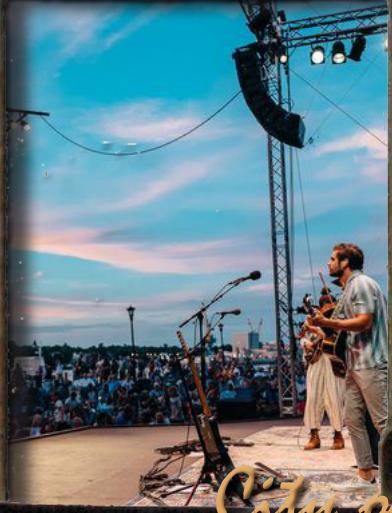
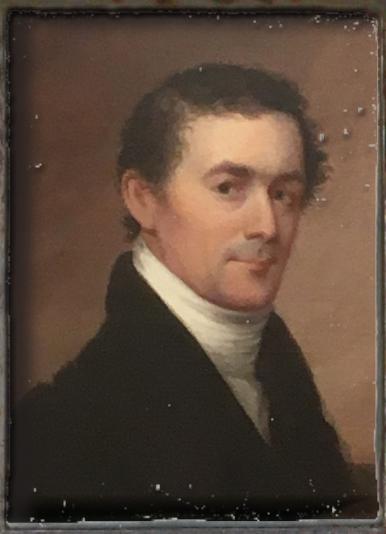


Arts & Culture Abound!



City of Portsmouth, NH

Annual Comprehensive Financial Report

July 1, 2024 - June 30, 2025

Fiscal Year 2025

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Annual Comprehensive Financial Report

For the Year Ended June 30, 2025



Prepared by:
The Finance Department

Nathan Lunney
Deputy City Manager -
Finance and Administration

Andrew Purgiel &
Michael Tucker
Deputy Finance Directors

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City of Portsmouth, New Hampshire
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTORY SECTION:</u>	
Transmittal Letter	1
Organizational Chart	21
Directory of Officials	22
GFOA Certificate of Achievement	23
<u>FINANCIAL SECTION:</u>	
Independent Auditor's Report	25
Management's Discussion and Analysis	29
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	44
Statement of Activities	46
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	48
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities in the Statement of Net Position	49
Statement of Revenues, Expenditures, and Changes in Fund Balances	50
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	51

	<u>Page</u>
Proprietary Funds:	
Statement of Net Position	52
Statement of Revenues, Expenses, and Changes in Net Position	53
Statement of Cash Flows	54
Fiduciary Funds:	
Statement of Fiduciary Net Position	55
Statement of Changes in Fiduciary Net Position	56
Notes to Financial Statements	57
Required Supplementary Information:	
General Fund:	
Schedule of Revenues and Other Sources and Expenditures and Other Uses – Budget and Actual – Budgetary Basis - General Fund	102
Pension:	
Schedule of Proportionate Share of the Total Pension Liability	103
Schedule of Pension Contributions	104
OPEB:	
Schedules of Proportionate Share of the Total OPEB Liability and Contributions	105
Schedule of Changes in the Total OPEB Liability	106
Notes to Required Supplementary Information	107
Supplementary Statements and Schedules:	
Governmental Funds:	
Combining Financial Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds	111
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	116

	<u>Page</u>
Fiduciary Funds:	

Combining Financial Statements:

Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	122
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds	123
Combining Statement of Fiduciary Net Position – Custodial Funds	124
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	125

STATISTICAL SECTION:

Financial Trends

Net Position by Component	128
Changes in Net Position	129
Fund Balances, Governmental Funds	130
Changes in Fund Balances, Governmental Funds	131
Combined Enterprise Fund Revenue, Expenses, and Changes in Fund Net Position	132

Revenue Capacity

General Government Tax Revenues by Source	133
Property Tax Levies and Collections	134
Assessed and Estimated Full Value of Real Property	135
Principal Taxpayers	136
Property Tax Rates per \$1,000 of Assessed Value – Direct and Overlapping Governments	137
Utility Fund Net Budget, Billable Volumes and Rates	138
Portsmouth's Share of the Rockingham County Tax Apportionment	139

	<u>Page</u>
<i>Debt Capacity</i>	
Ratios of Long-Term Debt Outstanding and Legal Debt Limits	140
Ratios of Outstanding Debt by Debt Type	141
Direct and Overlapping Governmental Activities Debt	142
Ratios of General Bonded Debt Outstanding	143
<i>Demographic and Economic Information</i>	
Demographic Statistics	144
Principal Employers	145
<i>Operating Information</i>	
Operating Indicators by Function	146
Capital Asset Statistics by Function	147
City Government Employees by Function – Full Time Employees	148

Office of Finance and Administration



1 Junkins Avenue
Portsmouth, NH 03801

December 12, 2025

To the Honorable Mayor,
Members of the City Council,
And Citizens of the City of Portsmouth

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Portsmouth as of June 30, 2025.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the following data, including financial statements, supporting schedules, and statistical tables, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City.

To provide a reasonable basis for making the representations, management has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

INDEPENDENT AUDIT

The City Charter and State statutes require an annual audit by independent certified public accountants. The City's audit firm is CLA (CliftonLarsonAllen LLP). The independent auditor's report is located at the front of the financial section of this report.

The City is required to undergo an annual audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and Uniform Guidance. Information related to the Single Audit, including the Schedule of Expenditures of Federal Awards (SEFA), findings and recommendation, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are not included in the Annual Comprehensive Financial Report but are available in a separate report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it for additional narrative overview and analysis of the City's activities.

This report includes all funds of the City. This report does not report on the Portsmouth Housing Authority or Rockingham County. These governmental units are independent of the City and do not meet the criteria for inclusion in the reporting entity and accordingly are excluded from this report.

GOVERNMENT PROFILE

HISTORY

Originally settled in 1623, the City of Portsmouth was incorporated in 1849. It is located on New Hampshire's seacoast on the Piscataqua River midway between Portland, Maine, 53 miles to the north, and Boston, Massachusetts, 56 miles to the south. Portsmouth is the New Hampshire seacoast's trade and cultural center and a major distribution market for points in northern New England. Situated along Interstate 95, Portsmouth is served to the west by U.S. Route 4, N.H. Route 16, and N.H. Route 33 and to the north and south by the Spaulding Turnpike and U.S. Route 1.

ORGANIZATION OF THE GOVERNMENT

The City of Portsmouth has operated under the Council-Manager form of government since 1947. The City Council is comprised of the Mayor and 8 members, and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as for appointing the members of various statutory and advisory boards. As Chief Administrative Officer, the City Manager is responsible for enforcement of laws and ordinances. The City Manager appoints and supervises the heads of the departments of the City organization with the exception of the School, Police, and Fire Departments.

The School Board consists of nine elected citizens of Portsmouth. The School Board sets policies and goals and has line-item control over its annual budget; however, the City Council is responsible for the funding of the School Department.

The Police Commission consists of three elected citizens of Portsmouth. The Commission sets policies and goals; however, the City Council is responsible for the funding of the Police Department.

The Fire Commission consists of three elected citizens of Portsmouth. The Commission sets policies and goals; however, the City Council is responsible for the funding of the Fire Department.

SERVICES PROVIDED

The City of Portsmouth provides the full range of municipal services normally associated with a municipality including police and fire protection, emergency medical services, financial administration, planning and zoning, code enforcement, health and welfare services, parks operations and maintenance, recreation, senior services, library services, public education, parking and transportation, community and economic development, public works operations including solid waste collection and disposal, and general administrative services.

