30, 2020 the School recognized OPEB expense of \$84,066. At June 30, 2020, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

Deferred outflows of resources	
Change in assumptions	\$ 111,159
Differences between actual and expected experience	310,641
Deferred inflows of resources	
Change in assumptions	787,585
Differences between actual and expected experience	<u>123,019</u>
Total	<u><u>\$(488,804)</u></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:	
2021	\$ (81,478)
2022	(81,478)
2023	(81,478)
2024	(81,478)
2025	(91,888)
Thereafter	<u>(71,004)</u>
Total	<u><u>\$(488,804)</u></u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

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

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.

	<u>Town Plan</u>	<u>School Plan</u>	<u>Total</u>
Deferred Outflows of Resources - OPEB	\$ 2,426,454	\$ 421,800	\$ 2,848,254
Deferred Inflows of Resources - OPEB	3,511,340	910,604	4,421,944
Net OPEB Liability	18,438,016	3,014,011	21,452,027
OPEB Expense	<u>1,120,902</u>	<u>84,066</u>	<u>1,204,968</u>
Total	<u>\$ 25,496,712</u>	<u>\$ 4,430,481</u>	<u>\$ 29,927,193</u>

12. Pension Plans

Plan Description:

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

(a) Town of Portsmouth Retirement Plan

Plan Membership

The Town participates in a single employer defined benefit plan. At June 30, 2020, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	179
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	<u>143</u>
Subtotal	<u>332</u>

Benefit Provisions and Contributions

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

12. Pension Plans (continued)

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

Benefit Provisions and Contributions (continued):

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

Police Employees

20 years of credited service.

60% of average monthly earnings reduced plus 2% for each year beyond 20 years subject to a maximum of 70%. Does not apply to Police employees hired after July 1, 2010.

An employee's average monthly earnings are defined as the highest gross annual salary during the last three years of employment. Gross annual salary includes base salary and longevity, but excludes overtime, clothing allowance, holiday pay and any other forms of compensation.

Fire Employees

20 years of credited service.

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

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

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

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

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

Normal Retirement Benefits.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

12. Pension Plans (continued):

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

Benefit Provisions and Contribution (continued):

Town Non-Management Age 60 with 10 years of credited service.
For service before July 1, 2013: 2.5% of average monthly earnings per year of credited service to a maximum of 27 years.
For service on or after July 1, 2013 and before July 1, 2016: 1% of average monthly earnings per year of credited service.
For service on or after July 1, 2016: 2% of average monthly earnings per year of credited service.
The maximum benefit is 67.5% of average monthly earnings.
Benefit is reduced pro-rata if less than 20 years of service.

Town Management Age 60 with 10 years of credited service.

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

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

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

12. Pension Plans (continued):

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

Benefit Provisions and Contribution (continued):

School Employees

Age 60 with 10 years of credited service.

Non-Certified:

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

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

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

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

Management:

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

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

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

Public Works Employees

Age 60 with 10 years of credited service.

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

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

12. Pension Plans (continued):

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

Benefit Provisions and Contribution (continued):

Public Works Employees	An employee's average monthly earnings are defined as annual salary (base salary and longevity) averaged over the final five years of employment.
	Employees hired on or after July 1, 2010 are not entitled to Normal Retirement Benefits.

Employees are required to contribute to the Plan as follows:

Police employees	9.0% of gross annual earnings. No contributions for employees hired on or after July 1, 2010
------------------	---

Fire employees	4.0% of gross annual earnings inclusive of base salary, longevity, EMT bonus and holiday pay (previously, 4.0% of base pay). Fire Deputy and Fire Chief: 10.0% of gross annual earnings inclusive of base salary, longevity, EMT bonus and holiday pay. No contribution for employees hired on or after July 1, 2013.
----------------	---

Town employees	Non-management: Effective July 1, 2016, 5.0% (previously, 6.0%) of base salary. Management: No employee contributions after July 1, 2014.
----------------	--

School employees	Non-Certified: 4% of gross annual salary. Management: 6% of gross annual salary. 2% of gross annual salary for employees hired before July 1, 1991.
------------------	--

Public Works employees	For participants with less than 10 years of service who are eligible for an Option 1 benefit, 4.0% of annual salary, until participant has accrued 10 years of service. No employee contributions after July 1, 2013 for other employees.
------------------------	--

The Town is required to contribute an amount determined in accordance with the actuarial valuation. The Town's contributions for the Town's Retirement Plan for the fiscal years ended June 30, 2020, 2019 and 2018 were \$4,484,385, \$4,324,4361 and \$4,322,591, respectively.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

12. Pension Plans (continued):

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

Actuarial Methods and Significant Assumptions

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

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

Investments

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

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	37.70%
International developed markets equity	13.00%
International emerging markets equity	9.10%
Core fixed income	28.00%
High-yield fixed income	7.00%
Real estate	5.20%
Total	<u>100%</u>

Pension assets are valued at their fair value as established by quotations from applicable national securities exchanges. Valuations of accrued liabilities, pension assets and annual requirement contributions for the Plan were performed annually through June 30, 2020.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

12. Pension Plans (continued):

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

Net Pension Liability

The components of the net pension liability of the Pension System at June 30, 2020 were as follows:

Total pension liability	\$ 112,486,446
Plan fiduciary net position	<u>(55,706,800)</u>
Town's net pension liability	<u>\$ 56,779,646</u>
Plan fiduciary net position as a percentage of the total pension liability	49.52%

Actuarial Assumptions

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net position plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equities	6.15%
International developed market equities	6.78%
International emerging market equities	8.65%
Core fixed income	1.11%
High-yield fixed income	3.51%
Real estate	4.33%

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

12. Pension Plans (continued):

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made as the current contribution rate and that the Town of Portsmouth's contributions will be made as the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Pension System, calculated using the discount rate of 6.40%, as well as what the Pension System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.40%) or 1-percentage-point higher (7.40%) than the current rate:

	<u>1% Decrease (5.40%)</u>	<u>Current Discount Rate (6.40%)</u>	<u>1% Increase (7.40%)</u>
Plan's Net Pension Liability	\$ 72,631,073	\$ 56,779,646	\$ 43,948,140

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

For the year ended June 30, 2020, the Town recognized pension expense of \$9,236,260. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,712,151	\$ -
Changes of assumptions	4,917,492	-
Difference between projected and actual earnings on plan investments	4,318,145	-
Total deferred outflows / (inflows)	<u>\$ 10,947,788</u>	<u>\$ -</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

12. Pension Plans (continued):

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

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

Year ended June 30:	
2021	\$ 4,403,664
2022	4,280,895
2023	1,340,169
2024	<u>923,060</u>
	<u>\$ 10,947,788</u>

Changes in the Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance as of 7/1/2019	\$ 103,976,616	\$ 57,341,324	\$ 46,635,292
Changes for the year:			
Service cost	1,091,474	-	1,091,474
Interest on total pension liability	6,903,374	-	6,903,374
Change of benefit terms	-	-	-
Differences between expected and actual experience	682,436	-	682,436
Changes in assumptions	5,424,302	-	5,424,302
Contributions - employer	-	4,484,385	(4,484,385)
Contributions - employee	-	246,659	(246,659)
Net investment income	-	(773,812)	773,812
Benefit payments	(5,591,756)	(5,591,756)	-
Administrative expense	-	-	-
Net changes	<u>8,509,830</u>	<u>(1,634,524)</u>	<u>10,144,354</u>
Balance as of 6/30/2020	<u>\$ 112,486,446</u>	<u>\$ 55,706,800</u>	<u>\$ 56,779,646</u>

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

General Information about the Pension Plan

Plan Description

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

12. Pension Plans (continued):

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

General Information about the Pension Plan (continued):

Plan Description (continued)

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

Benefit Provisions

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

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

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

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

Contributions

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2019, Portsmouth School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the Portsmouth School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by Portsmouth School Department. The rates were 10.49% and 14.12% of annual covered payroll for the fiscal year ended June 30, 2020 for the State and Portsmouth School Department, respectively. The Portsmouth School Department contributed \$2,583,751, \$2,460,253 and \$2,318,997 for the fiscal years ended June 30, 2020, 2019 and 2018, 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, 2020

12. Pension Plans (continued):

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

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

At June 30, 2020, the Portsmouth School Department reported a liability of \$31,446,313 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Portsmouth School Department as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Portsmouth School Department were as follows:

Portsmouth School Department proportionate share of net pension liability	\$ 31,446,313
State's proportionate share of the net pension liability associated with the Portsmouth School Department	<u>23,556,545</u>
Total net pension liability	<u><u>\$ 55,002,858</u></u>

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

The net pension liability was measured as of June 30, 2019, 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, 2018 rolled forward to June 30, 2019. 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, 2019 the Portsmouth School Department's proportion was 0.99%.

For the year ended June 30, 2020 the Portsmouth School Department recognized gross pension expense of \$2,621,378 and revenue of \$2,613,298 for support provided by the State. At June 30, 2020 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, 2020

12. Pension Plans (continued):

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

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 382,935	\$ 525,153
Changes of assumptions	1,840,106	248,186
Net difference between projected and actual earnings on pension plan investments	-	49,483
Changes in proportion and differences between System contributions and proportionate share contributions	116,320	2,425,024
Contributions subsequent to the measurement date	2,583,751	-
	\$ 4,923,112	\$ 3,247,846
Net amount of deferred outflows and (inflows) excluding PSD contributions subsequent to measurement date		\$ (908,485)

\$2,583,751 reported as deferred outflows of resources related to pensions resulting from the Portsmouth School Department contributions in fiscal year 2020 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2020. 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:	
2021	\$ (230,713)
2022	(775,921)
2023	(140,537)
2024	183,313
2025	63,974
Thereafter	(8,601)
	\$ (908,485)

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

12. Pension Plans (continued):

Actuarial Assumptions

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

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

Mortality – variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

The actuarial assumptions used in the June 30, 2018 valuation rolled forward to June 30, 2019 and the calculation of the total pension liability at June 30, 2019 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

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 34 sources. The June 30, 2019 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Global equity:		
U.S. equity	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	4.70%	8.90%
Private Growth		
Private Equity	11.25%	9.81%
Non-Core RE	2.25%	5.51%
Opportunistic Private Credit	1.50%	9.81%
Income		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	3.20%	3.98%
Crisis Protection Class		
Treasury Duration	4.00%	0.77%
Systematic Trend	4.00%	4.20%
Inflation Protection		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	1.00%	3.76%
Volatility Protection		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	3.00%	0.77%
Total	100.00%	

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

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%)
\$ 38,862,297	\$ 31,446,313	\$ 25,375,582

Pension Plan Fiduciary Net Position

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

(b) Teachers Defined Contribution Pension Plan

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

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 \$433,040, for the fiscal year ended June 30, 2020.

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>.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

12. Pension Plans (continued):

(d) Teachers Survivor Benefits (continued):

Eligibility and Plan Benefits

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.

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

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

12. Pension Plans (continued):

(d) Teachers Survivor Benefits (continued):

Eligibility and Plan Benefits

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 \$27,037, \$26,703 and \$21,486 for the fiscal years ended June 30, 2020, 2019 and 2018, 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, 2020, the Portsmouth School Department reported an asset of \$4,205,948 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, 2018, 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, 2018, rolled forward to 2019. The Portsmouth School Department proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2018 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2019, the Portsmouth School Department proportion was 3.59%.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

12. Pension Plans (continued):

(d) Teachers Survivor Benefits (continued):

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

For the year ended June 30, 2020 the Town recognized pension expense of \$(17,095) – an increase in the net pension asset. At June 30, 2020, 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	\$ 458,353	\$ 1,117,019
Changes of assumptions	366,485	-
Net difference between projected and actual earnings on pension plan investments	-	41,419
Changes in proportion and differences between System contributions and proportionate share contributions	248,668	141,620
Contributions subsequent to the measurement date	27,037	-
	<u>\$ 1,100,543</u>	<u>\$ 1,300,058</u>
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		<u>\$ (226,552)</u>

\$27,037 reported as deferred outflows of resources related to pensions resulting from the Portsmouth School Department contributions in fiscal year 2020 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 85,144
2022	(76,605)
2023	12,991
2024	35,386
2025	(64,561)
Thereafter	(218,907)
	<u>\$ (226,552)</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

12. Pension Plans (continued):

(d) Teachers Survivor Benefits (continued):

Actuarial Assumptions

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

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

Mortality – variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

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

The actuarial assumptions used in the June 30, 2018 valuation and the calculation of the total pension liability at June 30, 2019 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

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 34 sources. The June 30, 2019 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Global equity:		
U.S. equity	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	4.70%	8.90%
Private Growth		
Private Equity	11.25%	9.81%
Non-Core RE	2.25%	5.51%
Opportunistic Private Credit	1.50%	9.81%
Income		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	3.20%	3.98%
Crisis Protection Class		
Treasury Duration	4.00%	0.77%
Systematic Trend	4.00%	4.20%
Inflation Protection		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	1.00%	3.76%
Volatility Protection		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	3.00%	0.77%
Total	100.00%	

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

12. Pension Plans (continued):

(d) Teachers Survivor Benefits (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%)
\$ (3,241,069)	\$ (4,205,948)	\$ (4,924,375)

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>.

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	Town Plan	Total
Net Pension Asset	\$ -	\$ 4,205,948	\$ -	\$ 4,205,948
Deferred Outflows of Resources - Pension	4,923,112	1,100,543	10,947,788	16,971,443
Deferred Inflows of Resources - Pension	3,247,846	1,300,058	-	4,547,904
Net Pension Liability	31,446,313	-	56,779,646	88,225,959
Pension Expense	3,334,114	(17,095)	9,236,260	12,553,279
Total	\$ 42,951,385	\$ 6,589,454	\$ 76,963,694	\$ 126,504,533

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

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	\$ 828,058	\$ -	\$ 828,058
Investments, at fair value			
Mutual funds	33,408,757	1,604,142	35,012,899
Fixed income securities	21,469,985	-	21,469,985
	<u>55,706,800</u>	<u>1,604,142</u>	<u>57,310,942</u>
Total assets	55,706,800	1,604,142	57,310,942
Deferred outflows of resources			
Deferred outflows	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 55,706,800</u>	<u>\$ 1,604,142</u>	<u>\$ 57,310,942</u>
Liabilities			
Total liabilities	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources			
Unearned revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Restricted for pension	55,706,800	-	55,706,800
Restricted for OPEB	-	1,604,142	1,604,142
	<u>55,706,800</u>	<u>1,604,142</u>	<u>57,310,942</u>
Total net position	55,706,800	1,604,142	57,310,942
	<u>55,706,800</u>	<u>1,604,142</u>	<u>57,310,942</u>
Total liabilities and net position	<u>\$ 55,706,800</u>	<u>\$ 1,604,142</u>	<u>\$ 57,310,942</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

Statement of Changes in Fiduciary Net Position

	<u>Town</u> <u>Pension Trust</u>	<u>OPEB</u> <u>Trust</u>	<u>Total</u>
Additions			
Employer contributions	4,484,385	1,052,477	\$ 5,536,862
Plan member contributions	246,659	58,601	305,260
Net investment income	<u>-</u>	<u>65,540</u>	<u>65,540</u>
Total additions	<u>4,731,044</u>	<u>1,176,618</u>	<u>5,907,662</u>
Deductions			
Benefits paid	5,591,756	1,027,477	6,619,233
Net investment loss	773,812	-	773,812
Administrative expenses	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total deductions	<u>6,365,568</u>	<u>1,032,477</u>	<u>7,398,045</u>
Changes in net position held in trust for individuals, organizations, and other governments	(1,634,524)	144,141	(1,490,383)
Net position, July 1, 2019	<u>57,341,324</u>	<u>1,460,001</u>	<u>58,801,325</u>
Net position, June 30, 2020	<u>\$ 55,706,800</u>	<u>\$ 1,604,142</u>	<u>\$ 57,310,942</u>

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

14. Deferred Compensation Plan

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

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

15. Contingent Liabilities and Commitments

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

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

The School Department has a five-year agreement, through June 30, 2020, 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 \$1,782,411 for the year ended June 30, 2020. Estimated costs to be incurred over the remaining 1-year life of this contract is approximately \$2,292,329. At June 30, 2020 the Town (including the School Department) had a contract with Aramark Management Services through fiscal year 2021 for purposes of facilities management.

Town of Portsmouth, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2020

16. Tax Abatements

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

<u>map/lot</u>	<u>Address</u>	<u>State Code</u>	<u>Original AV</u>	<u>Exemption</u>	<u>Post Exemption</u>	<u>Tax Rate</u>	<u>Amt Tax Credit</u>	<u>Year Started</u>
29-32	CPI PORTSMOUTH I LLC	66	\$ 1,592,400	\$ 394,120	\$ 1,198,280	16.404	\$ 6,465	2016
37-69:201	TUCKERMAN GROUP	66	\$ 330,100	\$ 66,020	\$ 264,080	16.404	\$ 1,083	2015
37-69:203	H & A REAL ESTATE MANAGEMENT	66	\$ 220,700	\$ 44,140	\$ 176,560	16.404	\$ 724	2015
37-69:205	MJSR INVESTMENT HOLDINGS	66	\$ 328,600	\$ 65,720	\$ 262,880	16.404	\$ 1,078	2015
37-69:206	GUILFORD PROPERTIES LLC	66	\$ 438,400	\$ 90,380	\$ 348,020	16.404	\$ 1,483	2015
37-69:208	208 CLOCK TOWER SQUARE LLC	66	\$ 390,200	\$ 78,040	\$ 312,160	16.404	\$ 1,280	2015
37-69:209	CLOCK TOWER REALTY LLC	66	\$ 504,500	\$ 100,900	\$ 403,600	16.404	\$ 1,655	2015
37-69:210	CLOCK TOWER SQUARE LLC	66	\$ 198,700	\$ 39,740	\$ 158,960	16.404	\$ 652	2018
37-69:204	CLOCK TOWER SQUARE LLC	66	\$ 347,600	\$ 69,520	\$ 278,080	16.404	\$ 1,140	2018
37-69:202	CLOCK TOWER SQUARE LLC	66	\$ 208,600	\$ 41,720	\$ 166,880	16.404	\$ 684	2018
61-3A	AMH PROPERTIES LLC	66	\$ 426,900	\$ 325,200	\$ 101,700	16.404	\$ 5,335	2019

17. Restatement

The Governmental Funds’ fund balance for fiscal year 2019 remained the same, however, a reclassification to move Special Fund Warrants 12-13 from nonmajor capital project to a major fund took place. The change is outlined below:

	<u>Major Governmental Funds</u>	<u>Nonmajor Capital Project</u>
Beginning balance, July 1, 2019	\$ -	\$ (1,410,328)
To reclassify nonmajor town capital project fund as a major fund accordingly to GASB 34	<u>(1,792,252)</u>	<u>1,792,252</u>
Beginning balance, July 1, 2019, restated	<u>\$ (1,792,252)</u>	<u>\$ 381,924</u>

18. Subsequent Events

Management reviewed subsequent events through the report date of December 15, 2020. No material events have occurred that require disclosures.

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

Town of Portsmouth, Rhode Island

For the Year Ended June 30, 2020

Required Supplementary Information
Section

Town of Portsmouth, Rhode Island
Required Supplementary Information
Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2020

	<u>Budget Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes				
Current collections	\$ 54,615,421	\$ 54,615,421	\$ 54,462,804	\$ (152,617)
Prior year collections	1,150,000	1,150,000	1,223,661	73,661
Prorated collections	50,000	50,000	61,253	11,253
PILOT - housing authority	11,500	11,500	9,756	(1,744)
School housing aid	565,385	565,385	625,931	60,546
Hotel and meal	306,555	306,555	301,511	(5,044)
Public service corporation	218,991	218,991	218,050	(941)
MV excise tax	466,648	466,648	561,293	94,645
School Aid	4,056,226	4,056,226	3,805,190	(251,036)
School SRO	40,000	40,000	45,000	5,000
State library	113,429	113,429	116,067	2,638
Fees and licenses	2,795,231	2,795,231	2,755,172	(40,059)
Leases and rentals	218,857	218,857	221,944	3,087
Total revenues	<u>64,608,243</u>	<u>64,608,243</u>	<u>64,407,632</u>	<u>(200,611)</u>
Expenditures:				
Town council	12,366	12,366	10,072	2,294
Town administration	298,231	298,231	296,607	1,624
Town clerk	324,672	324,672	328,504	(3,832)
Canvassing	213,671	213,671	206,407	7,264
Information technology	221,462	221,462	236,641	(15,179)
Human resources	2,207,790	2,207,790	2,189,959	17,831
Contingency	29,382	29,382	-	29,382
Finance	787,529	787,529	799,670	(12,141)
Legal	251,900	251,900	189,359	62,541
Tax assessor / collector	584,751	584,751	530,195	54,556
Economic development	43,798	43,798	41,655	2,143
Police	6,300,873	6,300,873	6,107,097	193,776
Prudence island special service	101,445	101,445	99,564	1,881
Animal control	116,550	116,550	111,163	5,387
Harbormaster	105,860	105,860	83,722	22,138
Fire	6,577,951	6,577,951	6,430,633	147,318
Public works	3,733,987	3,733,987	3,462,429	271,558
Building inspection	317,510	317,510	328,362	(10,852)
Planning	383,994	383,994	383,384	610
Board and committees	32,692	32,692	37,335	(4,643)
Recreation / beach	209,678	209,678	177,568	32,110
Glen park	8,100	8,100	7,475	625
Melville park	11,500	11,500	10,123	1,377
Civic support	682,401	682,401	680,401	2,000
Library	113,853	113,853	116,067	(2,214)
Prudence island vol. fire dept.	170,540	170,540	170,540	-
Town capital	218,355	218,355	203,308	15,047
Debt service	2,650,232	2,650,232	2,652,212	(1,980)
Total expenditures	<u>26,711,073</u>	<u>26,711,073</u>	<u>25,890,452</u>	<u>820,621</u>

*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, 2020

	<u>Budget Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Excess (deficiency) of revenues over expenditures	37,897,171	37,897,170	38,517,180	620,010
Other financing sources and (uses):				
State aid	-	-	(3,805,190)	(3,805,190) *
School local appropriation	(38,085,052)	(38,085,052)	(33,494,126)	4,590,926 *
School capital	-	-	(534,700)	(534,700) *
Transfer from other funds	82,118	82,118	87,875	5,757
Transfer to other funds	105,763	105,763	(72,876)	(178,639)
Total other financing sources and uses	<u>(37,897,171)</u>	<u>(37,897,171)</u>	<u>(37,819,017)</u>	<u>78,154</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	<u>\$ -</u>	<u>\$ -</u>	698,164	<u>\$ 698,163</u>
Adjustment of budgetary basis to U.S. GAAP			-	
Excess of revenue and other financing sources over expenditures and other financing uses, U.S. GAAP basis			<u>698,164</u>	
Fund balance, beginning of year			<u>8,669,210</u>	
Fund balance, end of year			<u>\$ 9,367,374</u>	

* Total appropriation budget amount is reflected on School local appropriation line item.

*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, 2020

	<u>Original Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		<u>Favorable (Unfavorable)</u>
Revenues				
State aid for education	\$ 3,498,968	\$ 3,498,968	\$ 3,247,932	\$ (251,036)
State aid: group home aid	557,258	557,258	557,258	-
Impact aid	220,000	220,000	238,441	18,441
Tuition - Little Compton / individuals	1,535,283	1,535,283	1,521,436	(13,847)
Medicaid	260,000	260,000	214,198	(45,802)
Miscellaneous	20,000	20,000	13,091	(6,909)
Total revenues	<u>6,091,509</u>	<u>6,091,509</u>	<u>5,792,356</u>	<u>(299,153)</u>
Expenditures				
Salaries	23,431,930	23,309,971	23,079,877	230,094
Employee benefits	8,469,721	8,513,419	8,226,550	286,869
Purchased services	5,826,072	5,684,007	5,270,366	413,641
Supplies and materials	1,065,907	1,149,937	1,069,941	79,996
Other	105,587	110,825	89,508	21,317
Capital outlay	681,418	812,475	810,180	2,295
Total expenditures	<u>39,580,635</u>	<u>39,580,635</u>	<u>38,546,422</u>	<u>1,034,212</u>
Excess of expenditures over revenues, budgetary basis	<u>(33,489,126)</u>	<u>(33,489,126)</u>	<u>(32,754,066)</u>	<u>735,059</u>
Other financing sources (uses)				
Appropriation from Town's general fund	33,494,126	33,494,126	33,494,126	-
Transfer to other funds	(5,000)	(5,000)	(5,643)	(643)
Total other financing sources (uses)	<u>33,489,126</u>	<u>33,489,126</u>	<u>33,488,483</u>	<u>(643)</u>
Excess of revenues and other financing sources over expenditures and other financing uses, budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>734,417</u>	<u>\$ 734,417</u>
Adjustment of budgetary basis to U.S. GAAP basis			<u>(464,192)</u>	
Excess of revenues and other financing sources over expenditures and other financing uses, U.S. GAAP basis			<u>270,225</u>	
Fund balance, beginning of year			<u>1,397,977</u>	
Fund balance, end of year			<u>\$ 1,668,202</u>	

See independent auditor's report

Town of Portsmouth, Rhode Island

Required Supplementary Information

Notes to Required Supplementary Information – Budgetary Comparison

For the Year Ended June 30, 2020

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, 2020, the Town did not have open encumbrances.

Budgetary Compliance:

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

Budgetary to GAAP Basis Reconciliation:

There were no differences between budgetary basis and GAAP basis of accounting for the Town's General Fund for the year ended June 30, 2020. There were differences between the budgetary basis and GAAP Basis of accounting for the School Unrestricted Fund for the year ended June 30, 2020.

See independent auditor's report

Town of Portsmouth, Rhode Island

Required Supplementary Information

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

For the Year Ended June 30, 2020

	<u>School Unrestricted</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (budgetary basis)	\$ 734,417
Unbudgeted transfers out	(464,192)
State contribution to teachers' pension plan revenue on behalf	(1,919,514)
State contribution to teacher's pension plan expense on behalf	<u>1,919,514</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ 270,225</u>

See independent auditor's report

Town of Portsmouth, Rhode Island

Required Supplementary Information

Employees' Retirement System – Teacher's Pension Plan

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

Last 10 Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability	0.99%	0.74%	0.99%	1.07%	1.06%	1.18%
Employer's proportionate share of the net pension liability	\$31,446,313	\$31,370,338	\$31,283,742	\$31,826,498	\$29,110,693	\$28,664,026
State's proportionate share of the net pension liability associated with the school district	<u>23,556,545</u>	<u>23,400,019</u>	<u>23,642,993</u>	<u>21,796,478</u>	<u>19,887,512</u>	<u>19,656,243</u>
Total	<u>\$55,002,858</u>	<u>\$54,770,357</u>	<u>\$54,926,735</u>	<u>\$53,622,976</u>	<u>\$48,998,205</u>	<u>\$48,320,269</u>
Employer's covered employee payroll	\$18,298,517	\$17,823,609	\$17,590,459	\$17,812,753	\$16,528,974	\$16,047,548
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	171.85%	176.00%	177.84%	178.67%	176.12%	178.62%
Plan fiduciary net position as a percentage of the total pension liability	54.60%	54.30%	54.00%	54.06%	57.55%	61.40%

Notes:

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

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

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

*See accompanying notes to required supplementary information
See independent auditor's report*

Town of Portsmouth, Rhode Island
 Required Supplementary Information
 Employees' Retirement System – Teacher's Pension Plan
 Schedule of Town's Contributions

Last 10 Years

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,583,751	\$ 2,460,253	\$ 2,318,997	\$ 2,273,897	\$ 2,406,202	\$ 2,304,139
Contributions in relation to the actuarially determined contribution	2,583,751	2,460,253	2,318,997	2,273,897	2,406,202	2,304,139
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$18,298,517	\$17,947,924	\$17,823,609	\$17,590,459	\$17,812,753	\$16,528,974
Contributions as a percentage of covered-employee payroll	14.12%	13.71%	13.01%	12.93%	13.51%	11.63%

Notes:

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

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

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

*See accompanying notes to required supplementary information
 See independent auditor's report*

Town of Portsmouth, Rhode Island

Required Supplementary Information

Employees' Retirement System – Teacher's Survivor Benefit Plan

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

Last 10 Years

	Teachers' Survivors Benefit Plan					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension asset	3.59%	3.59%	3.64%	3.83%	3.78%	3.91%
Employer's proportionate share of the net pension asset	\$ 4,205,948	\$ 3,202,420	\$ 3,013,282	\$ 3,817,161	\$ 3,529,932	\$ 4,865,868
Employer's covered employee payroll	\$ 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 employee payroll	22.99%	17.97%	17.13%	21.43%	21.36%	30.32%
Plan fiduciary net position as a percentage of the total pension asset	150.2%	137.4%	136.1%	153.3%	146.6%	173.3%

Notes:

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

*See accompanying notes to required supplementary information
See independent auditor's report*

Town of Portsmouth, Rhode Island
 Required Supplementary Information
 Employees' Retirement System – Teacher's Survivor Benefit Plan
 Schedule of Town's Contributions

Last 10 Years

Teachers' Survivors Benefit Plan

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily determined contribution	\$ 27,037	\$ 27,652	\$ 26,703	\$ 21,486	\$ 24,622	\$ 22,815
Contributions in relation to the statutorily determined contribution	<u>27,037</u>	<u>27,652</u>	<u>26,703</u>	<u>21,486</u>	<u>24,622</u>	<u>22,815</u>
Contribution deficiency (excess)	<u>\$ -</u>					
Covered payroll	\$ 18,298,517	\$ 17,947,924	\$ 17,823,609	\$ 17,590,459	\$ 17,812,753	\$ 16,528,974
Contributions as a percentage of covered payroll	0.15%	0.15%	0.15%	0.12%	0.14%	0.14%

Notes:

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

*See accompanying notes to required supplementary information
 See independent auditor's report*

Town of Portsmouth, Rhode Island

Required Supplementary Information

Notes to State ERS and TSB Plans

For the Year Ended June 30, 2020

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, 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.

*See accompanying notes to required supplementary information
See independent auditor’s report*

Town of Portsmouth, Rhode Island

Required Supplementary Information

Notes to State ERS and TSB Plans

For the Year Ended June 30, 2020

June 30, 2016 measurement date –

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

June 30, 2015 measurement date –

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

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

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

*See accompanying notes to required supplementary information
See independent auditor's report*

Town of Portsmouth, Rhode Island

Required Supplementary Information

Notes to State ERS and TSB Plans

For the Year Ended June 30, 2020

- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5-year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

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

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

*See accompanying notes to required supplementary information
See independent auditor's report*

Town of Portsmouth, Rhode Island

Required Supplementary Information

Town Pension Plan

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

Last 10 Years

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Total pension liability							
Service cost	\$ 1,091,474	\$ 1,153,715	\$ 1,354,501	\$ 1,316,275	\$ 1,252,788	\$ 1,240,913	\$ 1,389,334
Interest	6,903,374	6,507,380	6,194,141	5,988,522	5,652,355	5,245,240	4,915,100
Differences between expected and actual experience	682,436	1,525,148	1,978,473	-	1,024,895	1,229,633	2,000,989
Changes in assumptions	5,424,302	2,358,787	487,587	-	-	2,343,849	(203,891)
Changes of benefit terms	-	-	(15,093)	-	1,122,120	-	(879,278)
Benefit payments, including refunds of participant contributions	<u>(5,591,756)</u>	<u>(5,640,660)</u>	<u>(4,675,839)</u>	<u>(3,917,789)</u>	<u>(4,353,001)</u>	<u>(3,727,333)</u>	<u>(3,417,068)</u>
Net change in total pension liability	<u>8,509,830</u>	<u>5,904,370</u>	<u>5,323,770</u>	<u>3,387,008</u>	<u>4,699,157</u>	<u>6,332,302</u>	<u>3,805,186</u>
Total pension liability - beginning	<u>103,976,616</u>	<u>98,072,246</u>	<u>92,748,476</u>	<u>89,361,468</u>	<u>84,662,311</u>	<u>78,330,009</u>	<u>74,524,823</u>
Total pension liability - ending	<u><u>\$ 112,486,446</u></u>	<u><u>\$ 103,976,616</u></u>	<u><u>\$ 98,072,246</u></u>	<u><u>\$ 92,748,476</u></u>	<u><u>\$ 89,361,468</u></u>	<u><u>\$ 84,662,311</u></u>	<u><u>\$ 78,330,009</u></u>
Pension fiduciary net position							
Contributions - employer	\$ 4,484,385	\$ 4,324,436	\$ 4,322,591	\$ 3,955,207	\$ 3,623,290	\$ 4,054,721	\$ 2,792,576
Contributions - employee	246,659	271,175	301,399	334,211	347,245	348,380	388,692
Net investment income	(773,812)	1,706,305	3,897,741	5,647,914	(395,702)	277,740	6,330,851
Benefit payments, including refunds of participant contributions	(5,591,756)	(5,640,660)	(4,675,839)	(3,917,789)	(4,353,001)	(3,727,333)	(3,417,068)
Administrative expense	-	(36,000)	(46,104)	(33,000)	(45,000)	(30,000)	(61,112)
Net change in plan fiduciary net position	<u>(1,634,524)</u>	<u>625,256</u>	<u>3,799,788</u>	<u>5,986,543</u>	<u>(823,168)</u>	<u>923,508</u>	<u>6,033,939</u>
Plan fiduciary net position - beginning	<u>57,341,324</u>	<u>56,716,068</u>	<u>52,916,280</u>	<u>46,929,737</u>	<u>47,752,905</u>	<u>46,829,397</u>	<u>40,795,458</u>
Plan fiduciary net position - ending	<u><u>\$ 55,706,800</u></u>	<u><u>\$ 57,341,324</u></u>	<u><u>\$ 56,716,068</u></u>	<u><u>\$ 52,916,280</u></u>	<u><u>\$ 46,929,737</u></u>	<u><u>\$ 47,752,905</u></u>	<u><u>\$ 46,829,397</u></u>
Town's net pension liability (asset) - ending	<u><u>\$ 56,779,646</u></u>	<u><u>\$ 46,635,292</u></u>	<u><u>\$ 41,356,178</u></u>	<u><u>\$ 39,832,196</u></u>	<u><u>\$ 42,431,731</u></u>	<u><u>\$ 36,909,406</u></u>	<u><u>\$ 31,500,612</u></u>

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

*See accompanying notes to required supplementary information
See independent auditor's report*

Town of Portsmouth, Rhode Island

Required Supplementary Information

Town Pension Plan

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

Last 10 Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability	\$ 112,486,446	\$ 103,976,616	\$ 98,072,246	\$ 92,748,476	\$ 89,361,468	\$ 84,662,311	\$ 78,330,009
Plan fiduciary net position	<u>55,706,800</u>	<u>57,341,324</u>	<u>56,716,068</u>	<u>52,916,280</u>	<u>46,929,737</u>	<u>47,752,905</u>	<u>46,829,397</u>
Town's net pension liability (asset)	<u>\$ 56,779,646</u>	<u>\$ 46,635,292</u>	<u>\$ 41,356,178</u>	<u>\$ 39,832,196</u>	<u>\$ 42,431,731</u>	<u>\$ 36,909,406</u>	<u>\$ 31,500,612</u>
Plan fiduciary net position as a percentage of the total pension liability	49.52%	55.15%	57.83%	57.05%	52.52%	56.40%	59.78%
Covered payroll	\$ 7,260,027	\$ 7,750,088	\$ 7,820,129	\$ 8,356,102	\$ 8,073,529	\$ 7,969,261	\$ 7,837,400
Net pension liability (asset) as a percentage of covered payroll	782.09%	601.74%	528.84%	476.68%	525.57%	463.15%	401.93%

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

*See accompanying notes to required supplementary information
See independent auditor's report*

Town of Portsmouth, Rhode Island

Required Supplementary Information

Town Pension Plan

Schedule of Town Contributions

Last 10 Years

	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 4,484,385	\$ 4,324,436	\$ 4,322,591	\$ 3,955,207	\$ 3,623,290	\$ 3,948,654	\$ 3,677,200
Contributions in relation to the actuarially determined contribution	4,484,385	4,324,436	4,322,591	3,955,207	3,623,290	4,054,721	2,792,576
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (106,067)	\$ 884,624
Covered payroll	\$ 7,260,027	\$ 7,750,088	\$ 7,820,129	\$ 8,356,102	\$ 8,073,529	\$ 7,969,261	\$ 7,837,400
Contributions as a percentage of covered payroll	61.77%	55.80%	55.28%	47.33%	44.88%	50.88%	35.63%

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

*See accompanying notes to required supplementary information
See independent auditor's report*

Town of Portsmouth, Rhode Island

Required Supplementary Information

Town Pension Plan

Schedule of Investment Returns and Notes

Last 10 Years

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Annual money-weighted rate of return, net of investment expense	-1.35%	3.04%	7.37%	12.03%	-0.83%	0.59%	15.52%

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

Notes to the Schedules:

Valuation Date:

Actuarially determined contribution rates are calculated as of June 30, 2020.