Water and sewer services are provided under an Enterprise Fund concept, with user charges set to ensure adequate coverage of operating expenses and payments on outstanding debt.

BUDGET PROCESS

The City's fiscal year begins on July 1st of each year and ends the following June 30th. As required by the City of Portsmouth's Charter, the City Manager submits a recommended six-year Capital Improvement Plan three months before the final submission date of the fiscal year recommended budget. The fiscal year recommended budget must be submitted to the City Council at least 45 days (May 15th) before the start of the fiscal year. The budget, which includes the General Fund and Enterprise Funds, is prepared and presented by department and functions, each of which requires an appropriation.

The legal level of budgetary control is at the department level. The City ensures compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body by use of budgetary controls. Activities of the General Fund and Enterprise Funds are included in the annual appropriated budget. Project length financial plans are adopted for the Capital Project Funds. The City maintains an encumbrance accounting system as an element of budgetary control; encumbered amounts are carried over at year-end. The City Manager, with the approval of the City Council, may transfer any unencumbered appropriation amount from one department to another.

The City Council, by charter, must adopt a budget by June 30th. If the City Council takes no action on or prior to June 30th, the budget submitted by the City Manager is deemed to have been adopted by the City Council per the City Charter. Once the budget is adopted, no appropriations shall be made for any purpose not included in the annual budget as adopted unless voted by a two-thirds majority of the City Council after a public hearing is held to discuss such appropriation.

ECONOMIC CONDITIONS

EMPLOYMENT

Portsmouth serves as the economic and cultural hub of seacoast New Hampshire. Despite its relatively small population (22,938), it is home to the third-largest number of companies in the state behind the considerably larger cities of Manchester (population 115,474) and Nashua (population 91,003).

Unemployment rates have turned upward, and Portsmouth shares the nationwide challenge of a labor shortage due to decreased childcare capacity and increased voluntary exit from the workforce. According to the New Hampshire Employment Security Office, the total average quarterly employment for the quarter ending December 31, 2024 for Portsmouth businesses was 34,656 compared to 34,160 for the quarter ending June 30, 2024, an increase of 496 jobs. During the reporting period, July 2024 through December 2024, average weekly wages decreased from \$1,942 to \$1,878. As of June 30, 2025, Portsmouth's unemployment rate was 2.7% vs. 2.1% posted for June 30, 2024. The respective rates for the State of New Hampshire, New England, and the Nation in June 2025 were 3.1%, 4.2%, and 4.1%. The chart on the next page illustrates how Portsmouth's unemployment rate, although increasing, remains below the state, regional, and national levels since 2018.

Portsmouth Unemployment 2020-2025

Month	2020	2021	2022	2023	2024	2025
Jan	2.4%	3.6%	3.1%	2.4%	2.1%	3.0%
Feb	2.3%	2.7%	2.4%	1.9%	2.4%	3.6%
March	2.6%	2.8%	2.4%	1.9%	2.4%	3.3%
April	16.5%	2.2%	2.0%	1.2%	2.0%	2.7%
May	13.0%	1.8%	1.8%	1.4%	1.7%	2.6%
June	7.5%	2.4%	1.8%	1.7%	2.1%	2.7%

Annual Average Unemployment Rate (%)								
(Data Source: NH Economic & Labor Market Information Bureau)								
	2018	2019	2020	2021	2022	2023	2024	2025
U.S.	4.2	3.7	11.2	5.9	3.6	3.5	4.3	4.1
New England	3.7	3.1	13.5	5.3	3.5	2.7	3.2	4.2
State of NH	2.7	2.5	9.1	2.9	2.0	1.7	2.3	3.1
Portsmouth	2.2	2.1	7.5	2.4	1.8	1.7	2.1	2.7

Reported rates are for June 30th of each year

UNIQUE ECONOMIC DRIVERS

Portsmouth benefits from two unique economic drivers that contribute significantly to the local economy and regional workforce: the Pease International Tradeport and the Portsmouth Naval Shipyard.

Pease International Tradeport

Pease International Tradeport is a former Air Force Base that was redeveloped as an international business park within the City of Portsmouth in the late 1990's. The Tradeport, managed by the Pease Development Authority (PDA), a State of New Hampshire entity, is conveniently located off Interstate 95, approximately 50 miles from the major cities of Boston, Portland, and Manchester.

The City of Portsmouth provides municipal services to the Tradeport, and in FY 2025 it received \$6.4 million as per the Municipal Services Agreement between the two entities. Along with being a Foreign Trade Zone, Pease is home to Portsmouth International Airport, a customs-ready facility with commercial and passenger flights, cargo services, and business charter flights.

With over 250 companies and 11,000 direct hires, Tradeport businesses play a significant role in the region's economic vitality. It is home to eight of the City's top twenty employers including the National Passport and Visa Centers, Lonza Biologics, High Liner Seafoods, Amadeus, Hubble, and Sprague Energy.

The Portsmouth International Airport at Pease (PSM), which acts as an asset to both the nation and the Northeast region, is a convenient gateway to the United States. Its proximity to the Logan International Airport of Boston, Massachusetts, the Portland, Maine Jetport, and the Manchester, New Hampshire Regional Airport creates a unique opportunity to capture both passenger and airplane service companies.

Currently, scheduled passenger flights are available on both Allegiant Airlines and Breeze Airways as well as several charter and private jet operators that utilize the airport. At the end of 2024, passenger counts through the airport terminal increased to 198,000, an increase of 44,000 passengers over 2023. The terminal expansion project completed remodeling in 2024, adding 5,200 square feet for an arrivals hall.

The diversity of services includes the New Hampshire Air National Guard's 157th Air Refueling Wing, passenger commercial services, corporate aviation technical services, vehicle rentals, and unique cargo operations. The Air National Guard is also a critical component of the Tradeport. The twelve new KC-46A refueling aircraft are a complete replacement of the US Air Force refueling aircraft completed in 2023. This military presence contributes significantly to the local economy, specifically in terms of training activities from across the nation and subsequent overnight stays in the area hotels.

Portsmouth Naval Shipyard

The Portsmouth Naval Shipyard (PNSY) is in Kittery, Maine, just across the Piscataqua River from the City. It is a major submarine overhaul and refueling facility as well as the U.S. Government's oldest continuously operating naval shipyard. The Shipyard is also the largest regional employer with a highly skilled, technical workforce.

The following is a summary of the Seacoast Shipyard Association's most current regional economic impact report for the calendar year (CY) 2024:

- Overall, the Shipyard had an economic impact of \$1,615,239,781 which is an increase of approximately \$79 million from the \$1,536,567,511 CY 2023 figure. The majority of this 5% increase resulted from increased civilian payroll and facilities contracts.
- The Shipyard employs 7,721 employees with a civilian payroll of \$762 million, the civilian payroll increased from \$716 million in CY 2023.

- The shipyard purchased \$158 million of goods and services, a decrease of \$2 million from CY 2023.
- Total contracted facility services purchased were \$658 million, an increase from \$626 million in CY 2023.

REAL ESTATE MARKET ACTIVITY

Residential Real Estate

Properties in the residential market are in high demand for both multi- and single-family dwellings. According to the New Hampshire Housing Finance Authority, the average monthly gross rent for a two-bedroom unit in Portsmouth increased 8% to \$2,505 in 2025 due to increased demand. The current multi-family vacancy rate in Portsmouth of 1% continues to create challenges for people seeking housing.