Methods and assumptions used to determine contribution rates:

Discount rate	6.75%
Long term rate of return on investments	6.75%
Salary increases	3.50%
Inflation	2.75%

Mortality rates:

Pre-retirement:	RP-2006 White Collar Employee Mortality Table projected generationally using Scale MP-2019 (previously RP-2006 Employee Mortality Table projected generationally using Scale SSA-2014 2d)
Healthy	RP-2006 White Collar Healthy Annuitant Mortality Table projected generationally using Scale MP-2019 (previously, RP-2006 Healthy Annuitant Mortality Table projected generationally using Scale SSA-2014 2d)
Disabled	RP-2006 White Collar Healthy Annuitant Mortality Table set forward 5 years and projected generationally using Scale MP-2019 (previously RP-2006 Healthy Annuitant Mortality Table set forward 5 years projected generationally using Scale SSA-2014 2d)

*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, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Total OPEB liability				
Service cost	\$ 685,689	\$ 782,916	\$ 887,744	\$ 826,446
Interest on net OPEB liability and service cost	740,008	807,833	825,756	564,081
Change of benefit terms	-	-	(8,005)	-
Differences between actual and expected experience	(1,273,550)	(966,904)	(2,179,438)	2,651,611
Changes of assumptions	1,517,261	35,933	(607,184)	(335,511)
Benefit payments, including refunds	(1,027,477)	(1,034,008)	(1,019,210)	(890,092)
Net change in total OPEB liability	641,931	(374,230)	(2,100,337)	2,816,535
Total OPEB liability - beginning	19,400,227	19,774,457	21,874,794	19,058,259
Total OPEB liability - ending	<u>\$ 20,042,158</u>	<u>\$ 19,400,227</u>	<u>\$ 19,774,457</u>	<u>\$ 21,874,794</u>
OPEB fiduciary net position				
Benefit payments, including refunds	\$ (1,027,477)	\$ (1,034,008)	\$ (1,019,210)	\$ (890,092)
Trust administrative expenses	(5,000)	(14,515)	(10,486)	(458)
Contributions - employer	1,052,477	1,059,008	1,069,210	1,169,270
Contribution - active employees	58,601	53,312	53,958	55,310
Net investment income	65,540	85,681	101,350	90,454
Net change in plan fiduciary net position	144,141	149,478	194,822	424,484
Plan fiduciary net position - beginning	1,460,001	1,310,523	1,115,701	691,217
Plan fiduciary net position - ending	<u>\$ 1,604,142</u>	<u>\$ 1,460,001</u>	<u>\$ 1,310,523</u>	<u>\$ 1,115,701</u>
Plan's net pension liability - ending	<u>\$ 18,438,016</u>	<u>\$ 17,940,226</u>	<u>\$ 18,463,934</u>	<u>\$ 20,759,093</u>

* Fourth year of implementation of GASB 74/75, therefore only four 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
6/30/2020	\$ 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%

* Fourth year of implementation of GASB 74/75, only four years of the ten required data is available.

*See accompanying notes to required supplementary information
See independent auditor's report*

Town of Portsmouth, Rhode Island

Required Supplementary Information

Town OPEB Plan

Schedule of Contributions

Last 10 Years

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Actuarial determined contribution	\$ 1,586,153	\$ 1,695,662	\$ 1,629,782	\$ 1,739,943	\$ 1,351,405	\$ 1,313,035	\$ 1,254,874	\$ 1,297,531	\$ 1,248,914	\$ 1,345,177
Contributions in relation to the actuarially determined contribution	1,052,477	1,059,008	1,069,210	1,169,270	861,032	726,394	768,926	800,908	953,389	792,174
Contribution deficiency (excess)	<u>\$ 533,676</u>	<u>\$ 636,654</u>	<u>\$ 560,572</u>	<u>\$ 570,673</u>	<u>\$ 490,373</u>	<u>\$ 586,641</u>	<u>\$ 485,948</u>	<u>\$ 496,623</u>	<u>\$ 295,525</u>	<u>\$ 553,003</u>
Covered payroll	\$ 7,902,464	\$ 7,635,231	\$ 7,441,122	\$ 7,189,490	\$ 6,476,502	\$ 6,287,866	\$ 5,569,426	\$ 5,407,210	\$ 6,574,560	\$ 6,383,155
Contributions as a percentage of covered payroll	13.32%	13.87%	14.37%	16.26%	13.29%	11.55%	13.81%	14.81%	14.50%	12.41%

** Actuarial determined contributions are based on the Annual Required Contributions calculated in the prior GASB 45 actuarial valuations.

*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, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Annual money-weighted rate of return, net of investment expense	6.46%	7.33%	8.80%	5.50%

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

Notes to Required Supplementary Information:

Valuation Date: Actuarially Determined Contribution was calculated as of June 30, 2019.
 Actuarial Cost Method: 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 Payroll Growth.
 Asset-Valuation Method: Market Value of Assets as of the Measurement Date, June 30, 2020.

Actuarial Assumptions:

Investment Rate of Return: 5.00%, net of OPEB plan investment expense
 Medical inflation: For medical/rx benefits, the trend rates have been reset to an initial rate of 7.50% decreasing by 0.50% annually to an ultimate rate of 4.50%
 Inflation: 2.50% as of June 30, 2020 and for future periods
 Salary Increases: 3.50% annually as of July 1, 2018 and for future periods
 Pre-Retirement Mortality: SOA Pub-2010 Mortality Table fully generational using Scale MP-2019.
 Assumed rate of retirement: 40% for 20 or more years of service, 5% for 21-22 years of service, 25% for 23-24 years of service and 100% for 25+ years of service.
 Marriage assumptions: 80% of males and 80% of females assumed to be married with wives to be three years younger than their husbands
 Changes in Assumptions: Effective June 30, 2020
 • Discount rate is 2.94% previously 3.78%

*See accompanying notes to required supplementary information
 See independent auditor's report*

Town of Portsmouth, Rhode Island

Required Supplementary Information

School OPEB Plan

Net OPEB Liability and Related Ratios

Last 10 Years

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Total OPEB liability				
Service cost	\$ 61,389	\$ 83,679	\$ 86,311	\$ 98,924
Interest on net OPEB liability and service cost	104,155	130,322	137,405	111,824
Change of benefit terms	-	-	22,101	-
Differences between actual and expected experience	(161,761)	(545,866)	(350,776)	222,319
Changes of assumptions	194,887	176,668	(85,586)	(139,055)
Benefit payments, including refunds	<u>(179,755)</u>	<u>(264,530)</u>	<u>(333,087)</u>	<u>(367,665)</u>
Net change in total OPEB liability	18,915	(419,727)	(523,632)	(73,653)
Total OPEB liability - beginning	<u>2,995,096</u>	<u>3,414,823</u>	<u>3,938,455</u>	<u>4,012,108</u>
Total OPEB liability - ending	<u><u>\$ 3,014,011</u></u>	<u><u>\$ 2,995,096</u></u>	<u><u>\$ 3,414,823</u></u>	<u><u>\$ 3,938,455</u></u>
OPEB fiduciary net position				
Benefit payments, including refunds	\$ (179,755)	\$ (264,530)	\$ (333,087)	\$ (367,665)
Contributions - employer	179,755	264,530	333,087	367,665
Net investment income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Plan's net pension liability - ending	<u><u>\$ 3,014,011</u></u>	<u><u>\$ 2,995,096</u></u>	<u><u>\$ 3,414,823</u></u>	<u><u>\$ 3,938,455</u></u>

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

*See accompanying notes to required supplementary information
See independent auditor's report*

Town of Portsmouth, Rhode Island

Required Supplementary Information

School OPEB Plan

Net OPEB Liability and Related Ratios

Last 10 Years

Actuarial Valuation Date	Fiduciary Net Position	Total OPEB Liability (TOL)	Net OPEB Liability (NOL)	Funded Ratio	Covered Payroll	NOL as a % of Covered Payroll
6/30/2020	\$ -	\$ 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%

* Fourth year of implementation of GASB 75, only four years of the ten required data is available.

*See accompanying notes to required supplementary information
See independent auditor's report*

Town of Portsmouth, Rhode Island

Required Supplementary Information

School OPEB Plan

Schedule of Contributions and Notes

Last 10 Years

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

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

Notes to Required Supplementary Information:

Valuation Date: Actuarially Determined Contribution was calculated as of June 30, 2020.

Actuarial Cost Method: Entry Age Normal Actuarial Cost Method

Actuarial Assumptions:

Investment Rate of Return: 2.66%, net of OPEB plan investment expense

Medical inflation 7.50% trending to an ultimate rate of 4.50%

Inflation: 2.50% per year

Salary Increases: 3.00% annually as of June 30, 2019 and for future periods

Pre-Retirement Mortality: Certified Teacher Participants: SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generationally using Scale MP-2019.

All Other Participants: SOA Pub - 2010 General Headcount Weighted Mortality Table fully generationally using Scale MP-2019.

Assumed rate of retirement: Annular rates of retirement by group (AFSCME, Teachers & Admin) are based on historical experience from 2010 through 2016:

AFSCME: Ages 55 through 64 ranges from 5% - 35%
Ages 65+ ranges from 50% - 100%

Teachers & Admin: Ages 55 through 64 ranges from 15% - 40%
Ages 65+ ranges from 50% - 100%

Marriage assumptions 70% of employees are assumed to be married at retirement. Husbands are assumed to be three years older than wives.

*See accompanying notes to required supplementary information
See independent auditor's report*

Supplementary Information Section

*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
June 30, 2020

	Town Special Revenue	School Special Revenue	Town Capital Projects	School Capital Projects	Permanent Trust Funds	Total Non-Major Funds
Assets						
Cash and cash equivalent	\$ 470,881	\$ -	\$ 72	\$ -	\$ 161,552	\$ 632,505
Due from other governments	29,153	327,102	-	-	-	356,255
Due from other funds	422,658	367,580	322,762	1,023,463	8,845	2,145,308
Other receivables, net	96,253	-	-	-	-	96,253
Total assets	<u>1,018,945</u>	<u>694,682</u>	<u>322,834</u>	<u>1,023,463</u>	<u>170,397</u>	<u>3,230,321</u>
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 1,018,945</u>	<u>\$ 694,682</u>	<u>\$ 322,834</u>	<u>\$ 1,023,463</u>	<u>\$ 170,397</u>	<u>\$ 3,230,321</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ 15,470	\$ -	\$ 15,470
Accrued expenses	-	84,699	-	-	-	84,699
Due to other funds	92,961	175,122	24,771	-	-	292,854
Total liabilities	<u>92,961</u>	<u>259,821</u>	<u>24,771</u>	<u>15,470</u>	<u>-</u>	<u>393,023</u>
Deferred inflows of resources						
Deferred revenue	1,864	54,838	-	-	-	56,702
Total deferred inflows of resources	<u>1,864</u>	<u>54,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,702</u>
Fund balance						
Nonspendable	-	-	-	-	170,397	170,397
Restricted	958,510	380,074	63	1,007,993	-	2,346,640
Committed	-	-	322,770	-	-	322,770
Unassigned	(34,390)	(51)	(24,770)	-	-	(59,211)
Total fund balance	<u>924,120</u>	<u>380,023</u>	<u>298,063</u>	<u>1,007,993</u>	<u>170,397</u>	<u>2,780,596</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,018,945</u>	<u>\$ 694,682</u>	<u>\$ 322,834</u>	<u>\$ 1,023,463</u>	<u>\$ 170,397</u>	<u>\$ 3,230,321</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, 2020

	Town Special Revenue	School Special Revenue	Town Capital Projects	School Capital Projects	Permanent Trust Funds	Total Non Major Funds
Revenues						
Federal and state grants	\$ 208,540	\$ 1,318,360	\$ -	\$ -	\$ -	\$ 1,526,900
Charges for services	165,131	68,066	306,530	-	-	539,727
Interest and investment income	812	-	10	-	2,945	3,767
Other revenues	332,279	8,658	76,987	205,000	-	622,924
Total revenue	706,762	1,395,084	383,527	205,000	2,945	2,693,318
Expenditures						
General government	84,983	-	180,325	138,681	-	403,989
Public safety	200,528	-	-	-	-	200,528
Public works	72,000	-	-	-	-	72,000
Public and social services	32,215	-	-	-	-	32,215
Parks and recreation	-	-	-	-	-	-
Education	-	1,284,682	-	33,697	-	1,318,379
Capital	-	244,257	199,188	1,004,734	-	1,448,179
Total Expenditures	389,726	1,528,939	379,513	1,177,112	-	3,475,290
Excess (deficiency) of revenues over expenditures	317,036	(133,855)	4,014	(972,112)	2,945	(781,972)
Other financing sources (uses)						
Issuance of capital leases	-	-	-	-	-	-
Transfers in	-	-	-	464,192	-	464,192
Transfers out	-	-	(87,875)	-	-	(87,875)
Total other financing sources (uses)	-	-	(87,875)	464,192	-	376,317
Net change in fund balance	317,036	(133,855)	(83,861)	(507,920)	2,945	(405,655)
Fund balance, July 1, 2019 restated	607,084	513,878	381,924	1,515,913	167,452	3,186,251
Fund balance, June 30, 2020	\$ 924,120	\$ 380,023	\$ 298,063	\$ 1,007,993	\$ 170,397	\$ 2,780,596

*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, 2020

	CDBG	CDBG Disaster Recovery	Bullerproof Vest	Evidence Fund	City Clerks Restoration	EDC Workshop	EMW SHSP Heavy Rescue	CPFPIA Certification	EMPG 27-229	EMW 2012 FO 03583	Commemorative Bench
Assets											
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	5,775	6,919	-	-	-	-	-	-	-	-	-
Due from other funds	1,339	-	-	30,810	74	331	14,151	-	3,005	-	-
Other receivables, net	-	-	-	-	-	-	425	-	-	-	3,175
Total assets	7,114	6,919	-	30,810	74	331	14,576	-	3,005	-	3,175
Deferred outflows of resources											
Deferred outflows	-	-	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	7,114	6,919	-	30,810	74	331	14,576	-	3,005	-	3,175
Liabilities											
Due to other funds	-	-	7,290	-	-	-	-	-	-	10,866	-
Total liabilities	-	-	7,290	-	-	-	-	-	-	10,866	-
Deferred inflows of resources											
Deferred revenue	1,864	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	1,864	-	-	-	-	-	-	-	-	-	-
Fund balance											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	5,250	6,919	-	30,810	74	331	14,576	-	3,005	-	3,175
Committed	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(7,290)	-	-	-	-	-	-	(10,866)	-
Total fund balance	5,250	6,919	(7,290)	30,810	74	331	14,576	-	3,005	(10,866)	3,175
Total liabilities, deferred inflows of resources and fund balance	\$ 7,114	\$ 6,919	\$ -	\$ 30,810	\$ 74	\$ 331	\$ 14,576	\$ -	\$ 3,005	\$ -	\$ 3,175

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Balance Sheet –
Town Special Revenue
June 30, 2020

	School Impact Fees	Click it or Ticket	New Police Station	RIEMA - PDM	Town Commons Grant	RI Sen Grant Fire Dept.	Alcohol Survey	NHTSA - Pedestrian	Fire Ambulance Reserve	AIPC West Side Project	Explorer Program	Fire Alarm Maintenance
Assets												
Cash and cash equivalents	\$ 465,290	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	15,000	-	-	-	-	-	-	-	-
Due from other funds	-	58	4,479	-	289	600	-	-	2,407	20,000	1,266	40,883
Other receivables, net	-	-	-	-	-	-	30	-	-	-	-	-
Total assets	<u>465,290</u>	<u>58</u>	<u>4,479</u>	<u>15,000</u>	<u>289</u>	<u>600</u>	<u>30</u>	<u>-</u>	<u>2,407</u>	<u>20,000</u>	<u>1,266</u>	<u>40,883</u>
Deferred outflows of resources												
Deferred outflows	-	-	-	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>465,290</u>	<u>58</u>	<u>4,479</u>	<u>15,000</u>	<u>289</u>	<u>600</u>	<u>30</u>	<u>-</u>	<u>2,407</u>	<u>20,000</u>	<u>1,266</u>	<u>40,883</u>
Liabilities												
Due to other funds	37,100	-	-	18,750	-	-	30	-	-	-	-	-
Total liabilities	<u>37,100</u>	<u>-</u>	<u>-</u>	<u>18,750</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources												
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	428,190	58	4,479	-	289	600	-	-	2,407	20,000	1,266	40,883
Committed	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(3,750)	-	-	-	-	-	-	-	-
Total fund balance	<u>428,190</u>	<u>58</u>	<u>4,479</u>	<u>(3,750)</u>	<u>289</u>	<u>600</u>	<u>-</u>	<u>-</u>	<u>2,407</u>	<u>20,000</u>	<u>1,266</u>	<u>40,883</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 465,290</u>	<u>\$ 58</u>	<u>\$ 4,479</u>	<u>\$ 15,000</u>	<u>\$ 289</u>	<u>\$ 600</u>	<u>\$ 30</u>	<u>\$ -</u>	<u>\$ 2,407</u>	<u>\$ 20,000</u>	<u>\$ 1,266</u>	<u>\$ 40,883</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, 2020