In Portsmouth, single-family home sales are flat year over year, while the median sales price is up 9% to \$800,000. On the condominium side, the median sale price was up from 2024 by 1% at \$741,000. Overall demand remains strong and inventory low for all residential housing types. Housing inventory continues to be planned, approved, and developed.

Commercial Real Estate

Over the past two quarters, Portsmouth's commercial real estate market has shown mixed performance across sectors. The industrial segment remains the most stable, with Portsmouth posting the lowest vacancy rate in the State at just 1.1% in Q1 2025. Despite a slight increase in vacancies due to a major facility closure, demand for smaller industrial spaces remains strong.

Office properties, however, continue to face headwinds, with vacancy rates rising to 13.7% by the end of Q2 2025. The market is seeing a flight-to-quality trend, with tenants favoring Class A spaces and leaving older Class B and Class C buildings underutilized.

Retail and mixed-use properties in downtown Portsmouth have maintained steady interest, supported by tourism and local consumer activity.

Key Office Market Trends

1. Stabilizing Asking Rates:

- Overall office asking rents increased slightly, signaling a potential bottoming out after prior declines.
- Class B rents continue to rise, narrowing the gap with Class A, which saw another modest decline.

2. Sublease Market Expansion:

- Sublease availability surged again, especially in Class A, pushing sublease rents higher.
- Class B sublease space remains scarce, leading to volatility in pricing.

3. Occupancy Declines Slowing:

- While occupancy rates fell, the pace of decline slowed compared to 2024.
- Class B continues to experience the steepest drop in occupancy.

4. Strong Mid-Size Leasing Activity:

- Spaces in the 4,000–8,000 SF range remain in high demand.
- Pease International Tradeport continues to attract tenants, especially in Class A buildings.

5. Tenant Movement Patterns:

- Companies are downsizing or relocating within the market rather than exiting the market.

- Renewals and relocations suggest confidence in the local market despite rising vacancies.

Key Industrial Market Trends

1. Slight Softening in Occupancy:

- Overall occupancy dipped below 97%, driven by closures and flex space loosening.
- Portsmouth is still among the tightest industrial markets in New Hampshire.

2. Rate Correction After Construction Surge:

- Asking rents declined after a sharp rise in 2024, reflecting market adjustment.
- Long-term rent growth remains strong despite short-term volatility.

3. Cautious Development Strategy:

- Developers are holding off on speculative builds, preferring pre-leasing or anchor tenants.
- Smaller contractor bay projects are moving forward due to consistent demand.

4. Space Shortage for Small Tenants:

- Critical lack of sub-20,000 SF industrial spaces continues to constrain growth.
- Expansion is driven by existing NH businesses rather than new market entrants.

Office Market – Portsmouth Submarket (Q2 2025)

- **Average Direct Asking Rate:** The overall direct asking rate in Portsmouth rose slightly to \$24.61 PSF modified gross, a modest 1.3% increase year-over-year.

- **Class A Office Space:**
 - Asking rents declined again, down 2.1% to \$25.01 PSF, and despite the continued flight-to-quality trend, the additional trend of higher demand for smaller Class A space decreased overall rent levels.
 - Sublease rents for Class A space rose 4.5% to \$26.15 PSF, driven by high-quality listings above market averages.
- **Class B Office Space:**
 - Asking rents increased by 2.8% to \$23.09 PSF, narrowing the gap with Class A.
 - Sublease availability remained tight, with only one listing, and rents fell 9.7% to \$20.11 PSF.
- **Sublease Market:**
 - Overall sublease asking rates rose 5.9% to \$25.92 PSF, supported by a 58% increase in available sublease space, mostly in Class A.
- **Occupancy Rate:**
 - The average occupancy rate fell to 80.1%, a 2.1% decline year-over-year.
 - Class B saw the largest drop again, down 4.6%, while Class A declined 1.7%.

Leasing Activity Highlights:

- Strength continued in the 4,000–8,000 SF range, especially at Pease International Tradeport.
- Notable Q2 2025 transactions:
 - BioPort Solutions leased 6,200 SF at 1 New Hampshire Avenue.

- Seacoast Analytics signed a 4,800 SF lease at 273 Corporate Drive.
- Portsmouth Wellness Group downsized to 8,500 SF at 249 Corporate Drive.
- Green Harbor Realty leased 4,200 SF of Class B space at 15 Rye Street.
- Renewals included Coastal Legal and US Customs, both at 30 International Drive.

Industrial Market – Portsmouth Submarket (Q2 2025)

- **Occupancy Rate:**
 - The Portsmouth industrial market softened slightly to 96.9%, down 1.7% year-over-year, largely due to the closure of a 104,000 SF manufacturing facility.
 - Flex space saw the biggest impact, with a 4.2% drop in occupancy.
- **Asking Rates:**
 - The average direct asking rate declined 6.3% to \$11.26 NNN, reflecting a market recalibration after the absorption of premium-priced new construction.
 - Despite the drop, rates remain 43% higher than five years ago, indicating long-term growth.
- **Development Trends:**
 - New construction remains cautious, with most projects waiting on anchor tenants before breaking ground.
 - Smaller contractor bay developments are proceeding without full pre-leasing, due to strong demand.

- **Market Dynamics:**
 - There is a critical shortage of sub-20,000 SF industrial spaces, especially in the Seacoast and southern NH.
 - Leasing activity is driven by existing NH companies expanding, rather than new entrants.

COMMERCIAL DEVELOPMENT ACTIVITY

Completed projects that have secured Certificates of Occupancy since last year include:

- 89 Foundry Place – 55 market rate residential units
- 238 Deer Street – 21 market rate microunits (500-600 square feet per unit)
- 165 Deer Street, the Homewood Suites by Hilton, a 128-room hotel, which opened in July 2025

Additional new development projects are in the permit approval queue, and many previously approved projects are underway:

- 152 residential units are approved for 105 Bartlett Street.
- 95 residential units, including 20% workforce units, are included in a multi-family development at 2454 Lafayette Road, plus a 5,000 square foot restaurant pad and 21,897 square feet of community space.
- 80 residential units and 181 hotel rooms are under construction at 2 Russell Street, along with a four-story office building.
- 72 residential units are proposed and approved at 581 Lafayette Road; this development reserves 20% of the units for workforce housing.

- 72 residential units are approved and under construction at 815 Lafayette Road.
- Under construction at 53 Green Street is a five-story mixed use project with first floor commercial space and 48 residential units above with a 40-foot-wide community space adjacent to the proposed North Mill Pond Trail (1 Raynes Avenue).

CREATIVE ECONOMY

Portsmouth's creative economy drives our reputation as New Hampshire's premier cultural and culinary destination and is an important asset for residents, businesses, and visitors. The significant concentration of theaters, historic homes, restaurants, museums, and galleries fuels a creative workforce of actors, writers, historians, musicians, and graphic design and architectural firms. Through a series of music, arts, seafood, beer, and film festivals, these businesses attract visitors year-round who, in turn, support the vibrant hospitality and leisure industry. Through collaboration, outreach, and the impact of targeted marketing efforts, the spring and summer months see consistent attendance at live outdoor and indoor performances and events.

TOURISM

In 2025, the impact of a targeted marketing effort has seen steady albeit uneven visitor counts and spending preferences. Inflation and travel uncertainty contributed to the disruption of what is normally steady growth in visitors and visitor spending. Weather was much more favorable than the 2024 summer season, supporting strong increases in the July and August time frame.

Portsmouth continues to attract media attention as an excellent destination location to enjoy safe activities. The City of Portsmouth was the subject in the following list of articles during Fiscal Year 2025:

- Boston Globe, [3 low-cost ways of having fun in Portsmouth, N.H.](#) (August 1, 2025)
- Readers Digest, [28 Best Places to See Fall Foliage in 2025 | Stunning Fall Trips](#) (Jun 16, 2025)
- US News & World Report, [26 Underrated Places to Visit in U.S. for 2025 | U.S. News Travel](#) (May 15, 2025)
- Boston Globe, [The best of Portsmouth, N.H., according to these three insiders](#) (Mar 7, 2025)

MAJOR CITY ACCOMPLISHMENTS & INITIATIVES

CITY ACCOMPLISHMENTS

Planning & Sustainability

- Portsmouth's Climate Future

The Climate Action Plan was adopted on August 19, 2024 by the Portsmouth City Council, offering a roadmap for residents, businesses, community members, and the municipal government to follow to achieve net zero greenhouse gas emissions. The targets set by the Plan are for the Portsmouth community to achieve net zero emissions by 2050 and for the City's municipal operations to lead by example with a more ambitious target date of 2040. For more information, visit: portsnh.co/climatefuture.

- Housing Navigator

With the support of a Housing Opportunity Grant, the City was supported by a Housing Navigator for two years, ending in December 2024. This work supported the Places to Live – Portsmouth Listens Study Circle effort, a Market Feasibility Analysis,

the creation of the ADU Handbook, and staffed the Housing Blue Ribbon Committee. For more information, visit: <https://portsnh.co/housing>.

Human Resources

- Implementation of an HR Service Catalog Utilizing the existing IT Support Portal ticketing system, HR launched a new Service Catalog for employees to track and manage common requests more efficiently. Requests available in the catalog include apparel requests, benefits change requests, employee information updates, and many more. Since its implementation in late October 2024, HR has received 136 service requests.

Communications & Community Engagement

- Accessory Dwelling Unit Handbook Worked with the Planning & Sustainability Department to rework, refine, and overhaul the design of the Accessory Dwelling Unit (ADU) Handbook – a guide for homeowners seeking to build an ADU. For more information, visit: portsnh.co/adu.
- Messaging and Public Engagement Coordinated the messaging and public engagement for the Community Policing Facility, Market Square Master Plan, Bicycle Pedestrian Master Plan Update, .GOV transition, Parking Utilization Study, 2024 Property Revaluation, Sherburne Property Redevelopment, and [Employee Recruitment Video](#).
- Communications Working Group Engaged this internal task force on topics including Artificial Intelligence in the Workplace, resource sharing, greater organizational efficiencies, the .GOV transition, communications challenges, and effective communication strategies.

- Website Updates and Upgrades

Worked with the IT Department to prioritize website design and functionality updates and to identify Website Leads in each Department who can make edits to their respective Department pages.

Economic & Community Development

- Customer Relationship Management (CRM) System

In December 2024, the Economic Development Office (EDO) launched a new CRM solution which allows for two-way electronic communication with the business community. This supports recommendations from the Economic Development Commission relating to economic resilience and small business development and retention.

Finance

- Implementation of New Procurement Solution

The Finance, Purchasing, and Legal teams collaboratively selected and implemented a new software solution to manage the formal procurement process of the City. OpenGov Procurement provides a next generation portal for the City's solicitations for bids, proposals, and qualifications, while providing greater transparency and interaction with bidders and the public. For more information, visit: portsnh.co/bids.

- Successful Adjustment to the Budget Timeline

The timeline for budget development of the Proposed FY26 Budget was adjusted with positive results. The Capital Improvement Plan (CIP) process started earlier with public hearings and final adoption in December rather than March. This allowed for earlier preparation of the

capital and debt service elements of the proposed budget which in turn left more time for consideration of salaries and programming decisions. For more information, visit: portsnh.co/budgets.

Legal

- Settlement of the McIntyre Lawsuits

In FY25, the Legal Department negotiated a settlement of the McIntyre Lawsuits which were dismissed by the Court on February 10, 2025. The City paid no damages in the settlement and agreed to join with the developer to fund \$500,000 in the newly created Below Market Rate Housing Trust Fund. In addition, the developer in the lawsuit agreed to provide a parcel of land to the City for the development of permanent, below market rate housing in the newly created Gateway Neighborhood Overlay District (GNOD).

For more information visit: portsnh.co/mcintyre.

Health

- Community Health Profile, Needs Assessment, and Improvement Plan

In FY25, the Health Department completed the Community Health Improvement Plan (CHIP), providing priorities and response strategies specific to the health and wellness needs of people who live and work in Greater Portsmouth. The recommendations are the result of findings from the Community Health Profile compiled last year and a Community Health Needs Assessment that took the form of interviews and focus group conversations with human services agencies that serve the Seacoast. For details, visit: portsnh.co/health.

- [Emergency Sheltering Capacity Expansion](#)
In FY25, the Health Department significantly expanded local emergency public health sheltering and mass prophylaxis response capacity through upgrades to an existing garage and with the purchase of additional cots, supplies, and five transport trailers, utilizing American Recovery Plan (ARPA) funds.
- [Increased Efficiency and Consumer Convenience through IT Solutions](#)
In FY25, the Health Department successfully transitioned to FoodCode-Pro inspection software which complies with national standards, reduces inspection documentation time in the field, and provides efficient and easy access to inspection results for business owners and Food Service Managers.
- [ARPA Fund Distribution](#)
In December 2024, the City distributed \$350,000 in ARPA funds as one-time assistance to 34 local human service nonprofits providing for the needs of the numerous local vulnerable populations identified in the Community Health Improvement Plan.

Library

- [Library Courtyard](#)
In FY25, in cooperation with the City's Facilities group, the Library completed the Courtyard renovation project. The project was funded by a generous donation from the Mahoney Family and paired with City funds. The newly completed plantings and landscaping complement the redesigned courtyard and the masonry work on the surrounding wall, creating an inviting space that sets the stage for outdoor activities.

Information Technology

- [Domain Transition to portsmouthnh.gov](#)
On the recommendation of the New Hampshire Public Risk Management Exchange (PRIMEX), the Department of Homeland Security (DHS), and the US Cybersecurity and Infrastructure Security Agency (CISA), the City migrated to a .GOV web domain to protect against cyber threats and gain the advantage of additional cyber services. For more information, visit: portsnh.co/switch.

Public Works

- [Islington Street Sewer Separation Project](#)
The work included replacement of underground utilities (water, sewer, and storm drain), roadway reconstruction, curbing and sidewalk installations, and landscaping improvements including ornamental lighting, street trees, benches and final paving. The work was done in discrete sections in order to limit the impact on residents and businesses. In FY25, crews completed Phase 2A of construction from Dover Street to Cornwall Street. Phase 2B, from Cornwall Street to Middle Street, will be completed in FY26. For more information, visit: portsnh.co/islingtonreconstruction.
- [Bartlett Street Sewer Separation Project](#)
This project, completed in June 2025, included reconstruction of underground public utilities (water, sewer, drainage) on Bartlett Street from Hodgdon Brook to Dennett Street, and on Thornton Street from Woodbury Avenue to Bartlett Street. This also included connections to existing utilities on the side streets of Morning Street, Clinton Street, Pine Street, Meredith Way, and Woodbury Avenue. For more information, visit: portsnh.co/bartlettstreet.