	Fire Plan Review	Historic Records Fund	Joan Haskins Memorial	Veterans Wall	Fed Equitable Sharing	Melville Recreation	NARC Forfeiture	Distracted Driver	IICAC	FDA Tobacco Survey
Assets										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	-	-	-	-	-
Due from other funds	9,225	38,316	3,715	-	2,425	942	18,039	-	-	506
Other receivables, net	-	-	-	-	-	-	-	-	3,287	-
Total assets	9,225	38,316	3,715	1,974	2,425	942	18,039	-	3,287	506
Deferred outflows of resources										
Deferred outflows	-	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	9,225	38,316	3,715	1,974	2,425	942	18,039	-	3,287	506
Liabilities										
Due to other funds	-	-	-	180	-	-	-	241	9,227	-
Total liabilities	-	-	-	180	-	-	-	241	9,227	-
Deferred inflows of resources										
Unearned revenue	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-
Fund balance										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	9,225	38,316	3,715	1,794	2,425	942	18,039	-	-	506
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(241)	(5,940)	-
Total fund balance	9,225	38,316	3,715	1,794	2,425	942	18,039	(241)	(5,940)	506
Total liabilities, deferred inflows of resources and fund balance	\$ 9,225	\$ 38,316	\$ 3,715	\$ 1,974	\$ 2,425	\$ 942	\$ 18,039	\$ -	\$ 3,287	\$ 506

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Balance Sheet –
Town Special Revenue
June 30, 2020

	Blue RIPTIDE Impaired	Blue RIPTIDE Speed Management	Dog Fund	COPS SRO	Tank Farm	Tech Upgrades and Doc P	Synar Tobacco Survey	Glen Farm Stables Donation	Fire Smoke Detector	Byrne Grant
Assets										
Cash and cash equivalents	\$ -	\$ -	\$ 3,617	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	1,079	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	2,127	26,077	102,449	-	443	52,795	8,330
Other receivables, net	-	-	-	-	-	-	30	-	-	-
Total assets	1,079	-	3,617	2,127	26,077	102,449	30	443	52,795	8,330
Deferred outflows of resources										
Deferred outflows	-	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	1,079	-	3,617	2,127	26,077	102,449	30	443	52,795	8,330
Liabilities										
Due to other funds	4,173	258	1,733	-	-	-	2,179	-	-	-
Total liabilities	4,173	258	1,733	-	-	-	2,179	-	-	-
Deferred inflows of resources										
Unearned revenue	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-
Fund balance										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	1,884	2,127	26,077	102,449	-	443	52,795	8,330
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned	(3,094)	(258)	-	-	-	-	(2,149)	-	-	-
Total fund balance	(3,094)	(258)	1,884	2,127	26,077	102,449	(2,149)	443	52,795	8,330
Total liabilities, deferred inflows of resources and fund balance	\$ 1,079	\$ -	\$ 3,617	\$ 2,127	\$ 26,077	\$ 102,449	\$ 30	\$ 443	\$ 52,795	\$ 8,330

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Balance Sheet –
Town Special Revenue
June 30, 2020

	EMA Meds Plan Update	Meds Pods	Low income Spay / Neut	Shelter Spay/ Neuter	NHTSA - Child Passenger	Conserv Comm Common	Trust Safety Grant	Portsmouth Tree Com	Friends of Glen Park	Conservation Comm Gr
Assets										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	380	-	-	-	-	-
Due from other funds	-	-	-	-	-	50	5,530	15	178	500
Other receivables, net	3,553	15,928	7,554	11,294	-	-	-	3,000	-	-
Total assets	3,553	15,928	7,554	11,294	380	50	5,530	3,015	178	500
Deferred outflows of resources										
Deferred outflows	-	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	3,553	15,928	7,554	11,294	380	50	5,530	3,015	178	500
Liabilities										
Due to other funds	-	-	-	-	115	-	-	-	-	-
Total liabilities	-	-	-	-	115	-	-	-	-	-
Deferred inflows of resources										
Unearned revenue	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-
Fund balance										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	3,553	15,928	7,554	11,294	265	50	5,530	3,015	178	500
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balance	3,553	15,928	7,554	11,294	265	50	5,530	3,015	178	500
Total liabilities, deferred inflows of resources and fund balance	\$ 3,553	\$ 15,928	\$ 7,554	\$ 11,294	\$ 380	\$ 50	\$ 5,530	\$ 3,015	\$ 178	\$ 500

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Balance Sheet –
Town Special Revenue
June 30, 2020

	Accident Recovery	Senior Fire Inspection	Newport County Pre Coal	Portsmouth Pre Coal	PPC Beach and Alcohol Patrol	Natural Hazard Mitigation	Marine Salvage Ops	Covid Food Bank	National Grid Efficiency	Total Town Special Revenue
Assets										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 470,881
Due from other governments	-	-	-	-	-	-	-	-	-	29,153
Due from other funds	-	-	436	-	-	18,750	-	11,770	-	422,658
Other receivables, net	11,000	7,500	-	2,875	-	-	10,000	-	16,950	96,253
Total assets	11,000	7,500	436	2,875	-	18,750	10,000	11,770	16,950	1,018,945
Deferred outflows of resources										
Deferred outflows	-	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	11,000	7,500	436	2,875	-	18,750	10,000	11,770	16,950	1,018,945
Liabilities										
Due to other funds	-	-	-	17	802	-	-	-	-	92,961
Total liabilities	-	-	-	17	802	-	-	-	-	92,961
Deferred inflows of resources										
Unearned revenue	-	-	-	-	-	-	-	-	-	1,864
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	1,864
Fund balance										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	11,000	7,500	436	2,858	-	18,750	10,000	11,770	16,950	958,510
Committed	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(802)	-	-	-	-	(34,390)
Total fund balance	11,000	7,500	436	2,858	(802)	18,750	10,000	11,770	16,950	924,120
Total liabilities, deferred inflows of resources and fund balance	\$ 11,000	\$ 7,500	\$ 436	\$ 2,875	\$ -	\$ 18,750	\$ 10,000	\$ 11,770	\$ 16,950	\$ 1,018,945

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –
Town Special Revenue
For the Year Ended June 30, 2020

	CDBG	CDBG Disaster Recovery	Bullerproof Vest	Evidence Fund	City Clerks Restoration	EDC Workshop	EMW SHSP Heavy Rescue	CPFPIA Certification	EMPG 27-229	EMW 2012 FO 03583	Commemorative Bench
Revenues:											
Federal and state grants	\$ 72,000	\$ -	\$ 3,133	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,030	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Interest and investment income	-	-	-	-	-	-	-	-	-	-	-
Other revenues	-	-	-	24,049	-	-	10,595	35,820	-	1,447	-
Total revenues	72,000	-	3,133	24,049	-	-	10,595	35,820	6,030	1,447	-
Expenditures :											
General government	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	1,973	-	-	186	3,177	-	2,500	-	-
Public works	72,000	-	-	-	-	-	-	-	-	-	-
Public and social services	-	-	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	72,000	-	1,973	-	-	186	3,177	-	2,500	-	-
Excess (deficiency) of revenues over expenditures	-	-	1,160	24,049	-	(186)	7,418	35,820	3,530	1,447	-
Other financing sources (uses):											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	1,160	24,049	-	(186)	7,418	35,820	3,530	1,447	-
Fund balance - beginning	5,250	6,919	(8,450)	6,761	74	517	7,158	(35,820)	(525)	(12,313)	3,175
Fund balance - ending	\$ 5,250	\$ 6,919	\$ (7,290)	\$ 30,810	\$ 74	\$ 331	\$ 14,576	\$ -	\$ 3,005	\$ (10,866)	\$ 3,175

Independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –
Town Special Revenue
For the Year Ended June 30, 2020

	School Impact Fees	Click it or Ticket	New Police Station	RIEMA - PDM	Town Commons Grant	RI Sen Grant Fire Dept.	Alcohol Survey	NHTSA - Pedestrian	Fire Ambulance Reserve	AIPC West Side Project	Explorer Program	Fire Alarm Maintenance
Revenues:												
Federal and state grants	\$ -	\$ 1,212	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 820	\$ -	\$ -	\$ -	\$ -
Charges for services	118,030	-	-	-	-	-	-	-	-	-	-	19,564
Interest and investment income	812	-	-	-	-	-	-	-	-	-	-	-
Other revenues	-	-	5,219	-	-	600	-	-	-	-	-	-
Total revenues	118,842	1,212	5,219	-	-	600	-	820	-	-	-	19,564
Expenditures :												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	1,154	3,740	-	-	-	-	820	-	-	-	8,297
Public works	-	-	-	-	-	-	-	-	-	-	-	-
Public and social services	-	-	-	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	1,154	3,740	-	-	-	-	820	-	-	-	8,297
Excess (deficiency) of revenues over expenditures	118,842	58	1,479	-	-	600	-	-	-	-	-	11,267
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balance	118,842	58	1,479	-	-	600	-	-	-	-	-	11,267
Fund balance - beginning	309,348	-	3,000	(3,750)	289	-	-	-	2,407	20,000	1,266	29,616
Fund balance - ending	\$ 428,190	\$ 58	\$ 4,479	\$ (3,750)	\$ 289	\$ 600	\$ -	\$ -	\$ 2,407	\$ 20,000	\$ 1,266	\$ 40,883

Independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –
Town Special Revenue
For the Year Ended June 30, 2020

	Fire Plan Review	Historic Records Fund	Joan Haskins Memorial	Veterans Wall	Fed Equitable Sharing	Melville Recreation	NARC Forfeiture	Distracted Driver	IICAC	FDA Tobacco Survey
Revenues:										
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,196	\$ -	\$ -
Charges for services	12,087	-	-	-	-	-	-	-	-	-
Interest and investment income	-	-	-	-	-	-	-	-	-	-
Other revenues	-	4,004	-	83	-	-	-	-	2	-
Total revenues	12,087	4,004	-	83	-	-	-	2,196	2	-
Expenditures :										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	35,197	-	-	-	-	-	4,757	2,343	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Public and social services	-	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-	-
Total expenditures	35,197	-	-	-	-	-	4,757	2,343	-	-
Excess (deficiency) of revenues over expenditures	(23,110)	4,004	-	83	-	-	(4,757)	(147)	2	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balance	(23,110)	4,004	-	83	-	-	(4,757)	(147)	2	-
Fund balance - beginning	32,335	34,312	3,715	1,711	2,425	942	22,796	(94)	(5,942)	506
Fund balance - ending	\$ 9,225	\$ 38,316	\$ 3,715	\$ 1,794	\$ 2,425	\$ 942	\$ 18,039	\$ (241)	\$ (5,940)	\$ 506

Independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –
Town Special Revenue
For the Year Ended June 30, 2020

	Blue RIPTIDE Impaired	Blue RIPTIDE Speed Management	Dog Fund	COPS SRO	Tank Farm	Tech Upgrades and Doc P	Synar Tobacco Survey	Glen Farm Stables Donation	Fire Smoke Detector	Byrne Grant
Revenues:										
Federal and state grants	\$ 12,125	\$ 2,623	\$ -	\$ 107,986	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-	15,450	-
Interest and investment income	-	-	-	-	-	-	-	-	-	-
Other revenues	-	-	41,794	-	-	24,181	-	-	-	-
Total revenues	12,125	2,623	41,794	107,986	-	24,181	-	-	15,450	-
Expenditures :										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	13,147	3,496	-	107,988	-	-	524	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Public and social services	-	-	32,115	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-	-
Total expenditures	13,147	3,496	32,115	107,988	-	-	524	-	-	-
Excess (deficiency) of revenues over expenditures	(1,022)	(873)	9,679	(2)	-	24,181	(524)	-	15,450	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balance	(1,022)	(873)	9,679	(2)	-	24,181	(524)	-	15,450	-
Fund balance - beginning	(2,072)	615	(7,795)	2,129	26,077	78,268	(1,625)	443	37,345	8,330
Fund balance - ending	\$ (3,094)	\$ (258)	\$ 1,884	\$ 2,127	\$ 26,077	\$ 102,449	\$ (2,149)	\$ 443	\$ 52,795	\$ 8,330

Independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –
Town Special Revenue
For the Year Ended June 30, 2020

	EMA Meds Plan Update	Meds Pods	Low income Spay / Neut	Shelter Spay / Neuter	NHTSA - Child Passenger	Conserv Comm Common	Trust Safety Grant	Portsmouth Tree Com	Friends of Glen Park	Conservation Comm Gr
Revenues:										
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ 415	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-	-	-
Interest and investment income	-	-	-	-	-	-	-	-	-	-
Other revenues	-	4,000	705	705	-	-	5,530	-	-	-
Total revenues	-	4,000	705	705	415	-	5,530	-	-	-
Expenditures :										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	714	-	-	415	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Public and social services	-	-	-	-	-	-	-	-	100	-
Parks and recreation	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	714	-	-	415	-	-	-	100	-
Excess (deficiency) of revenues over expenditures	-	3,286	705	705	-	-	5,530	-	(100)	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net change in fund balance	-	3,286	705	705	-	-	5,530	-	(100)	-
Fund balance - beginning	3,553	12,642	6,849	10,589	265	50	-	3,015	278	500
Fund balance - ending	\$ 3,553	\$ 15,928	\$ 7,554	\$ 11,294	\$ 265	\$ 50	\$ 5,530	\$ 3,015	\$ 178	\$ 500

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –
Town Special Revenue
For the Year Ended June 30, 2020

	Accident Recovery	Senior Fire Inspection	Newport County Pre Coal	Portsmouth Pre Coal	PPC Beach and Alcohol Patrol	Natural Hazard Mitigation	Marine Salvage Ops	Covid Food Bank	National Grid Efficiency	Total Town Special Revenue
Revenues:										
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208,540
Charges for services	-	-	-	-	-	-	-	-	-	165,131
Interest and investment income	-	-	-	-	-	-	-	-	-	812
Other revenues	11,000	7,500	7,282	80,193	-	18,750	10,000	21,870	16,950	332,279
Total revenues	11,000	7,500	7,282	80,193	-	18,750	10,000	21,870	16,950	706,762
Expenditures :										
General government	-	-	6,846	77,335	802	-	-	-	-	84,983
Public safety	-	-	-	-	-	-	-	10,100	-	200,528
Public works	-	-	-	-	-	-	-	-	-	72,000
Public and social services	-	-	-	-	-	-	-	-	-	32,215
Parks and recreation	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	-	6,846	77,335	802	-	-	10,100	-	389,726
Excess (deficiency) of revenues over expenditures	11,000	7,500	436	2,858	(802)	18,750	10,000	11,770	16,950	317,036
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
expenditures and other uses	11,000	7,500	436	2,858	(802)	18,750	10,000	11,770	16,950	317,036
Fund balance - beginning	-	-	-	-	-	-	-	-	-	607,084
Fund balance - ending	\$ 11,000	\$ 7,500	\$ 436	\$ 2,858	\$ (802)	\$ 18,750	\$ 10,000	\$ 11,770	\$ 16,950	\$ 924,120

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Balance Sheet –
School Special Revenue
June 30, 2020

	SPED Part B	IDEA Preschool	Title I Part A	Title II Part A	Title III	Perkins
Assets						
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	147,363	4,848	80,733	26,228	-	-
Due from unrest fund	-	-	-	-	-	-
Due from other funds	-	-	-	-	670	176
Other receivables, net	-	-	-	-	-	-
Total assets	147,363	4,848	80,733	26,228	670	176
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	147,363	4,848	80,733	26,228	670	176
Liabilities						
Accounts payable	-	-	-	-	-	-
Accrued expenses	80,740	-	884	2,134	-	-
Due to other funds	66,280	4,848	79,849	24,145	-	-
Total liabilities	147,020	4,848	80,733	26,279	-	-
Deferred inflows of resources						
Deferred revenue	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund balance						
Nonspendable	-	-	-	-	-	-
Restricted	343	-	-	-	670	176
Committed	-	-	-	-	-	-
Unassigned	-	-	-	(51)	-	-
Total fund balance	343	-	-	(51)	670	176
Total liabilities, deferred inflows of resources and fund balance	\$ 147,363	\$ 4,848	\$ 80,733	\$ 26,228	\$ 670	\$ 176

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Balance Sheet –
School Special Revenue
June 30, 2020

	SAMSHA DFC	Literacy Set Aside	VIS	RISCA - Big Yellow Bus	Career & Tech Odd Year	Career & Tech Even Year
Assets						
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	64,834
Due from unres fund	-	-	-	-	-	18
Due from other funds	55,018	49,539	3,880	400	40,278	-
Other receivables, net	-	-	-	-	-	-
Total assets	<u>55,018</u>	<u>49,539</u>	<u>3,880</u>	<u>400</u>	<u>40,278</u>	<u>64,852</u>
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>55,018</u>	<u>49,539</u>	<u>3,880</u>	<u>400</u>	<u>40,278</u>	<u>64,852</u>
Liabilities						
Accounts payable	-	-	-	-	-	-
Accrued expenses	180	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources						
Deferred revenue	54,838	-	-	-	-	-
Total deferred inflows of resources	<u>54,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance						
Nonspendable	-	-	-	-	-	-
Restricted	-	49,539	3,880	400	40,278	64,852
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>49,539</u>	<u>3,880</u>	<u>400</u>	<u>40,278</u>	<u>64,852</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 55,018</u>	<u>\$ 49,539</u>	<u>\$ 3,880</u>	<u>\$ 400</u>	<u>\$ 40,278</u>	<u>\$ 64,852</u>

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Balance Sheet –
School Special Revenue
June 30, 2020