- [Contract 1 Sewer Rehabilitation](#)
The City is utilizing data collected from the sewer system infiltration/inflow study to rehabilitate sections of the sewer infrastructure, with a focus on areas the study found to have excessive infiltration. This is an effort to reduce the amount of groundwater entering the sewer collection system through leaking manholes and cracked or damaged pipe or from sump pumps, basement drains, yard drains, catch basins, and rooftop drains. The majority of the work will be “trenchless construction,” and will take place from inside the pipes and manholes. For more information, visit:
[portsnh.co/wastewaterprojects](#).
- [Corporate Drive Sewer Improvement Project](#)
The City has completed the replacement of existing drainpipes in Goosebay Drive and Corporate Drive from Rye Street to Goosebay Drive. For more information, visit: [portsnh.co/corporatedrive25](#).
- [Maplewood Avenue Bridge Reconstruction Project](#)
The bridge re-opened to single-lane, inbound to downtown traffic. Work continues on the westbound lane through November 2025. For more information, visit: [portsnh.co/maplewoodbridge](#).
- [Union Street Sewer Separation Project](#)
DPW conducted sewer separation work in the Union Street area as required by the U.S. Environmental Protection Agency (EPA) and New Hampshire Department of Environmental Services (NHDES). The project involved the replacement of water mains and services, sewer mains and services, separation of stormwater drainage, and reconstruction of the streets

and sidewalks. The project will help reduce combined sewer overflows (CSOs). The final paving of Union Street (State to Middle), Coffins Court, and the remaining driveways concluded in spring 2025.

For more information, visit:
[portsnh.co/unionstreetproject](#).

- [Willard Avenue Sewer Separation Project](#)
This project involved the installation of new drinking water, wastewater, and stormwater pipes, along with the reconstruction of the streets to help reduce combined sewer overflows (CSOs). It included the reconstruction of the Willard Street area from Middle Street to Marston Street, Orchard Street, and Ash Street. Replacement of sidewalks and pavement were part of the project. Final drainage, curbing, sidewalks and paving was completed in spring 2025. For more information, visit: [portsnh.co/willardave](#).
- [Sagamore Avenue Sewer Separation Project](#)
This project extended sewer service to the Sagamore Avenue area and Walker’s Bungalow Road area (including Sagamore Avenue, Walker Bungalow Road, Shaw Road, Cliff Road, Little Harbor Road, Sagamore Grove, and Wentworth House Road) by constructing a sewer system to serve the residential, commercial, and recreational properties in the area. FY25 work, including the widening of Sagamore Avenue, was substantially completed in spring 2025. For more information, visit: [portsnh.co/sagamoresewer](#).
- [Road Raising Project](#)
In September 2023, the City received \$965,333 in Congressionally Directed Spending (CDS) from the Federal Pre-Disaster Mitigation (PDM) Grant Program

through the NH Department of Homeland Security and Emergency Management for the Peirce Island Road Resiliency Project. Work on the project started the week of April 15, 2024 and was completed in December 2024 to raise a 400-foot-long section of Peirce Island Road and the adjacent parking area to three feet above the current 100-year floodplain to protect it against predicted sea level rise and offer greater protection to the force mains under the road that carry wastewater to the Peirce Island Waste Water Treatment Facility (WWTF). For more information, visit: portsnh.co/PI-resiliency.

- **Marjorie Street Pump Station**

This project involved building a small new wastewater pumping station for service within the Marjorie Street and Sylvester Street area and includes the construction of a new sewer force main to direct flow into the existing sewer system on Essex Avenue. For more information, visit: portsnh.co/2024marjoriepump.

- **Little Bay Road Water Main Project**

This joint project with the Town of Newington involved the installation of an eight-inch ductile iron water main and the replacement of 25 water services and four hydrants. The project is substantially complete and was paved by the Town of Newington.

- **Pavement Management**

Based on the ongoing Pavement Condition Management Program, started in 1993, the City's network of roads is evaluated and road-paving programs implemented to maintain street conditions at current levels for an expected lifespan of 20 years.

Recently completed pavement projects include: Pannaway Manor, sections of Market Street, Cutts Avenue and Chase Drive, sections of Atlantic Heights, and sections of Elwyn Park. For more information, visit: portsnh.co/paving.

- **Portsmouth Historical Society ADA Access**

City staff rebuilt the access ramp to the parking lot at the Portsmouth Historical Society, the tenant in a City-owned building, to make it ADA compliant, adding enhanced lighting and a handrail.

- **Municipal Complex Improvements**

Work continued to address the antiquated heating and air conditioning system to mitigate pipe corrosion, water leaks, and heavy condensation issues which could contribute to mold growth. Renovations to the lobby included new signage and carpet. Roof repairs and the repointing of the brick façade were completed. The aging steam boiler chimney was removed.

- **EV Charging Stations**

The City continued to expand its Electric Vehicle (EV) charging station network, adding two stations in the Bridge Street Parking Lot.

- **Energy Efficiency Audit**

The City's consultants, Energy Efficient Investments Inc. (EEI), completed an audit of building control systems, security, automation, and energy efficiency on six City facilities: the Municipal Complex (City Hall and the Portsmouth Police Station), all three Fire Department fire stations, Community Campus, and the DPW complex on Peverly Hill Road in order to consider projects for the FY26 CIP.

- Pierce Island Outdoor Pool Aquatics Upgrade
The project included improvements to the aquatics, mechanical systems, and pool structure. The project was divided into two phases, with active outside construction scheduled during the off-season so as not to interrupt the seasonal operation of the outdoor pool. For more information: visit: portsnh.co/24outdoorpool.
- Bike Park
A group of volunteers spent the weekend of December 7, 2024 building a bike park adjacent to the Skatepark and Seacoast Greenway Trailhead, rebuilding the dirt jumps and platforms at the “Portsmouth Pit.” This project was made possible by donations of funds, materials, and labor from Altus Engineering Charitable Fund, Neal Ouellett and Darlene Furbush Ouellett, Site Structures Landscaping, and Severino Trucking Company. For more information, visit: portsnh.co/skatepark.
- Historic Cemetery Improvements
The City is responsible for maintaining the grounds, headstones, ledgers, chest tombs, cemetery walls, and related structures for six historic cemeteries. DPW completed work on the retaining wall at the rear of North Cemetery. For more information, visit: portsnh.co/cemeterycte.
- NH Seacoast Greenway
NHDOT provided federal funding for the acquisition and initial design of the rail trail from Hampton to Portsmouth. The Trail officially opened with a ribbon-cutting on September 4, 2024. In addition to the federal funding, the City has enhanced the Portsmouth portion of the rail trail and created access points at the Skate Park off

Route 33 and at Banfield Road. For more information, visit: portsnh.co/greenway.

- 2025 Citywide Sidewalks Projects Completed

- **Greenleaf Avenue**

This project constructed new sidewalks along the West side of Lafayette Road from South Street to Greenleaf Avenue and on Greenleaf Avenue from Lafayette Road to upper Hillside Drive.

- **Sagamore Avenue**

This project constructed a new sidewalk along the NHDOT roadway of Sagamore Avenue from approximately 1171 Sagamore Avenue to Odiorne Point Road.

- **Summit Avenue**

This project constructed a new sidewalk along Summit Avenue from the High School gated entrance to South Street.

Parking & Transportation Division

- Completion of year two of the Hanover Street Garage Restoration Project

Work has included a redesign of the Hanover Street entry/exit point, and installation of new, highly efficient access control hardware and software. The project was completed in the fall of 2025.