	ELL Categorical	Restr State Grant - Science Mini Grant	SBA Technical Assistance Grant	Rhode Island Foundation	Van Beuren Grant	Prevention Coalition Task Force
Assets						
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	-	3,096
Due from unrest fund	-	-	-	-	-	-
Due from other funds	-	1	-	8,399	-	30,587
Other receivables, net	-	-	-	-	-	-
Total assets	-	1	-	8,399	-	33,683
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	-	1	-	8,399	-	33,683
Liabilities						
Accounts payable	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	761
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	761
Deferred inflows of resources						
Deferred revenue	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund balance						
Nonspendable	-	-	-	-	-	-
Restricted	-	1	-	8,399	-	32,922
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	-	1	-	8,399	-	32,922
Total liabilities, deferred inflows of resources and fund balance	\$ -	\$ 1	\$ -	\$ 8,399	\$ -	\$ 33,683

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Balance Sheet –
School Special Revenue
June 30, 2020

	<u>Concord Consortium</u>	<u>Boston Museum of Science</u>	<u>Building Use</u>	<u>Gate Receipts</u>	<u>Total School Special Revenue Funds</u>
Assets					
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	-	-	-	-	327,102
Due from unrest fund	-	-	-	-	18
Due from other funds	886	1,903	87,213	88,612	367,562
Other receivables, net	-	-	-	-	-
Total assets	<u>886</u>	<u>1,903</u>	<u>87,213</u>	<u>88,612</u>	<u>694,682</u>
Deferred outflows of resources					
Deferred outflows	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	<u>886</u>	<u>1,903</u>	<u>87,213</u>	<u>88,612</u>	<u>694,682</u>
Liabilities					
Accounts payable	-	-	-	-	-
Accrued expenses	-	-	-	-	84,699
Due to other funds	-	-	-	-	175,122
Total liabilities	-	-	-	-	259,821
Deferred inflows of resources					
Deferred revenue	-	-	-	-	54,838
Total deferred inflows of resources	-	-	-	-	54,838
Fund balance					
Nonspendable	-	-	-	-	-
Restricted	886	1,903	87,213	88,612	380,074
Committed	-	-	-	-	-
Unassigned	-	-	-	-	(51)
Total fund balance	<u>886</u>	<u>1,903</u>	<u>87,213</u>	<u>88,612</u>	<u>380,023</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 886</u>	<u>\$ 1,903</u>	<u>\$ 87,213</u>	<u>\$ 88,612</u>	<u>\$ 694,682</u>

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –
School Special Revenue
For the Year Ended June 30, 2020

	SPED Part B	IDEA Preschool	Title I Part A	Title II Part A	Title III	Perkins
Revenues:						
Federal and state grants	\$ 614,071	\$ 20,691	\$ 263,202	\$ 96,873	\$ -	\$ 28,007
Charges for services	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>614,071</u>	<u>20,691</u>	<u>263,202</u>	<u>96,873</u>	<u>-</u>	<u>28,007</u>
Expenditures :						
Education	614,071	20,691	263,202	96,873	-	27,665
Capital	-	-	-	-	-	-
Total expenditures	<u>614,071</u>	<u>20,691</u>	<u>263,202</u>	<u>96,873</u>	<u>-</u>	<u>27,665</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	342
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	-	-	-	-	-	342
Fund balance, July 1, 2019	<u>343</u>	<u>-</u>	<u>-</u>	<u>(51)</u>	<u>670</u>	<u>(166)</u>
Fund balance, June 30, 2020	<u>\$ 343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (51)</u>	<u>\$ 670</u>	<u>\$ 176</u>

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –
School Special Revenue
For the Year Ended June 30, 2020

	SAMSHA DFC	Literacy Set Aside	VIS	RISCA - Big Yellow Bus	Career & Tech Odd Year	Career & Tech Even Year
Revenues:						
Federal and state grants	\$ 108,751	\$ -	\$ -	\$ -	\$ -	\$ 64,834
Charges for services	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	<u>108,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,834</u>
Expenditures :						
Education	108,672	-	-	-	12,771	-
Capital	-	-	-	-	-	-
Total expenditures	<u>108,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,771</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	79	-	-	-	(12,771)	64,834
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	79	-	-	-	(12,771)	64,834
Fund balance, July 1, 2019	<u>(79)</u>	<u>49,539</u>	<u>3,880</u>	<u>400</u>	<u>53,049</u>	<u>18</u>
Fund balance, June 30, 2020	<u>\$ -</u>	<u>\$ 49,539</u>	<u>\$ 3,880</u>	<u>\$ 400</u>	<u>\$ 40,278</u>	<u>\$ 64,852</u>

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –
School Special Revenue
For the Year Ended June 30, 2020

	ELL Categorical	Restr State Grant - Science Mini Grant	SBA Technical Assistance Grant	Rhode Island Foundation	Van Beuren Grant	Prevention Coalition Task Force
Revenues:						
Federal and state grants	\$ -	\$ -	53,500	\$ -	\$ -	\$ 68,431
Charges for services	-	-	-	-	-	-
Other revenues	-	-	-	8,658	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>53,500</u>	<u>8,658</u>	<u>-</u>	<u>68,431</u>
Expenditures :						
Education	-	-	53,500	2,804	-	57,988
Capital	-	-	-	-	225,019	-
Total expenditures	<u>-</u>	<u>-</u>	<u>53,500</u>	<u>2,804</u>	<u>225,019</u>	<u>57,988</u>
Excess (deficiency) of revenues over expenditures	-	-	-	5,854	(225,019)	10,443
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	-	-	-	5,854	(225,019)	10,443
Fund balance, July 1, 2019	<u>-</u>	<u>1</u>	<u>-</u>	<u>2,545</u>	<u>225,019</u>	<u>22,479</u>
Fund balance, June 30, 2020	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 8,399</u>	<u>\$ -</u>	<u>\$ 32,922</u>

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance –
School Special Revenue
For the Year Ended June 30, 2020

	Concord Consortium	Boston Museum of Science	Building Use	Gate Receipts	Total School Special Revenue Funds
Revenues:					
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ 1,318,360
Charges for services	-	-	41,276	26,790	68,066
Other revenues	-	-	-	-	8,658
Total revenues	-	-	41,276	26,790	1,395,084
Expenditures :					
Education	-	-	25,555	890	1,284,682
Capital	-	-	19,238	-	244,257
Total expenditures	-	-	44,793	890	1,528,939
Excess (deficiency) of revenues over expenditures	-	-	(3,517)	25,900	(133,855)
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	-	-	(3,517)	25,900	(133,855)
Fund balance, July 1, 2019	886	1,903	90,730	62,712	513,878
Fund balance, June 30, 2020	<u>\$ 886</u>	<u>\$ 1,903</u>	<u>\$ 87,213</u>	<u>\$ 88,612</u>	<u>\$ 380,023</u>

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Balance Sheet –
Town Capital Projects
June 30, 2020

	<u>Dept Reserved</u>	<u>Glen Manor</u>	<u>05-06 Warrants</u>	<u>06-07 Warrants</u>	<u>07-08 Warrants</u>	<u>08-09 Warrants</u>
Assets						
Cash and cash equivalent	\$ -	\$ 8	\$ 3	\$ 57	\$ 3	\$ 1
Due from other funds	208,768	113,994	-	-	-	-
Total assets	<u>208,768</u>	<u>114,002</u>	<u>3</u>	<u>57</u>	<u>3</u>	<u>1</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>\$ 208,768</u>	<u>\$ 114,002</u>	<u>\$ 3</u>	<u>\$ 57</u>	<u>\$ 3</u>	<u>\$ 1</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	19,028
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,028</u>
Deferred inflows of resources						
Unearned revenues	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance						
Restricted	-	-	3	57	3	-
Committed	208,768	114,002	-	-	-	-
Unassigned	-	-	-	-	-	(19,027)
Total fund balance	<u>208,768</u>	<u>114,002</u>	<u>3</u>	<u>57</u>	<u>3</u>	<u>(19,027)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 208,768</u>	<u>\$ 114,002</u>	<u>\$ 3</u>	<u>\$ 57</u>	<u>\$ 3</u>	<u>\$ 1</u>

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Balance Sheet –
Town Capital Projects
June 30, 2020

	<u>09-10 Warrants</u>	<u>10-11 Warrants</u>	<u>Total Town Capital Project</u>
Assets			
Cash and cash equivalent	\$ -	\$ -	\$ 72
Due from other funds	-	-	322,762
Total assets	<u>-</u>	<u>-</u>	<u>322,834</u>
Deferred outflows of resources			
Deferred outflows	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322,834</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	5,743	-	24,771
Total liabilities	<u>5,743</u>	<u>-</u>	<u>24,771</u>
Deferred inflows of resources			
Unearned revenues	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance			
Restricted	-	-	63
Committed	-	-	322,770
Unassigned	(5,743)	-	(24,770)
Total fund balance	<u>(5,743)</u>	<u>-</u>	<u>298,063</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322,834</u>

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Balance Sheet –
Town Capital Projects
June 30, 2020

	Dept Reserved	Glen Manor	05-06 Warrants	06-07 Warrants	07-08 Warrants	08-09 Warrants
Revenues						
Charges for services	\$ -	\$ 306,530	\$ -	\$ -	\$ -	\$ -
Interest and investment income	-	10	-	-	-	-
Other revenues	76,987	-	-	-	-	-
Total revenues	76,987	306,540	-	-	-	-
Expenditures						
General government	-	180,325	-	-	-	-
Education	-	-	-	-	-	-
Capital	-	199,188	-	-	-	-
Total expenditures	-	379,513	-	-	-	-
Excess (deficiency) of revenues over expenditures	76,987	(72,973)	-	-	-	-
Other financing sources (uses)						
Issuance of capital leases	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	(87,875)	-	-	-	-
Total other financing sources (uses)	-	(87,875)	-	-	-	-
Net change in fund balance	76,987	(160,848)	-	-	-	-
Fund balance, July 1, 2019 restated	131,781	274,850	3	57	3	(19,027)
Fund balance, June 30, 2020	\$ 208,768	\$ 114,002	\$ 3	\$ 57	\$ 3	\$ (19,027)

See independent auditor's report

Town of Portsmouth, Rhode Island
 Supplementary Information
 Combining Non-Major Governmental Funds Balance Sheet –
 Town Capital Projects
June 30, 2020

	09-10 Warrants	10-11 Warrants	Total Town Capital Project
Revenues			
Charges for services	\$ -	\$ -	\$ 306,530
Interest and investment income	-	-	10
Other revenues	-	-	76,987
Total revenues	-	-	383,527
Expenditures			
General government	-	-	180,325
Education	-	-	-
Capital	-	-	199,188
Total expenditures	-	-	379,513
Excess (deficiency) of revenues over expenditures	-	-	4,014
Other financing sources (uses)			
Issuance of capital leases	-	-	-
Transfers in	-	-	-
Transfers out	-	-	(87,875)
Total other financing sources (uses)	-	-	(87,875)
Net change in fund balance	-	-	(83,861)
Fund balance, July 1, 2019 restated	(5,743)	-	381,924
Fund balance, June 30, 2020	\$ (5,743)	\$ -	\$ 298,063

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Balance Sheet –
School Capital Projects
June 30, 2020

	School Capital Projects	Phase 2 Project	Athletic Improvements	Total School Capital Project
Assets				
Cash and cash equivalent	\$ -	\$ -	\$ -	\$ -
Due from other funds	119,027	903,006	1,430	1,023,463
Total assets	119,027	903,006	1,430	1,023,463
Deferred outflows of resources				
Deferred outflows	-	-	-	-
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 119,027	\$ 903,006	\$ 1,430	\$ 1,023,463
Liabilities				
Accounts payable	\$ -	\$ 15,470	\$ -	\$ 15,470
Due to other funds	-	-	-	-
Total liabilities	-	15,470	-	15,470
Deferred inflows of resources				
Unearned revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balance				
Restricted	119,027	887,536	1,430	1,007,993
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balance	119,027	887,536	1,430	1,007,993
Total liabilities, deferred inflows of resources, and fund balances	\$ 119,027	\$ 903,006	\$ 1,430	\$ 1,023,463

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Statement of Revenues, Expenditures and Changes
in Fund Balance – School Capital Projects
For the Year Ended June 30, 2020

	School Capital Projects	Phase 2 Project	Athletic Improvements	Total School Capital Project
Revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Interest and investment income	-	-	-	-
Other revenues	-	62,000	143,000	205,000
Total revenues	-	62,000	143,000	205,000
Expenditures				
General government	-	138,681	-	138,681
Education	-	33,697	-	33,697
Capital	-	863,164	141,570	1,004,734
Total expenditures	-	1,035,542	141,570	1,177,112
Excess (deficiency) of revenues over expenditures	-	(973,542)	1,430	(972,112)
Other financing sources (uses)				
Issuance of capital leases	-	-	-	-
Transfers in	-	464,192	-	464,192
Transfers out	-	-	-	-
Total other financing sources (uses)	-	464,192	-	464,192
Net change in fund balance	-	(509,350)	1,430	(507,920)
Fund balance, July 1, 2019	119,027	1,396,886	-	1,515,913
Fund balance, June 30, 2020	\$ 119,027	\$ 887,536	\$ 1,430	\$ 1,007,993

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Balance Sheet –
Permanent Funds
June 30, 2020

	<u>Sherman Trust</u>	<u>Cemetery Fund</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 17,220	\$ 144,332	\$ 161,552
Due from other funds	(80)	8,925	8,845
Total assets	<u>17,140</u>	<u>153,257</u>	<u>170,397</u>
Deferred outflows of resources			
Deferred outflows	-	-	-
Total assets and deferred outflows of resources	<u>17,140</u>	<u>153,257</u>	<u>170,397</u>
Liabilities			
Accounts payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources			
Deferred revenue	-	-	-
Fund Balances			
Nonspendable	17,023	150,429	167,452
Restricted	117	2,828	2,945
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,140</u>	<u>\$ 153,257</u>	<u>\$ 170,397</u>

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Non-Major Governmental Funds Statement of Revenue, Expenditures and Changes
in Fund Balance
Permanent Funds
For the Year Ended June 30, 2020

	<u>Sherman Trust</u>	<u>Cemetery Fund</u>	<u>Total</u>
Revenues			
Investment income	\$ 117	\$ 2,828	\$ 2,945
Total revenues	<u>117</u>	<u>2,828</u>	<u>2,945</u>
Expenditures			
None	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	117	2,828	2,945
Other financing sources (uses)			
Transfer from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	117	2,828	2,945
Fund Balance, July 1, 2019	<u>17,023</u>	<u>150,429</u>	<u>167,452</u>
Fund Balance, June 30, 2020	<u>\$ 17,140</u>	<u>\$ 153,257</u>	<u>\$ 170,397</u>

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Town Agency Funds Statement of Fiduciary Net Position
June 30, 2020

	Soil Agency Fund	GMH Deposit Agency Fund	Road Bonds	Glen Park Damage Dep	City Clerks Restoration Fund	Prescott Point Traffic Study Bond	Hathaway	Melville	PMS	PHS	Total Agency
Assets											
Cash and cash equivalents	\$ -	\$ -	\$ 241,315	\$ -	\$ 236,291	\$ 111,257	\$ 68,419	\$ 22,295	\$ 12,959	\$ 259,563	\$ 952,099
Receivables from external parties	197,355	1,500	11,549	950	-	(80)	-	-	-	-	211,274
Total assets	<u>197,355</u>	<u>1,500</u>	<u>252,864</u>	<u>950</u>	<u>236,291</u>	<u>111,177</u>	<u>68,419</u>	<u>22,295</u>	<u>12,959</u>	<u>259,563</u>	<u>1,163,373</u>
Deferred outflows of resources											
Deferred outflows	-	-	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>197,355</u>	<u>1,500</u>	<u>252,864</u>	<u>950</u>	<u>236,291</u>	<u>111,177</u>	<u>68,419</u>	<u>22,295</u>	<u>12,959</u>	<u>259,563</u>	<u>1,163,373</u>
Liabilities											
Deposits held	197,355	1,500	252,864	950	236,291	111,177	68,419	22,295	12,959	259,563	1,163,373
Total liabilities	<u>\$ 197,355</u>	<u>\$ 1,500</u>	<u>\$ 252,864</u>	<u>\$ 950</u>	<u>\$ 236,291</u>	<u>\$ 111,177</u>	<u>\$ 68,419</u>	<u>\$ 22,295</u>	<u>\$ 12,959</u>	<u>\$ 259,563</u>	<u>\$ 1,163,373</u>

See independent auditor's report

Town of Portsmouth, Rhode Island
Supplementary Information
Combining Town Agency Funds Statement of Changes in Deposits Held
For the Year Ended June 30, 2020

	Soil Agency Fund	GMH Deposit Agency Fund	Road Bonds	Glen Park Damage Dep	City Clerks Restoration Fund	Prescott Point Traffic Study Bond	Hathaway	Melville	PMS	PHS	Total Agency
Additions											
Net investment income	\$ -	\$ -	\$ 451	\$ -	\$ 119	\$ 759	\$ -	\$ -	\$ -	\$ -	\$ 1,329
Other revenue	94,530	15,000	-	600	-	-	-	-	-	-	110,130
Total additions	94,530	15,000	451	600	119	759	-	-	-	-	111,459
Deductions											
Deductions	102,737	21,000	-	700	-	-	-	-	-	-	124,437
Total deductions	102,737	21,000	-	700	-	-	-	-	-	-	124,437
Change in deposits held	(8,207)	(6,000)	451	(100)	119	759	-	-	-	-	235,896
Deposits held - July 1, 2019	205,562	7,500	252,413	1,050	236,172	110,418	68,419	22,295	12,959	259,563	1,176,351
Deposits held - June 30, 2020	\$ 197,355	\$ 1,500	\$ 252,864	\$ 950	\$ 236,291	\$ 111,177	\$ 68,419	\$ 22,295	\$ 12,959	\$ 259,563	\$ 1,163,373

See independent auditor's report

Town of Portsmouth, Rhode Island
Tax Collector's Annual Report
For the Year Ended June 30, 2020