- Parking Division Office Construction

Construction was finished in the fall of 2025. The new offices consolidate all Parking Division business units in one location, increasing efficiency and enhancing the experience of all who engage with the Parking Division.

- [Completion of the 2025 Parking Utilization Study](#)

The Division oversaw the finalization of the 2025 Parking Utilization Study project, successfully coordinating with consultant Desman Design Management to develop a series of recommendations. The City Council accepted the study at their February 3, 2025 meeting.

School Department

- [Department Strategic Plan](#)

In the fall of 2024, the School Department finalized its five-year Strategic Plan. This is the culmination of a two-year process that included a large number of stakeholders.

For more information, visit:
portsnh.co/schoolstrat29.

Police Department

- [Community Policing](#)

The Department continues to invest in community policing through public education initiatives such as the Citizen's Police Academy, safety and fraud prevention classes, and internet safety workshops for parents. In 2024, the Department reinstated the Downtown Business Association to strengthen relationships with local business owners and address public safety concerns collaboratively. Additionally, the hiring of a Department Social Worker has expanded services to include crisis intervention, advocacy, and referrals for housing, substance misuse, and mental health support. This role involves close collaboration with police officers, schools, shelters, and various community agencies to enhance public outreach and care.

- [Technology Initiatives](#)

The Department has expanded its capabilities and community engagement

through several key initiatives. Two electric bikes were added to the fleet, allowing officers to navigate crowds and attend City events where patrol cars are less effective. The acquisition of the FARO 3D imaging system enhances investigative efficiency by enabling virtual walkthroughs of crime scenes and preserving critical evidence for prosecution. The rollout of the advanced Taser 10, with extended range and precision, supports safer conflict resolution. The K9 Unit played a pivotal role in the creation of Max's Law, which permits EMTs and paramedics to provide emergency care and transport for injured police K9s.

- [Community Survey](#)

The Department conducted a community survey, as required by CALEA in 2024. For more information, visit:

portsnh.co/surveypd2025.

Fire Department

- [Local Emergency Operations Plan and Hazard Mitigation Plan](#)

Reviewed and updated both its Local Emergency Operations Plan and Hazard Mitigation Plan in collaboration with all City Departments. Both plans were filed with NH Homeland Security and FEMA and formally adopted by the City Council. The Department also introduced a grant-funded Self-Contained Breathing Apparatus (SCBA) system, upgraded portable radios for integration, and trained personnel on new procedures and policies. Additionally, three new Paramedics graduated from the accredited Emergency Medical Services pre-hospital care program, strengthening the City's emergency response capabilities.

Community Development Block Grant

The City annually receives over \$525,000 in Community Development Block Grant (CDBG) funds from U.S. Housing and Urban Development that must benefit Portsmouth residents who earn low-moderate incomes. The annual rollover of federal grant awards and CDBG loan repayments allow for significant investments in large projects.

Recently Completed Major Infrastructure and Accessibility Projects

- Cross Roads House Transitional Shelter building improvements - \$224,000
- Gosling Meadows Playground Pavilion construction - \$66,500
- Gosling Meadows Residential Door Replacement - \$250,000
- Operation Blessing Emergency Warming Shelter construction - \$76,000
- Woodbury Cooperative Housing - \$475,000
- Senior Activity Center design, abatement, and construction administration - \$650,000
- Portsmouth Historical Society ADA Restrooms design and construction - \$220,000

FY26 Ongoing Major Projects

- Connors Cottage ADA Exterior Lift design and construction - \$281,000
- Four Tree Island ADA Restroom design and construction - \$376,000

LONG-TERM FINANCIAL PLANNING

STATEWIDE EDUCATION PROPERTY TAX

The Statewide Education Property Tax assessment process is one of the means by which the State funds educational costs for NH students. By way of background, each fall, the Department of Revenue Administration notifies each municipality of the amount it must raise through the Statewide Education Property Tax (SWEPT) for the following school year. Historically, Portsmouth has raised tax revenue above the State determined per pupil cost of an adequate education and has been able to retain this revenue to offset local education costs (excess SWEPT) since 2011. Prior to that, Portsmouth was a "Donor" community, forced to raise an additional \$11,750,318 in SWEPT for the State to distribute to other "Receiver" communities. Over the past few years, several bills have been introduced to return to a donor/receiver education funding formula. Those bills have not passed and have been actively opposed by the City as a member of the Education Coalition Communities 2.0 New Hampshire (ECC2NH).

It is also significant to note that the New Hampshire Supreme Court has recently issued two decisions on appeals of Rockingham County Superior Court Judge Ruoff's rulings on education funding cases. These rulings will have a significant impact on future SWEPT rates and education funding generally.

In *Contoocook Valley School District v. State of New Hampshire* ("ConVal"), the Supreme Court affirmed Judge Ruoff's decision, which found that the amount of funding provided by the State for the annual per pupil cost of an

adequate education (“adequacy”) was unconstitutionally low. Cost categories that have been excluded in the definition of adequacy are now included, such as costs associated with facilities and maintenance, non-teacher staff and transportation. The Supreme Court affirmed Judge Ruoff’s calculation of a conservative minimum threshold for adequacy in the amount of \$7,356.01, which is a *substantial increase* from the current per pupil base adequacy amount of \$4,100. The Supreme Court rejected Judge Ruoff’s immediate payment directive, and now it is up to the Legislature to act. It is assumed at the time of this writing that new legislation on education funding will be introduced during the next legislative session. The source of funding for any increase in adequacy is presently unknown. However, if SWEPT is one of the funding sources used for an anticipated increase in per pupil adequacy, the SWEPT rate would increase significantly, which would be an additional tax burden on local taxpayers.

The Supreme Court also rendered a decision in the appeal of a second education funding case, *Steven Rand, et al v. The State of New Hampshire* (Rand). The Supreme Court reversed Judge Ruoff’s ruling that the retention of excess SWEPT by donor towns is unconstitutional and excess SWEPT must be remitted to the State. The Supreme Court rejected the argument that permitting the retention of SWEPT violates Part II, Article 5 of the NH Constitution, which requires that all taxes be proportional and reasonable. Rather, the Court found that the retention of excess SWEPT is a proper exercise of the Legislature’s spending power. ECC2NH hired an attorney to intervene in this matter, who joined the

State’s argument in support of the current education funding formula and the retention of excess SWEPT.

There has been a recent Superior Court decision in the second part of the Rand case that also found inadequacies in special education funding. As of the date of this writing, the deadline to file an appeal of this decision has not expired. ECC2NH did not intervene in the second part of Rand because it did not address the retention of excess SWEPT.

The City, through ECC2NH, will monitor the bills introduced in response to these cases, along with other education funding bills on behalf of the City. In addition, the Legislative Subcommittee, working with City Staff and the Portsmouth Delegation, will continue to monitor education funding legislation.

BOND RATING

In May of 2025, the last time the City issued bonds, Standard & Poor’s Global Ratings (S&P) group affirmed the City’s bond rating as AAA citing:

- The City’s “robust and diverse local economy...is one of the few primary economic drivers for the State and a regional hub with employment opportunities across its commercial and industrial sectors;”
- The City’s “robust and comprehensive financial management policies and practices that include long-term financial planning, a formal six-year Capital Improvement Plan, and formal debt management and reserve policies;” and

- The City's "comprehensive planning and budgeting practices, coupled with a strong tax base and financial flexibility, continues to make debt manageable and affordable."