<u>Tax Roll Year</u>	<u>Balance July 1, 2019</u>	<u>Assessment</u>	<u>Additions</u>	<u>Abatements & Adjustments</u>	<u>Amount to be collected</u>	<u>Current Year Collections</u>	<u>Refunds</u>	<u>Balance June 30, 2020</u>
2019	\$ -	\$ 56,047,236	\$ 104	\$ 84,906	\$ 55,962,434	\$ 54,051,061	\$ 46,301	\$ 1,966,914
2018	1,301,918		241	(31,522)	1,333,681	1,233,032	321	100,970
2017	98,380		233	212	98,401	26,266	5	72,140
2016	81,650		232	533	81,349	4,261	-	77,088
2015	57,337		230	306	57,261	2,537	-	54,724
2014	59,964		-	265	59,699	1,341	-	58,358
2013	48,572		-	(1)	48,573	1,583	-	46,990
2012	42,984		-	7	42,977	531	-	42,446
2011	40,370		-	-	40,370	410	-	39,960
2010	36,999		-	-	36,999	826	-	36,173
2009	24,487		-	-	24,487	397	-	24,090
2008	21,828		-	14,868	6,960	292	-	6,668
20017 and prior	4,393		-	1,276	3,117	-	-	3,117
	<u>\$ 1,818,882</u>	<u>\$ 56,047,236</u>	<u>\$ 1,040</u>	<u>\$ 70,850</u>	<u>\$ 57,796,308</u>	<u>\$ 55,322,537</u>	<u>\$ 46,627</u>	<u>\$ 2,529,638</u>
Less: Allowance for Uncollectible accounts	<u>(456,828)</u>							<u>(435,652)</u>
	<u>\$ 1,362,054</u>							<u>\$ 2,093,986</u>

See independent auditor's report

Town of Portsmouth, Rhode Island
Tax Collector's Annual Report
For the Year Ended June 30, 2020

FY 2020 Cash Collections Summary			
July - August 2019 Collections Subject to 60-day FY19 Accrual	September - June-20 Collections	Total FY 2020 Cash Collections	July - August 2020 (FY 20) Cash Collections Subject to 60-day FY 20 Accrual
\$ -	\$ 54,051,061	\$ 54,885,507	\$ 834,446
439,158	793,874	1,233,032	2,858
5,296	20,970	26,266	1,641
470	3,791	4,261	721
507	2,030	2,537	550
360	981	1,341	446
191	1,392	1,583	662
-	531	531	624
584	(174)	410	460
200	626	826	733
119	278	397	705
73	219	292	679
-	-	-	621
\$ 446,958	\$ 54,875,579	\$ 56,156,983	\$ 845,146

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

	Valuation	Levy
Real property	\$ 3,302,889,540	\$ 54,149,720
Motor vehicles	158,639,126	3,569,372
Tangible personal property	77,137,569	1,265,431
Total	3,538,666,235	58,984,523
Less: Exemptions and motor vehicle phase out		
Real property	(76,429,368)	(1,222,855)
Motor vehicles	(76,282,117)	(1,716,423)
Tangible personal property	112,625	1,990
Total	\$ 3,386,067,374	\$ 56,047,236

Reconciliation of Current Year Property Tax Revenue

Current Year Collections	\$ 55,322,537
60-day FY19 Accrual	845,145
<i>July-August 2020 Collections</i>	
60-day FY18 Accrual	(446,958)
<i>July-August 2019 Collections</i>	
Current Year Property Tax Revenue	\$ 55,720,724

See independent auditor's report

OTHER SUPPLEMENTARY INFORMATION

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

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

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

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

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

Town of Portsmouth, Rhode Island
Annual Supplemental Transparency Report (MTP2)
For the Year Ended June 30, 2020

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 54,462,805	\$ -
Last Year's Levy Tax Collection	1,223,661	-
Prior Years Property Tax Collection	61,253	-
Interest & Penalty	280,879	-
PILOT & Tax Treaty (excluded from levy) Collection	9,756	-
Other Local Property Taxes	-	-
Licenses and Permits	908,107	-
Fines and Forfeitures	73,009	-
Investment Income	78,961	-
Departmental	1,566,099	-
Rescue Run Revenue	734,220	-
Police & Fire Detail	109,954	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	1,521,436
Impact Aid	-	238,441
Medicaid	-	214,198
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	206,268
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	1,131,594
COVID - ESSER	-	-
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
MV Excise Tax Reimbursement	94,049	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	116,067	-
Library Construction Aid	-	-
Public Service Corporation Tax	218,050	-
Meals & Beverage Tax / Hotel Tax	301,511	-
LEA Aid	-	3,805,190
Group Home	-	-
Housing Aid Capital Projects	625,931	-
Housing Aid Bonded Debt	-	-
State Food Service Revenue	-	8,170
Incentive Aid	-	-
Property Revaluation Reimbursement	64,548	-
Other State Revenue	-	118,334
Motor Vehicle Phase Out	467,244	-
Other Revenue	118,842	719,856
Local Appropriation for Education	-	33,494,126
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 61,514,945	\$ 41,457,613
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	87,875	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ 87,875	\$ -

*See notes to accompanying supplementary information
See independent auditor's report*

Town of Portsmouth, Rhode Island
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

EXPENDITURES	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 710,586	\$ 584,232	\$ -	\$ -	\$ 463,541	\$ -	\$ 1,171,988	\$ 120,697	\$ 2,674,649
Compensation - Group B	-	-	-	-	-	-	-	-	58,328
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	14,358	11,978	-	-	4,721	-	134,753	1,990	325,251
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	140,677	98,750	-	-	87,420	-	291,483	13,803	443,605
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	8,566
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	8,421	5,073	-	-	5,409	-	17,095	795	28,975
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	387
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	62,107	46,177	-	-	34,661	-	93,706	9,523	229,804
Life Insurance	3,179	2,990	-	-	2,214	-	6,526	316	14,116
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	7,209	-	-	-	-	-	-	-	-
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	691,996	45,017	-	-	35,804	-	279,444	4,006	1,758,484
Purchased Services	281,635	29,463	-	85,119	122,788	-	81,326	10,464	118,721
Materials/Supplies	15,349	24,351	-	-	5,612	-	35,594	4,775	30,875
Software Licenses	-	17,861	-	142,995	4,430	-	-	-	27,633
Capital Outlays	23,484	-	-	8,527	-	-	247,842	11,104	186,048
Insurance	215,923	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	261,532	11,670	20,352
Vehicle Operations	-	-	-	-	1,771	-	39,626	-	85,849
Utilities	-	65,274	-	-	-	-	60,187	5,759	77,567
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	119,079	-	-
Revaluation	-	107,579	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	100,000	-	-
Trash Removal & Recycling	-	-	-	-	-	-	686,013	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	-	-	-
Other Operation Expenditures	41,990	355,668	155,521	-	22,365	640,947	197,661	11,367	29,757
Tipping Fees	-	-	-	-	-	-	46,761	-	-
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	\$ 2,216,915	\$ 1,394,411	\$ 155,521	\$ 236,641	\$ 790,736	\$ 640,947	\$ 3,870,617	\$ 206,270	\$ 6,118,967

See notes to accompanying supplementary information
See independent auditor's report

Town of Portsmouth, Rhode Island
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

<u>EXPENDITURES</u>	<u>Fire</u> <u>Department</u>	<u>Centralized</u> <u>Dispatch</u>	<u>Public Safety</u> <u>Other</u>	<u>Education</u> <u>Appropriation</u>	<u>Debt</u>	<u>OPEB</u>	<u>Total</u> <u>Municipal</u>	<u>Education</u> <u>Department</u>
Compensation- Group A	\$ 2,631,094	\$ -	\$ 146,182	\$ -	\$ -	\$ -	\$ 8,502,969	\$ 17,608,297
Compensation - Group B	171,465	-	-	-	-	-	229,793	1,895,061
Compensation - Group C	-	-	-	-	-	-	-	3,930,420
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	620,206	-	12,082	-	-	-	1,125,339	-
Overtime - Group B	29,458	-	-	-	-	-	29,458	-
Overtime - Group C	-	-	-	-	-	-	-	95,464
Police & Fire Detail	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	460,844	-	28,180	-	-	-	1,564,762	2,489,246
Active Medical Insurance- Group B	23,738	-	-	-	-	-	32,304	269,366
Active Medical Insurance- Group C	-	-	-	-	-	-	-	516,674
Active Dental insurance- Group A	28,619	-	717	-	-	-	95,105	143,128
Active Dental Insurance- Group B	1,558	-	-	-	-	-	1,945	15,737
Active Dental Insurance- Group C	-	-	-	-	-	-	-	29,519
Payroll Taxes	237,333	-	14,021	-	-	-	727,332	624,519
Life Insurance	12,823	-	748	-	-	-	42,912	37,029
State Defined Contribution- Group A	-	-	-	-	-	-	-	399,602
State Defined Contribution - Group B	-	-	-	-	-	-	-	41,519
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	7,209	181,428
Other Benefits- Group B	-	-	-	-	-	-	-	32,154
Other Benefits- Group C	-	-	-	-	-	-	-	34,774
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	636,687
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	2,390,572
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	246,955
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	1,545,282	-	9,151	-	-	-	4,369,185	180,089
Purchased Services	126,214	-	47,500	-	-	-	903,230	6,098,519
Materials/Supplies	6,213	-	394	-	-	-	123,163	520,810
Software Licenses	399	-	-	-	-	-	193,318	332,272
Capital Outlays	116,926	-	16,562	-	-	-	610,493	1,578,327
Insurance	-	-	-	-	-	-	215,923	221,998
Maintenance	29,591	-	9,341	-	-	-	332,486	501,631
Vehicle Operations	108,267	-	2,081	-	-	-	237,592	5,096
Utilities	40,938	-	-	-	-	-	249,725	610,947
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	119,079	-
Revaluation	-	-	-	-	-	-	107,579	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	100,000	-
Trash Removal & Recycling	-	-	-	-	-	-	686,013	-
Claims & Settlements	-	-	-	-	-	-	-	30,000
Community Support	-	-	-	-	-	-	-	(1,958)
Other Operation Expenditures	239,666	-	178,032	-	-	-	1,872,973	85,163
Tipping Fees	-	-	-	-	-	-	46,761	-
Local Appropriation for Education	-	-	-	33,494,126	-	-	33,494,126	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	1,505,651	-	1,505,651	-
Municipal Debt- Interest	-	-	-	-	563,338	-	563,338	-
School Debt- Principal	-	-	-	-	447,389	-	447,389	-
School Debt- Interest	-	-	-	-	135,834	-	135,834	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	40,253
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	1,052,477	1,052,477	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 6,430,633	\$ -	\$ 464,990	\$ 33,494,126	\$ 2,652,212	\$ 1,052,477	\$ 59,725,463	\$ 41,821,298

See notes to accompanying supplementary information
See independent auditor's report

Town of Portsmouth, Rhode Island
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

Financing Uses: Transfer to Capital Funds	\$ 1,143,709	\$ -
Financing Uses: Transfer to Other Funds	47,876	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 1,191,585	\$ -
Net Change in Fund Balance¹	685,772	(363,685)
Fund Balance 1- beginning of year	\$9,050,859	\$3,564,395
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	9,050,859	3,564,395
Rounding		
Fund Balance¹ - end of year	\$ 9,736,631	\$ 3,200,710

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

See notes to accompanying supplementary information
See independent auditor's report

Town of Portsmouth, Rhode Island
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

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, 2019						\$ 9,050,859	\$ -	\$ 9,050,859	
<i>No funds removed from RGS for fiscal 2020</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2020</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2020</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2019 adjusted						<u>\$ 9,050,859</u>	<u>\$ -</u>	<u>\$ 9,050,859</u>	
General Fund	\$ 60,602,442	\$ 87,875	\$ 25,306,442	\$ 34,685,711	\$ 698,164	\$ 8,669,210	\$ -	\$ 8,669,210	\$ 9,367,374
Transfer Station	729,113	-	860,347	-	(131,234)	72,300	-	72,300	(58,934)
Impact fees on Special Revenue Fund	118,842	-	-	-	118,842	309,349	-	309,349	428,191
Totals per audited financial statements	<u>\$ 61,450,397</u>	<u>\$ 87,875</u>	<u>\$ 26,166,789</u>	<u>\$ 34,685,711</u>	<u>\$ 685,772</u>	<u>\$ 9,050,859</u>	<u>\$ -</u>	<u>\$ 9,050,859</u>	<u>\$ 9,736,631</u>
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 33,494,126	\$ (33,494,126)	\$ -	\$ -	\$ -	\$ -	\$ -
Tax revaluation reported net on financials and gross on MTP1	64,548	-	64,548	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 61,514,945</u>	<u>\$ 87,875</u>	<u>\$ 59,725,463</u>	<u>\$ 1,191,585</u>	<u>\$ 685,772</u>	<u>\$ 9,050,859</u>	<u>\$ -</u>	<u>\$ 9,050,859</u>	<u>\$ 9,736,631</u>

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

See notes to accompanying supplementary information
See independent auditor's report

Town of Portsmouth, Rhode Island
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

Per Audited Fund Financial Statements	Total Other		Total Other		Net Change	Beginning Fund		Restated Beginning		Ending
Fund Description	Total	Financing	Total	Financing	in Fund	Fund Balance ¹	Prior Period	Fund Balance ¹	Fund Balance ¹	Fund Balance ¹
	Revenue	Sources	Expenditures	Uses	Balance ¹	(Deficit)	Adjustment	(Deficit)	(Deficit)	(Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2019						\$ 3,564,395	\$ -	\$ 3,564,395		
<i>No misc. adjustments made for fiscal 2020</i>						-	-	-		
Fund Balance¹ - per MTP-2 at June 30, 2019 adjusted						<u>\$ 3,564,395</u>	<u>\$ -</u>	<u>\$ 3,564,395</u>		
School Unrestricted Fund	\$ 7,710,775	\$ 33,494,126	\$ 40,464,843	\$ 469,834	\$ 270,224	\$ 1,397,976	\$ -	\$ 1,397,976	\$ 1,668,200	
Enterprise Fund - School Nutrition Fund	572,143	5,643	581,344	-	(3,558)	229,677	-	229,677	226,119	
Enterprise Fund - School Summer School Fund	-	-	-	-	-	(234)	-	(234)	(234)	
School Capital Projects Fund	205,000	464,191	1,177,111	-	(507,920)	1,515,914	-	1,515,914	1,007,994	
School Special Revenue Funds	1,395,083	-	1,528,939	-	(133,856)	513,879	-	513,879	380,023	
Totals per audited financial statements	<u>\$ 9,883,001</u>	<u>\$ 33,963,960</u>	<u>\$ 43,752,237</u>	<u>\$ 469,834</u>	<u>\$ (375,110)</u>	<u>\$ 3,657,212</u>	<u>\$ -</u>	<u>\$ 3,657,212</u>	<u>\$ 3,282,102</u>	
<u>Reconciliation from financial statements to MTP2</u>										
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 33,494,126	\$ (33,494,126)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(1,919,514)	-	(1,919,514)	-	-	-	-	-	-	-
Enterprise Fund - School Nutrition depreciation reported as an expenditure for GAAP but excluded from UCOA and MTP2	-	-	(11,425)	-	11,425	-	-	-	11,425	
Enterprise Fund - School Nutrition prior year cumulative investment in net capital assets included in Fund Balance for GAAP	-	-	-	-	-	(92,817)	-	(92,817)	(92,817)	
Transfer from School Unrestricted Fund to the School Capital Projects Fund 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	-	(464,191)	-	(464,191)	-	-	-	-	-	
Transfer from School Unrestricted Fund to the School Nutrition Fund to cover the cost of student bad debt 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.	-	(5,643)	-	(5,643)	-	-	-	-	-	
Rounding	-	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 41,457,613</u>	<u>\$ -</u>	<u>\$ 41,821,298</u>	<u>\$ -</u>	<u>\$ (363,685)</u>	<u>\$ 3,564,395</u>	<u>\$ -</u>	<u>\$ 3,564,395</u>	<u>\$ 3,200,710</u>	
<u>Reconciliation from MTP2 to UCOA</u>										
No reconciling items between MTP2 and UCOA	-	-	-	-	-	-	-	-	-	-
Totals per UCOA Validated Totals Report	<u>\$ 41,457,613</u>	<u>\$ -</u>	<u>\$ 41,821,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

See notes to accompanying supplementary information
See independent auditor's report

Town of Portsmouth, Rhode Island

Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2) For the Year Ended June 30, 2020

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

Town of Portsmouth, Rhode Island

Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)
For the Year Ended June 30, 2020

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/>.

CERTIFIED PUBLIC ACCOUNTANTS

126 President Avenue

Fall River, MA 02720

TEL. (508) 675-7889

FAX (508) 675-7859

www.hague-sahady.com

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, 2020, 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 15, 2020.

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, Sabady & Co. PC

Fall River, Massachusetts
December 15, 2020

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, 2020

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 Net Bonded Debt Outstanding by Type
- Ratio of Net Bonded Debt Outstanding
- 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
- Principal Employers

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

See independent auditor's report

Town of Portsmouth, Rhode Island
Statistical Section
Net Position by Component
Last 10 Years
(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities:										
Net Investment in Capital Assets	\$ 13,131,880	\$ 13,342,227	\$ 13,361,790	\$ 17,181,434	\$ 19,065,856	\$ 18,884,330	\$ 12,808,535	\$ 18,492,317	\$ 25,991,078	\$ 26,392,634
Permanent Trust Funds										
Expandable	-	-	-	-	-	-	-	-	-	-
Nonexpandable	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Restricted for specific programs	-	-	-	-	-	-	13,224,782	9,539,508	3,599,709	3,673,182
Unrestricted	2,186,695	4,868,397	7,593,977	4,978,129	(53,150,442)	(48,236,404)	(76,737,772)	(79,603,146)	(81,423,805)	(85,225,456)
Total Governmental Activities Net Position	\$ 15,318,575	\$ 18,210,624	\$ 20,955,767	\$ 22,159,563	\$ (34,084,586)	\$ (29,352,074)	\$ (50,704,455)	\$ (51,571,321)	\$ (51,833,018)	\$ (55,159,640)
Business-type Activities:										
Net Investment in Capital Assets	\$ 263,758	\$ 337,289	\$ 558,288	\$ 778,209	\$ 1,011,013	\$ 214,640	\$ 246,923	\$ 287,681	\$ 321,499	\$ 319,699
Restricted for recycling	-	-	-	-	-	42,925	-	-	-	-
Restricted for specific programs	61,272	117,652	42,216	41,468	52,185	-	135,043	182,330	233,704	269,854
Unrestricted	(206,059)	(218,110)	(399,971)	64,764	(201,753)	(484,211)	(279,674)	(581,785)	(532,586)	(645,112)
Total Business-type Activities Net Position	\$ 118,971	\$ 236,831	\$ 200,533	\$ 884,441	\$ 861,445	\$ (226,646)	\$ 102,292	\$ (111,774)	\$ 22,617	\$ (55,559)
Primary Government:										
Net Investment in Capital Assets	\$ 13,395,638	\$ 13,679,516	\$ 13,920,078	\$ 17,959,643	\$ 20,076,869	\$ 19,098,970	\$ 13,055,458	\$ 18,779,998	\$ 26,312,577	\$ 26,712,333
Permanent Funds:										
Expandable	-	-	-	-	-	-	-	-	-	-
Nonexpandable	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Restricted for recycling	-	-	-	-	-	42,925	-	-	-	-
Restricted for specific programs	61,272	117,652	42,216	41,468	52,185	-	13,359,825	9,721,838	3,833,413	3,943,036
Unrestricted	1,980,636	4,650,287	7,194,006	5,042,893	(53,352,195)	(48,720,615)	(77,017,446)	(80,184,931)	(81,956,391)	(85,870,568)
Total Primary Government Net Position	\$ 15,437,546	\$ 18,447,455	\$ 21,156,300	\$ 23,044,004	\$ (33,223,141)	\$ (29,578,720)	\$ (50,602,163)	\$ (51,683,095)	\$ (51,810,401)	\$ (55,215,199)

See independent auditor's report

Town of Portsmouth, Rhode Island
Statistical Section
Changes in Net Position by Component
Last 10 Years
(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,390,030	\$ 1,457,302	\$ 325,937	\$ 207,860	\$ 321,465	\$ 779,018	\$ 1,276,782	\$ 1,301,265	\$ 1,382,222	\$ 750,332
General Education	963,936	1,072,173	1,095,603	1,284,080	1,190,355	1,223,557	1,324,821	1,457,114	1,675,281	1,399,538
Public Safety	561,940	559,735	1,916,306	1,928,936	1,593,544	810,523	1,247,938	1,296,168	1,358,718	1,065,030
Public Services	38,239	36,045	-	-	-	786,402	904,663	1,312,384	862,965	456,718
Community Service			596,985	612,272	591,755	570,530	269,131	54,321	76,294	133,965
Operating Grants and Contributions	3,582,471	3,351,960	2,640,398	2,872,433	4,283,641	5,581,847	5,964,893	8,142,481	8,576,083	9,422,525
Capital Grants and Contributions	441,054	293,313	106,790	115,000	193,000	250,313	-	11,021	35,269	281,987
Total Governmental Activities Program Revenues	6,977,670	6,770,528	6,682,019	7,020,581	8,173,760	10,002,190	10,988,228	13,574,754	13,966,832	13,510,095
Business-type Activities:										
Charges for Services:										
School Lunch Fund	468,778	458,888	439,792	474,039	485,336	504,002	526,846	505,390	537,564	357,702
Transfer Station	618,213	582,454	554,501	567,679	582,891	633,222	667,281	649,039	816,838	729,113
Wind Turbine Generator Fund	320,594	324,197	55,120	-	-	-	-	-	-	-
Septic System Loan Program	-	-	-	-	-	-	7,789	6,875	5,614	3,483
Non-major Funds	14,449	15,908	14,925	12,900	9,882	5,400	4,500	18,000	18,000	13,500
Operating Grants and Contributions	183,077	168,652	181,779	200,640	211,539	254,731	331,602	218,628	208,055	214,438
Total Business-type Activities	1,605,111	1,550,099	1,246,117	1,255,258	1,289,648	1,397,355	1,538,018	1,397,932	1,586,071	1,318,236
Total Primary Government Program Revenues	8,582,781	8,320,627	7,928,136	8,275,839	9,463,408	11,399,545	12,526,246	14,972,686	15,552,903	14,828,331
Expenses:										
Governmental Activities:										
General Government	5,024,199	4,607,181	5,022,256	5,992,387	6,635,659	5,830,129	5,631,833	7,402,421	8,256,939	11,024,983
General Education	38,798,267	38,514,354	39,516,556	38,316,994	41,397,051	40,753,345	40,978,207	42,132,819	42,596,950	42,477,570
Public Safety	8,810,077	9,185,098	9,606,117	9,860,970	11,096,478	11,371,782	13,281,332	12,902,054	13,466,990	13,668,340
Public Services	3,557,560	2,791,589	3,120,357	2,870,292	3,315,586	3,237,659	3,384,612	4,242,174	4,263,138	5,121,921
Community Service	1,274,895	1,346,146	1,045,438	1,376,200	1,269,191	1,290,100	1,297,889	1,164,372	1,093,681	2,067,949
Capital Outlay	39,727	320,161	106,499	2,551,459	-	-	-	-	-	-
Interest on Long Term Debt	525,631	524,720	392,363	466,731	428,901	556,894	640,732	838,661	749,371	699,602
Amortization Expense	69,566	47,885	50,501	29,851	29,851	-	-	-	-	-
Non-Operating Expense	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	58,099,922	57,337,134	58,860,087	61,464,884	64,172,717	63,039,909	65,214,605	68,682,501	70,427,069	75,060,365

See independent auditor's report

Town of Portsmouth, Rhode Island
Statistical Section
Changes in Net Position by Component
Last 10 Years
(Unaudited)

Business-type Activities:										
School Lunch Fund	641,843	628,779	649,650	644,770	655,980	711,503	752,768	728,816	723,645	581,345
Transfer Station	639,453	522,349	513,140	539,373	485,025	569,944	682,031	924,230	775,107	858,179
Wind Turbine Generator Fund	310,526	310,035	99,702	155,319	151,307	1,193,708	-	-	-	-
Septic System Loan Program	-	-	-	-	-	16,421	894	743	599	366
Non-major Funds	14,244	50,535	19,938	19,964	27,341	10,162	10,470	9,066	-	-
Total Business-type Activities	1,606,066	1,511,698	1,282,430	1,359,426	1,319,653	2,501,738	1,446,163	1,662,855	1,499,351	1,439,890
Total Primary Government Program Expenses	59,705,988	58,848,832	60,142,517	62,824,310	65,492,370	65,541,647	66,660,768	70,345,356	71,926,420	76,500,255
Net (Expenses)/Revenue:										
Governmental Activities	(51,122,252)	(50,566,606)	(52,178,068)	(54,444,303)	(55,998,957)	(53,037,719)	(54,226,377)	(55,107,747)	(56,460,237)	(61,550,270)
Business-type Activities	(955)	38,401	(36,313)	(104,168)	(30,005)	(1,104,383)	91,855	(264,923)	86,720	(121,654)
Total Primary Government Net Expenses	(51,123,207)	(50,528,205)	(52,214,381)	(54,548,471)	(56,028,962)	(54,142,102)	(54,134,522)	(55,372,670)	(56,373,517)	(61,671,924)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes, MV Phase Out, and PILOT	44,388,491	45,490,728	46,517,787	47,965,049	49,267,057	49,910,345	51,008,411	52,466,837	54,448,500	56,053,578
State Aid (unrestricted)	6,937,773	6,871,423	7,005,457	6,778,745	6,048,181	6,359,063	4,387,343	1,682,968	1,705,352	1,652,108
Investment Income	10,392	11,855	(123,492)	13,792	11,621	13,433	39,911	103,984	105,760	82,728
Other Revenues	884,770	1,164,085	719,182	1,678,576	1,351,979	1,452,173	61,917	48,410	1,027	488,753
Transfers	(21,240)	(79,435)	-	(788,063)	(7,000)	35,217	(504,341)	(61,318)	(62,099)	(53,519)
Total Governmental Activities	52,200,186	53,458,656	54,118,934	55,648,099	56,671,838	57,770,231	54,993,241	54,240,881	56,198,540	58,223,648
Business-type Activities:										
Transfers	21,240	79,435	-	788,063	7,000	10,500	254,341	61,318	62,099	53,519
Investment Income	-	24	15	13	9	5,792	(17,258)	(10,461)	(14,428)	(10,041)
Total Business-type Activities	21,240	79,459	15	788,076	7,009	16,292	237,083	50,857	47,671	43,478
Total Primary Government General Revenues and Other Changes in Net Position	52,221,426	53,538,115	54,118,949	56,436,175	56,678,847	57,786,523	55,230,324	54,291,738	56,246,211	58,267,126
Change in Net Position:										
Governmental Activities	1,633,580	1,280,588	(325,369)	(350,858)	3,634,119	3,543,854	766,864	(866,866)	(261,697)	(3,326,622)
Business-type Activities	59,641	43,146	(104,153)	758,071	(1,097,374)	108,147	328,938	(214,066)	134,391	(78,176)
Total Change in Net Position of Primary Government	\$ 1,693,221	\$ 1,323,734	\$ (429,522)	\$ 407,213	\$ 2,536,745	\$ 3,652,001	\$ 1,095,802	\$(1,080,932)	\$ (127,306)	\$(3,404,798)

See independent auditor's report

Town of Portsmouth, Rhode Island
Statistical Section
Fund Balances, Governmental Funds
Last 10 Years
(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Nonspendable:										
Permanent Funds:										
Perpetual Care and Endowed Funds	\$ 4,821	\$ 4,821	\$ 140,468	\$ 146,218	\$ 156,385	\$ 160,404	\$ 161,552	\$ 163,633	\$ 167,452	\$ 170,397
General Fund:										
Advances to Other Funds	-	-	492,296	-	341,062	-	-	-	-	-
Prepaid Expenses	-	-	968	199,374	590,534	429,048	667,511	785,135	751,534	284,449
Inventory	58,646	60,892	17,450	31,236	57,173	36,300	62,208	33,287	55,470	49,577
Encumbrances	-	-	-	-	-	-	-	-	-	-
Total Nonspendable Fund Balance	\$ 63,467	\$ 65,713	\$ 651,182	\$ 376,828	\$1,145,154	\$ 625,752	\$ 891,271	\$ 982,055	\$ 974,456	\$ 504,423
Restricted:										
Town Special Revenue Funds	\$ 649,649	\$ 744,295	\$ 333,999	\$ 614,792	\$ 336,444	\$ 767,279	\$ 1,016,479	\$ 489,325	\$ 685,468	\$ 958,510
School Special Revenue Funds	-	-	418,230	472,711	386,627	434,041	408,188	283,973	514,174	380,074
Town Capital Project Funds	752,148	694,536	620,253	316,497	590,657	3,125,294	11,021,908	7,102,320	884,154	1,326,605
School Capital Project Funds	-	-	1,521,010	1,306,896	143,390	1,378,118	778,207	1,663,890	1,515,913	1,007,993
Total Restricted Fund Balance	\$ 1,401,797	\$ 1,438,831	\$ 2,893,492	\$ 2,710,896	\$1,457,118	\$5,704,732	\$ 13,224,782	\$9,539,508	\$3,599,709	\$3,673,182
Committed:										
Committed for Education	\$ 2,489,136	\$ 3,330,247	\$ 3,922,953	\$ 3,441,468	\$2,709,418	\$ 1,114,909	\$ 1,260,145	\$ 928,995	\$ 847,141	\$ 1,594,569
Committed for Department Reserved	-	-	-	-	-	98,739	344,658	-	-	-
Committed for Preservation and Maintenance of Glen Manor Property	130,959	111,776	137,715	107,908	179,928	191,209	242,246	381,315	406,631	322,770
Total Committed Fund Balance	\$ 2,620,095	\$ 3,442,023	\$ 4,060,668	\$ 3,549,376	\$2,889,346	\$1,404,857	\$ 1,847,049	\$1,310,310	\$1,253,772	\$1,917,339
Assigned:										
Open Space	\$ 309,379	\$ 309,379	\$ 309,379	\$ 309,378	\$ 9,378	\$ 9,378	\$ 9,378	\$ 139,754	\$ -	\$ -
Prudence Island Fire Department	-	-	-	-	-	-	-	-	80,000	80,000
Total Assigned Fund Balance	\$ 309,379	\$ 309,379	\$ 309,379	\$ 309,378	\$ 9,378	\$ 9,378	\$ 9,378	\$ 139,754	\$ 80,000	\$ 80,000
Unassigned:										
General Fund	\$ 2,156,100	\$ 4,747,344	\$ 5,098,694	\$ 6,076,343	\$6,131,862	\$6,871,853	\$ 6,912,353	\$7,317,622	\$8,333,042	\$9,026,981
Town Capital Project Fund	(390,981)	(130,301)	(574,506)	(978,633)	-	-	-	-	-	(1,792,252)
Other Governmental Funds	40,210	87,009	(7,554)	(1,189,169)	(942,669)	(941,689)	(1,246,698)	(1,330,332)	(1,895,702)	(59,211)
Total Unassigned Fund Balance	\$ 1,805,329	\$ 4,704,052	\$ 4,516,634	\$ 3,908,541	\$5,189,193	\$5,930,164	\$ 5,665,655	\$5,987,290	\$6,437,340	\$7,175,518

See independent auditor's report

Town of Portsmouth, Rhode Island
Statistical Section
Changes in Fund Balances, Governmental Funds
Last 10 Years
(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General property taxes and interest	\$ 44,637,537	\$ 47,562,179	\$ 47,192,624	\$ 48,391,434	\$ 49,242,875	\$ 50,384,667	\$ 50,764,048	\$ 52,587,567	\$ 54,457,593	\$ 55,757,474
State aid and grants	8,512,760	9,070,514	9,000,037	9,228,660	9,391,037	9,608,787	10,000,238	9,709,798	10,050,391	9,572,095
Licenses, permits, and fees	2,241,556	2,388,422	2,369,864	2,430,065	2,472,821	2,530,159	2,468,756	2,721,235	2,799,577	2,676,211
Charges for services	2,161,539	2,303,163	2,285,268	2,343,319	2,384,550	2,439,840	2,428,718	2,576,007	2,341,269	2,283,107
Investment income	10,392	11,855	(123,492)	13,792	11,621	70,150	39,911	103,984	105,760	82,728
Other revenue	248,236	263,719	396,923	266,586	273,690	221,776	314,691	140,229	400,662	636,015
Total revenues	57,812,020	61,599,852	61,121,224	62,673,856	63,776,594	65,255,379	66,016,362	67,838,820	70,155,252	71,007,630
General government	4,401,472	4,076,596	4,179,637	4,473,710	4,477,338	4,679,504	4,856,775	5,033,136	5,129,664	5,233,057
Public safety	9,210,077	9,185,098	9,606,117	10,860,970	11,196,478	11,451,321	11,815,833	12,385,996	12,430,456	13,032,708
Public works	3,557,560	2,791,589	3,120,357	3,082,772	3,315,586	3,224,582	3,325,211	3,489,791	3,462,129	3,902,808
Public and social services	729,018	654,818	671,369	718,606	688,603	751,662	780,716	807,887	817,715	900,754
Parks and recreation	280,176	260,547	267,133	285,928	289,994	299,081	399,049	233,044	219,140	293,635
Education	34,532,848	34,135,385	34,696,752	36,769,353	37,067,451	38,227,325	40,105,874	40,685,778	42,370,779	41,784,315
Capital outlay	6,245,244	5,733,358	5,878,275	6,291,862	6,381,350	6,581,293	6,905,580	7,003,672	9,266,681	2,632,986
Principal	1,523,383	1,469,091	1,506,224	1,612,199	1,635,129	1,686,362	1,905,979	1,658,067	2,135,066	1,953,040
Interest	525,631	524,720	392,363	466,731	428,901	630,907	517,121	816,273	772,754	699,172
Total expenses	61,005,409	58,831,202	60,318,227	64,562,131	65,480,830	67,532,037	70,612,138	72,113,644	76,604,384	70,432,475
Excess (deficit) of revenues over (under) expenditures before other financing sources (uses)	(3,193,389)	2,768,650	802,997	(1,888,275)	(1,704,236)	(2,276,658)	(4,595,776)	(4,274,824)	(6,449,132)	575,155
Other financing sources (uses)	2,839,249	1,970,641	689,000	311,937	1,539,406	5,261,352	12,559,028	595,606	835,492	430,030
Total change in fund balance	(354,140)	4,739,291	1,491,997	(1,576,338)	(164,830)	2,984,694	7,963,252	(3,679,218)	(5,613,640)	1,005,185
Beginning fund balance	6,554,209	6,200,069	10,939,360	12,431,357	10,855,019	10,690,189	13,674,883	21,638,135	17,958,917	12,345,277
Ending fund balance	\$ 6,200,069	\$ 10,939,360	\$ 12,431,357	\$ 10,855,019	\$ 10,690,189	\$ 13,674,883	\$ 21,638,135	\$ 17,958,917	\$ 12,345,277	\$ 13,350,462
Ratio of total debt service expenditures to total noncapital expenditures	3.89%	3.90%	3.61%	3.70%	3.62%	3.95%	3.95%	3.95%	4.51%	4.07%