RELEVANT FINANCIAL POLICIES

The following are financial policies and long-term financial guidelines which the City follows in managing its financial and budgetary affairs. The strategic goal of these policies and guidelines is to ensure that financial resources are well-managed and available to meet the present and future needs of the citizens of the City of Portsmouth.

LEAVE AT TERMINATION

The City has addressed in two methods the significant liability owed to employees for accumulated sick leave pay when they leave municipal service.

1. The City eliminated future growth in this liability by negotiating in all sixteen (16) labor agreements that all employees hired after July 1996 can no longer accumulate unlimited sick leave. Thus, the liability can be capped, and it is now possible to estimate reductions of this liability through attrition.
2. The Leave at Termination Fund, created in Fiscal Year 1999, eliminated annual budget spikes which negatively impacted the operating budget associated with sick leave pay owed to employees upon termination. Each department annually budgets a fixed amount determined by actuarial study and periodic review, that is transferred into this fund from which this liability is paid. Each department builds a fund balance, which is carried over from year to year to fund future liabilities, thus stabilizing the annual operating budget.

As of the close of the current fiscal year, Citywide liability for accrued employee benefits was \$5,043,398, a net increase of \$347,046 compared to the prior year.

UNASSIGNED FUND BALANCE

In Fiscal Year 1998, the City Council adopted a Fund Balance Ordinance which was amended in 2012 to comply with the fund balance model established by Governmental Accounting Standards Boards (GASB) Statement No. 54. The operational objective of the Ordinance was further amended in 2013 to recognize that the financial management goal of the City of Portsmouth is to annually maintain an Unassigned Fund Balance between 10% and 17% of total General Fund appropriations. As of June 30, 2025, the Unassigned Fund Balance is 13.65% of appropriations.

DEBT MANAGEMENT

It is the policy of the City to keep operational net debt costs at no more than 10% of annual General Fund appropriations. Current and future debt service is projected out over a 10-year period along with projected annual appropriations and estimated revenues related directly to debt. The framework of this analysis assists with the planning of future capital projects that will be funded through debt issuances. For FY25, the amount of net annual debt remains within the policy limits at 8.16%.

GFOA CERTIFICATE OF ACHIEVEMENT

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the *Certificate of Achievement for Excellence in Financial Reporting* to the City of Portsmouth for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

The City has received a total of thirty-two (32) awards for Fiscal Years ending June 30, 1988, 1989, and thirty consecutive years from 1995 to 2024. The City believes that its current ACFR continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

Award for Outstanding Achievement in Popular Annual Financial Reporting

The City also received the GFOA *Award for Outstanding Achievement in Popular Annual*

Financial Reporting (PAFR) for the publication of the annual citizens' report for the Fiscal Year ended June 30, 2024. This is the City's eighth consecutive award. To achieve this award, the government unit must produce a high-quality PAFR specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.

Award for Distinguished Budget

The City of Portsmouth also received the GFOA's *Distinguished Budget Presentation Award* for its annual budget document for the fiscal year beginning July 1, 2025 (FY26). This award marks the nineteenth (19) consecutive year of recognition. To receive this award, a governmental unit must publish a budget document judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Triple Crown Medallion

In Fiscal Year 2019, the GFOA implemented a new recognition, the GFOA Triple Crown. The Triple Crown recognizes governments that have received all three GFOA awards: the Certificate of Achievement for Excellence in Financial Reporting, the Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award. GFOA presented to the City of Portsmouth the Triple Crown medallion for Fiscal Years 2019, 2020, 2021, 2022, 2023, and 2024.

ACKNOWLEDGEMENTS

The timely preparation and publication of the Annual Comprehensive Financial Report would not have been accomplished without the dedication and professional efforts of the staff in the Finance Department and the diligence of Department Heads and other City staff who have contributed to the endeavor. I would especially like to express my gratitude to Michael Tucker, Deputy Finance Director, Andrew Purgiel, Deputy Finance Director, and Abagail Mills, Administrative Manager/Budget Coordinator, who contributed significant hours, support, and dedication to the preparation of this report.

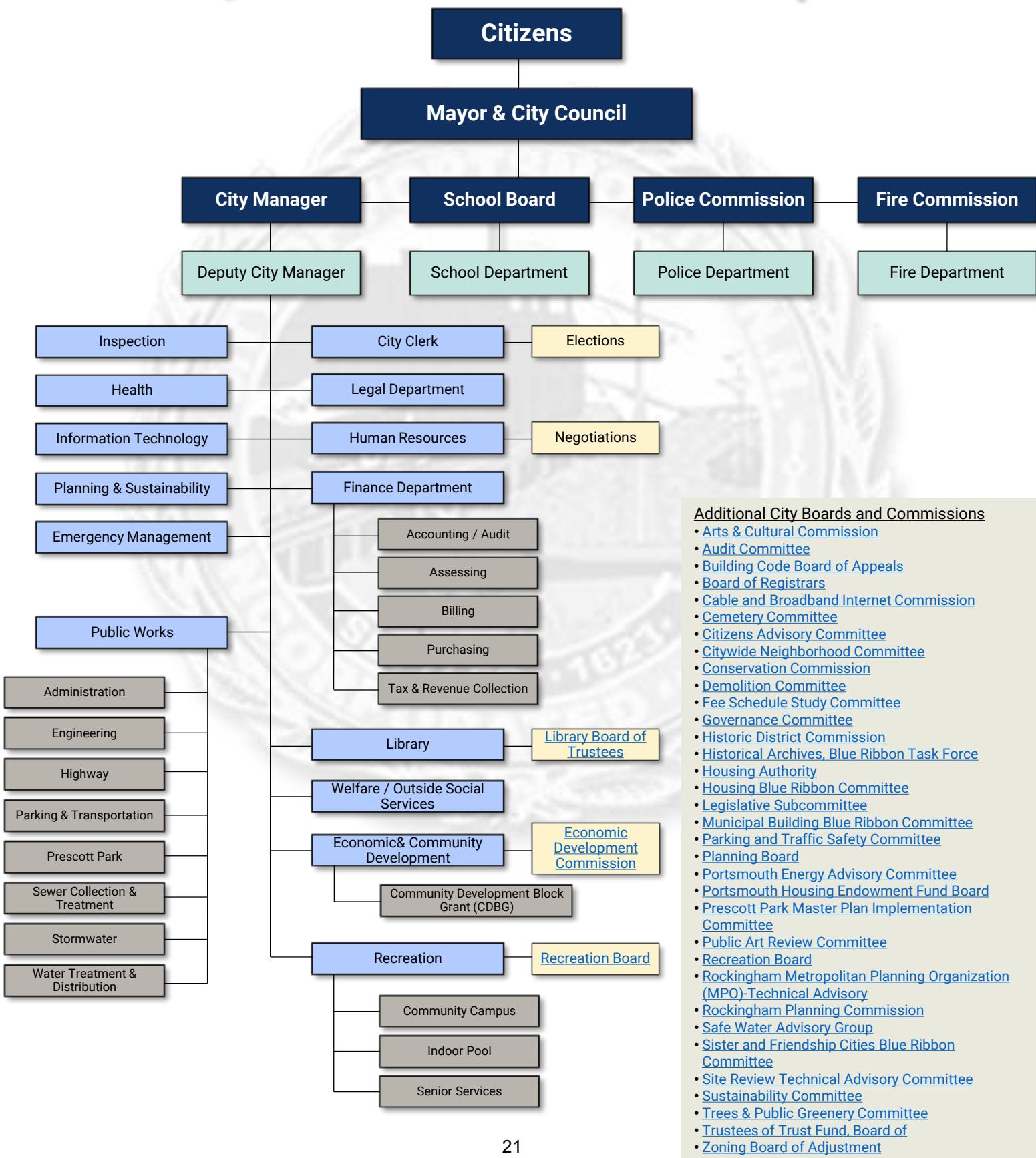
I express my sincere appreciation to Mayor Deaglan McEachern, the City Council, and City Manager Karen S. Conard for their enduring commitment to continued improvement and the maintenance of a strong financial position as reflected in this report.