See independent auditor's report

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
2010	3,411,101,400	313,234,400	72,767,234	-	134,245,632	226,188,811	3,705,159,855	\$11.265/1,000	\$22.50/1,000	3,931,348,666	94.25%
2011*	3,505,542,600	309,948,600	67,737,408	-	161,943,404	215,446,368	3,829,725,644	\$11.301/1,000	\$22.50/1,000	4,045,172,012	94.67%
2012	2,903,773,900	290,414,100	58,963,767	-	167,343,161	178,571,223	3,241,923,705	\$13.908/1,000	\$22.50/1,000	3,420,494,928	94.78%
2013	2,895,214,200	288,264,200	55,698,040	-	174,418,799	171,416,932	3,242,178,307	\$14.238/1,000	\$22.50/1,000	3,413,595,239	94.98%
2014*	2,904,679,000	294,055,900	58,439,219	-	173,244,400	172,448,628	3,257,969,891	\$14.526/1,000	\$22.50/1,000	3,430,418,519	94.97%
2015	2,714,119,625	294,534,200	59,523,139	-	173,544,462	165,618,254	3,076,103,172	\$15.800/1,000	\$22.50/1,000	3,241,721,426	94.89%
2016	2,733,900,325	305,966,265	60,212,072	-	176,452,095	163,096,751	3,113,434,006	\$15.800/1,000	\$22.50/1,000	3,276,530,757	95.02%
2017	2,758,521,200	299,856,865	63,264,039	-	181,813,760	158,450,875	3,145,004,989	\$16.000/1,000	\$22.50/1,000	3,303,455,864	95.20%
2018	2,966,256,600	310,305,465	67,084,212	-	167,269,965	153,445,319	3,357,470,923	\$15.420/1,000	\$22.50/1,000	3,510,916,242	95.63%
2019	2,974,423,000	306,594,065	72,235,878	-	162,100,902	149,259,788	3,366,094,057	\$15.974/1,000	\$22.50/1,000	3,515,353,845	95.75%
2020	2,925,257,406	301,202,765	77,250,194	-	158,639,126	152,598,860	3,386,067,375	\$16.404/1,000	\$22.50/1,000	3,538,666,234	95.69%

Source: Town of Portsmouth Tax Assessor Office

GAV=Gross Assessed Value; NAV=Net Assessed Value

*State Mandated Revaluation as of 12/31 prior year, which was effective for * tax roll year

Inventory Tax Rate:2007=\$2.30/1,000, 2006=\$4.60/1,000, 2005=\$6.89/1,000

See independent auditor's report

Town of Portsmouth, Rhode Island
 Statistical Section
 Principal Taxpayers
Current Year and 10 Years Ago
 (Unaudited)

Taxpayer	2010			2020		
	Taxable Assessed Value	Rank	% of Total Taxable Value	Taxable Assessed Value	Rank	% of Total Taxable Value
Raytheon Corp	\$ 47,328,600	2	1.236	\$ 50,161,392	1	1.481
Carnegie @ One Tower Drive LLC				47,281,700	2	1.396
Newport Water				27,518,910	3	0.813
Carnegie Abbey Club Acquisitions LP	17,617,900	4	0.460	21,930,100	4	0.648
National Grid	16,365,700	5	0.427	20,077,282	5	0.593
TDS Realty/SHM NEB LLC	9,080,650	9	0.237	17,244,875	6	0.509
Talaria RE Holdings	16,009,200	6	0.418	16,574,295	7	0.489
Velocity NBC LLC				13,239,800	8	0.391
GMH Military Housing	20,027,000	3	0.523	11,910,000	9	0.352
Edward Zucker Trustee of Bay View Realty	9,151,650	8	0.239	9,238,200	10	0.273
Nationwide Health Properties INC.	7,902,000	10	0.206	8,806,400	11	0.260
Carnegie Tower Development Co.	142,614,500	1	3.724			
Prescott Point LLC	11,808,287	7	0.308			
TOTAL	\$ 297,905,487		7.778	\$ 243,982,954		7.205

Source: Town of Portsmouth Tax Assessor Office

Carnegie @ One Tower Drive LLC

See independent auditor's report

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 6/30/2020	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2011	44,171,990	41,146,530	93.15%	43,880,338	99.34%
2012	45,807,376	43,913,817	95.87%	45,604,015	99.56%
2013	46,892,536	45,436,722	96.90%	46,813,427	99.83%
2014	48,021,888	46,165,831	96.13%	47,901,430	99.75%
2015	49,187,965	47,811,260	97.20%	47,910,226	97.40%
2016	49,815,131	48,589,909	97.54%	48,668,559	97.70%
2017	50,971,055	49,443,601	97.00%	49,507,232	97.13%
2018	52,436,990	50,871,776	97.02%	50,936,258	97.14%
2019	54,365,635	53,035,757	97.55%	53,089,938	97.65%
2020	56,047,236	54,036,889	96.41%	55,377,532	98.81%

Source: Town of Portsmouth Tax Assessor Office

See independent auditor's report

Town of Portsmouth, Rhode Island
 Statistical Section
 Ratio of Net Bonded Debt Outstanding by Type
 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							
2011	12,139,282	5,305,000	36,336	2,422,952	19,903,570	0.2109%	41,968	1,147	17,348	3,829,725,644	0.5197%
2012	11,179,482	4,785,000	22,010	2,394,238	18,380,730	0.2261%	41,554	1,063	17,293	3,241,923,705	0.5670%
2013	9,991,411	4,270,000	53,242	2,160,212	16,474,865	0.2721%	44,821	953	17,293	3,242,178,307	0.5081%
2014	8,094,182	4,880,000	-	1,926,325	14,900,507	0.3015%	44,920	862	17,293	3,257,969,891	0.4574%
2015	7,898,655	4,380,000	-	1,692,439	13,971,094	0.3215%	44,920	808	17,293	3,076,103,172	0.4542%
2016	10,413,426	3,685,000	564,798	628,574	15,291,798	0.2938%	44,920	883	17,315	3,113,434,006	0.4912%
2017	21,437,532	3,195,000	978,110	529,468	26,140,110	0.1660%	43,386	1,510	17,315	3,145,004,989	0.8312%
2018	20,269,465	2,705,000	1,177,422	648,044	24,799,931	Unavailable	Unavailable	1,432	17,315	3,357,470,923	0.7386%
2019	18,829,400	2,010,000	1,452,135	592,205	22,883,740	0.2213%	50,636	1,319	17,344	3,366,094,057	0.6798%
2020	17,030,334	1,860,000	1,330,281	502,756	20,723,371	0.2533%	52,483	1,203	17,226	3,538,666,234	0.5856%

¹ US Census Bureau

² RI Department of Planning

³ RI Department of Labor & Training

See independent auditor's report

Town of Portsmouth, Rhode Island
 Statistical Section
 Ratio of Net Bonded Debt Outstanding
Last 10 Years
 (Unaudited)

Fiscal Year June 30	Governmental Activities			Business-type Activities		Total	Personal ^{1,3} Income	Percentage of Personal Income	Population ^{1,2}	Per Capita	Taxable Assessed Value	Percentage of Taxable Assessed Value of Property
	General Obligation Bonds	RIHEBC	Capital Leases	Wind Turbine & Transfer Station								
2011	12,139,282	5,305,000	36,336	2,422,952	19,903,570	41,968	0.2109%	17,348	1,147	3,829,725,644	0.5197%	
2012	11,179,482	4,785,000	22,010	2,394,238	18,380,730	41,554	0.2261%	17,293	1,063	3,241,923,705	0.5670%	
2013	9,991,411	4,270,000	53,242	2,160,212	16,474,865	44,821	0.2721%	17,293	953	3,242,178,307	0.5081%	
2014	8,094,182	4,880,000	-	1,926,325	14,900,507	44,920	0.3015%	17,293	862	3,257,969,891	0.4574%	
2015	7,898,655	4,380,000	-	1,692,439	13,971,094	44,920	0.3215%	17,293	808	3,076,103,172	0.4542%	
2016	10,413,426	3,685,000	564,798	628,574	15,291,798	44,920	0.2938%	17,315	883	3,113,434,006	0.4912%	
2017	21,437,532	3,195,000	978,110	529,468	26,140,110	43,386	0.1660%	17,315	1,510	3,145,004,989	0.8312%	
2018	20,269,465	2,705,000	1,177,422	648,044	24,799,931	Unavailable	Unavailable	17,315	1,432	3,357,470,923	0.7386%	
2019	18,829,400	2,010,000	1,452,135	592,205	22,883,740	50,636	0.2213%	17,344	1,319	3,366,094,057	0.6798%	
2020	17,030,334	1,860,000	1,330,281	502,756	20,723,371	52,483	0.2533%	17,226	1,203	3,538,666,234	0.5856%	

¹ US Census Bureau

² RI Department of Planning

³ RI Department of Labor & Training

See independent auditor's report

Town of Portsmouth, Rhode Island
Statistical Section
Legal Debt Margin Information
Last 10 Years
(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Assessed Value	\$ 3,829,725,644	\$ 3,241,923,705	\$ 3,242,178,307	\$ 3,257,969,891	\$ 3,076,103,172	\$ 3,113,434,005	\$ 3,145,004,989	\$ 149,259,788	\$ 3,366,094,057	\$ 3,386,067,375
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	114,891,769	97,257,711	97,265,349	97,739,097	92,283,095	93,403,020	94,350,150	4,477,794	100,982,822	101,582,021
Total Debt Applicable to Limit General Obligation Bonds	19,867,234	18,358,720	16,421,623	14,900,507	13,971,094	14,727,000	25,162,000	20,283,554	21,431,605	23,913,652
Legal Debt Margin	\$ 95,024,535	\$ 78,898,991	\$ 80,843,726	\$ 82,838,590	\$ 78,312,001	\$ 78,676,020	\$ 69,188,150	\$ (15,805,760)	\$ 79,551,217	\$ 77,668,369
Total Net Debt Applicable to the Limit as % of Debt Limit	20.91%	23.27%	20.31%	17.99%	17.84%	18.72%	36.37%	-128.33%	26.94%	30.79%

See independent auditor's report

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
2011	17,394	2,859	1,064	142,188	46,215,956	42,099	27,667	10.00%	11.20%	9.60%
2012	17,389	2,796	1,064	148,819	48,452,035	41,968	29,277	10.30%	11.00%	8.90%
2013	17,385	2,715	1,257	138,907	48,760,123	41,554	29,389	9.30%	10.40%	8.10%
2014	17,446	2,658	1,331	144,446	48,810,868	44,821	30,748	8.50%	9.30%	7.40%
2015	17,457	2,647	1,355	145,596	48,208,387	44,920	30,830	7.20%	7.70%	6.20%
2016	17,416	2,532	1,003	141,035	46,153,077	44,920	30,765	5.60%	6.00%	5.30%
2017	17,431	2,445	Unavailable	129,932	44,268,996	44,920	33,008	4.70%	5.20%	4.90%
2018	17,433	2,464	Unavailable	118,367	42,583,651	Unavailable	Unavailable	3.90%	4.40%	4.40%
2019	17,311	2,464	Unavailable	131,205	41,852,315	Unavailable	34,619	3.60%	4.00%	3.90%
2020	17,226	2,421	937	110,244	39,490,095	52,483	34,619	3.20%	3.60%	3.70%

¹ US Census Bureau

² RI Department of Labor & Training

³ Portsmouth School Department

⁴ US Bureau of Labor Statistic

** Not seasonally adjusted, annual average

*** Estimated by the US Census Bureau

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

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

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

See independent auditor's report

Town of Portsmouth, Rhode Island
 Statistical Section
 Principal Employers
Current and 10 Years Ago
 (Unaudited)

<u>Employer</u>	<u>Rank</u>	<u>2020</u> Percentage of Total Taxable Value
Raytheon Company	1	1.43%
Carnegie @ One Tower Drive LLC	2	1.41%
Newport Water	3	81.80%
Northern Waterfront Assoc LP	4	65.00%
Carnegie Abbey Club Acquisitions LP	5	52.20%
TDS Realty	6	49.70%
National Grid	7	48.50%
Talaria RE Holdings	8	48.20%
GMH Military Housing	9	35.40%
Nationwide Health Properties INC	10	27.80%

Source:
 greaterri.com

Note:
 Information from 10 years ago was not readily available

See independent auditor's report

Town of Portsmouth, Rhode Island
Statistical Section
Full -Time Employees Equivalent by Town Department
Last 10 Years
(Unaudited)

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
General Government:										
Council	7	7	7	7	7	7	7	7	7	7
Administration	2	2	2	2	2	2	2	2	2	2
Town Clerk	4	4	4	3	3	2	3	4	4	3
Canvassing	1	1	1	1	1.5	1.5	1.5	2	2	2
Finance/Personnel	5	5	5	5	5	5	5	5	5	5
Tax Assessment/Collection	5	5	5	4	5	5	5	5	5	5
Planning and Development	1.5	1.5	1.5	1.5	1.5	2.5	3.5	4	4	4
Building Inspection/Zoning	2.5	2.5	2.5	2.5	3	3	2	3	3	3
Total General Government	<u>28</u>	<u>28</u>	<u>28</u>	<u>26</u>	<u>28</u>	<u>28</u>	<u>29</u>	<u>32</u>	<u>32</u>	<u>31</u>
Public Safety:										
Police	32	32	31	31	30	33	34	36	36	36
Harbormaster	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Prudence Island Public Safety	1	1	1	1	1	1	1	1	1	1
Animal Control	1	1	1	1	1	1	1	1	1	1
Fire	33	33	34	35	34	34	35	36	36	35
Total Public Safety	<u>67.5</u>	<u>67.5</u>	<u>67.5</u>	<u>68.5</u>	<u>66.5</u>	<u>69.5</u>	<u>71.5</u>	<u>74.5</u>	<u>74.5</u>	<u>73.5</u>
Public Health:										
Public Works	16	16	16	16	16	16	15	19.5	19.5	19.5
Total Public Health	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>15</u>	<u>19.5</u>	<u>19.5</u>	<u>19.5</u>
Public Welfare:										
Parks and Recreation	5	5	5	5	5	5	12	9	9	14
Total Public Welfare	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>12</u>	<u>9</u>	<u>9</u>	<u>14</u>
Public Education:										
Teachers	239	230.9	227.6	219.9	223	210	210	220	220	224
Pupil Support	104.5	101.5	101.6	101.6	103	75	75	75	75	86
Executive and Administrative	16	15.5	14.5	15	16	16	16	16	16	15.5
Total Public Education	<u>359.5</u>	<u>347.9</u>	<u>343.7</u>	<u>336.5</u>	<u>342</u>	<u>301</u>	<u>301</u>	<u>311</u>	<u>311</u>	<u>325.5</u>
Total	<u>476</u>	<u>464.4</u>	<u>460.2</u>	<u>452</u>	<u>457.5</u>	<u>419.5</u>	<u>428.5</u>	<u>446</u>	<u>446</u>	<u>463.5</u>

Source: Town of Portsmouth Finance & Personnel Office

See independent auditor's report

Town of Portsmouth, Rhode Island
Statistical Section
Operator Indicators by Function
Last 10 Years
(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
Building permits issued	604	616	682	612	535	788	803	755	690	832
Number of inspections made	1,554	1,795	1,852	2,304	2,210	2,188	1,416	1,827	1,886	2,021
Town Clerk:										
Number of transactions										
Beverage licenses	34	30	31	32	35	35	35	35	35	29
Dog licenses	1,834	1,589	1,608	1,651	1,652	1,584	1,714	1,735	1,675	1,427
Other licenses	149	166	160	213	209	191	143	143	253	246
Vital records	1,134	1,355	1,135	1,372	1,050	1,038	1,138	1,082	1,014	706
Land evidence	4,160	5,156	4,701	3,631	4,227	4,145	4,532	4,830	4,532	4,720
Probate cases	93	79	104	100	92	105	157	153	93	178
Public Safety:										
Number of police personnel and officers	32	31	31	30	33	35	34	34	38	38
Number of arrests	540	513	552	586	714	798	745	511	532	695
Number of parking violations	25	41	41	47	74	118	43	66	38	374
Number of traffic violations	1,520	1,828	2,120	2,344	1,987	3,128	3,500	5,911	8,018	8,885
Number of fatal car crashes	1	3	3	1	-	-	1	1	1	-
Number of motor vehicle accidents	137	149	149	159	159	147	153	527	456	499
Number of paid firefighters	33	34	35	34	34	35	35	35	35	34
Number of fire emergency responses	732	741	751	755	679	629	643	909	946	1,021
Number of fires extinguished	102	133	118	134	88	34	32	39	49	64
Number of ambulance calls	1,792	1,837	1,945	1,884	1,924	2,057	2,211	2,010	2,274	2,004
Public Works:										
Number of streets paved	6	-	15	26	27	20	17	15	7	8
Inches of snow removed (accumulative)	43	14	42	50	69	31	41	46	21.1	12.9
Tons collected and disposed:										
Solid waste	4,692	4,718	4,004	3,955	4,327	4,145	4,404	3,091	1,863	1,616
Metal (tons)										113
Mattress (each)										13
Tires (each)										150
Metal, Mattress, Tires	145	197	117	189	211	182	1,029	1,029	147	
Recycleable	2,048	1,924	1,931	2,134	1,981	1,257	1,101	1,304	1,137	898
Number of Christmas trees pickup			1,378	1,433	1,390	1,355	1,330	1,147	1,407	1,387
Wastewater										
Catch basins cleaned	2,750+	2,750+	2,750+	2,750+	2,750+	2,750+	2,750+	2,750+	2,750+	2,750+
Number of new street signs	154	86	109	41	145	60	80	80	28	88

Source: Various Town Departments
<http://www.city-data.com>

See independent auditor's report

Town of Portsmouth, Rhode Island
 Statistical Section
 Capital Asset Statistics by Function
Last 10 Years
 (Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Number of Police Stations	1	1	1	1	1	1	1	1	1	1
Number of Fire Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Number of Public Works buildings	2	2	2	2	2	2	2	2	2	2
Number of Transfer Station	1	1	1	1	1	1	1	1	2	2
Miles of streets	111	111	111	111	111	111	111	111	111	111
Miles of storm water drains	49	49	49	49	49	49	49	49	49	49
Water:										
Miles of water mains	126+	127+	129+	129+	130+	130+	130+	130+	130+	130+
Number of fire hydrants	564	567	574	581	578	581	581	581	581	581
Recreations and Parks:										
Number of parks and recreation facilities	17	17	17	17	17	17	17	17	22	22
Acres of parks and recreation facilities	354.98	354.98	354.98	354.98	354.98	354.98	354.98	354.98	386.23	386.23

Source: Various Town Departments

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

<http://www.portsmouthwater.org>

See independent auditor's report