Respectfully,

A handwritten signature in blue ink, appearing to read "Nathan D. Lunney".

Nathan D. Lunney
Deputy City Manager - Finance & Administration

City of Portsmouth, New Hampshire Citywide Organizational Chart



City of Portsmouth, New Hampshire

Directory of Officials

City Council

Deaglan McEachern, Mayor
JoAnna Kelley, Assistant Mayor

John Tabor
Kate Cook

Josh Denton
Rick Blalock
Andrew Bagley

Beth Moreau
Vincent Lombardi

Police Commission

Kate Coyle, Chair
Buzz Scherr
Francesca Marconi Fernald

Nancy Novelline Clayburgh, Chair
Brian French, Vice Chair
Christiana "Pip" Clews
Kerry Nolte
Lisa Rapaport
Patricia "Tish" Campbell
David "Leigh" Hudson
Byron Matto
Genevieve Becksted Muske

Fire Commission

Richard Gamester, Chair
Jennifer Mosher-Matthes, Vice-Chair
Michael Hughes, Clerk

Principal Executive Officers

Karen Conard, City Manager
Nathan Lunney, Deputy City Manager – Finance & Administration

Carl Weber, Deputy City Manager

Sean Clancy, Assistant City Manager for Economic & Community Development

Zach McLaughlin, Superintendent

Mark Newport, Police Chief

William McQuillen, Fire Chief

Kelly Harper, Human Resources Director

Kelli Barnaby, City Clerk

Susan Morrell, City Attorney

Peter Rice, Director of Public Works & Facilities

Ryan Babcock, Chief Information Officer

Andrew Purgiel/Michael Tucker, Deputy Finance Director

Rosann Maurice-Lentz, Assessing Director

Amy Wentworth, Revenue Administrator

Peter Britz, Planning & Sustainability Director

Shanti Wolph, Inspections Director

Kimberly McNamara, Health Officer

Christine Friese, Library Director

Todd Henley, Recreation Director

Jodi Carnes, Welfare Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Portsmouth
New Hampshire**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrell

Executive Director/CEO

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Portsmouth, New Hampshire

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 26 to the financial statements, the City's beginning net position was restated to correct deferred inflows of resources in the sewer enterprise fund that was recorded in a prior year. Our opinion is not modified with respect to this matter.

To the Honorable Mayor and City Council
City of Portsmouth, New Hampshire

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Portsmouth, New Hampshire's internal control. Accordingly, no such opinion is expressed.

To the Honorable Mayor and City Council
City of Portsmouth, New Hampshire

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Portsmouth, New Hampshire's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Portsmouth, New Hampshire's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Honorable Mayor and City Council
City of Portsmouth, New Hampshire

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report (ACFR). The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2025, on our consideration of the City of Portsmouth, New Hampshire'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 City of Portsmouth, New Hampshire's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Portsmouth, New Hampshire's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
December 12, 2025

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2025

The City of Portsmouth's (the City's) management offers readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section.

FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, total assets and deferred outflows minus liabilities and deferred inflows for governmental and business activities exceeded liabilities by \$347,519,243. This is an increase of \$11,567,484 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$93,977,854, a decrease of \$8,816,572 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$19,772,767, an increase of \$848,901 in comparison with the prior year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Portsmouth's basic financial statements. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) 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, which report the City's governmental activities separately from its business-type activities, are designed to provide readers with a broad overview of the City's finances. There are two basic governmental-wide financial statements: the statement of net position and the statement of activities. All activities included within the government-wide financial statements are measured and reported using the economic resources measurement focus and the accrual basis of accounting similar to a private-sector business.

- The Statement of Net Position:*** presents information on all assets and deferred outflows and liabilities and deferred inflows, with the difference reported as "net position" instead of fund

balances as shown on the Fund Statements. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

- ***The Statement of Activities:*** presents information showing how the City'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 (e.g., uncollected taxes and earned, but unused, vacation leave).

Both of the government-wide financial statements include two different types of City activities and can be found on pages 44-47 of this report.

- ***Governmental Activities:*** The activities in this section represent most of the City's basic services and are principally supported by taxes, grants, and intergovernmental revenues. The governmental activities of the City include general government, public safety, education, public works, health and human services, culture and recreation, and community development. Other governmental activities include special revenue and capital project funds.
- ***Business-Type Activities:*** These activities are normally intended to recover all or a significant portion of their costs through user fees and charges. These business-type activities of the City include the water and sewer activities.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The City's funds are 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 City'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 funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City'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.

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 48-51 of this report.

- **Proprietary Funds:** The City's proprietary funds provide goods and services to the general public and charge a user fee. These activities are reported in enterprise funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Portsmouth maintains two enterprise funds, which are used to account for water and sewer operations.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, both of which are considered to be major funds of the City of Portsmouth.

The basic proprietary funds financial statements can be found on pages 52-54 of this report.

- **Fiduciary Funds:** These funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City'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 55-56 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 beginning on page 57 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which is required to be disclosed by the accounting principles generally accepted in the United States of America.

The combining schedules are presented immediately following the required supplementary information on pensions and Other Post-Employment Benefits (OPEB).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position may be observed and used to discuss the changing financial position of the City as a whole.

Financial Position- The following table provides a summary of the City's net position at June 30 for the current and prior fiscal years.

	Summary of Net Position (000s)						Totals	
	Governmental Activities		Business-Type Activities		2025	2024		
	2025	2024	2025	2024				
Assets:								
Current and other assets	\$ 136,220	\$ 143,258	\$ 84,665	\$ 95,234	\$ 220,885	\$ 238,492		
Capital assets (net)	300,794	283,125	286,757	271,917	587,551	555,042		
Total assets	<u>437,014</u>	<u>426,383</u>	<u>371,422</u>	<u>367,151</u>	<u>808,436</u>	<u>793,534</u>		
Deferred outflows of resources	<u>19,547</u>	<u>22,082</u>	<u>1,233</u>	<u>1,315</u>	<u>20,780</u>	<u>23,397</u>		
Total assets and deferred outflows	<u><u>\$ 456,561</u></u>	<u><u>\$ 448,465</u></u>	<u><u>\$ 372,655</u></u>	<u><u>\$ 368,466</u></u>	<u><u>\$ 829,216</u></u>	<u><u>\$ 816,931</u></u>		
Liabilities:								
Long-term liabilities	\$ 247,544	\$ 251,449	\$ 184,063	\$ 177,190	\$ 431,607	\$ 428,639		
Other liabilities	26,528	29,194	8,315	13,879	34,843	43,073		
Total liabilities	<u>274,072</u>	<u>280,643</u>	<u>192,378</u>	<u>191,069</u>	<u>466,450</u>	<u>471,712</u>		
Deferred inflows of resources	14,863	8,940	384	28,319	15,247	37,259		
Net position:								
Net investment in capital assets	177,430	171,558	129,308	122,487	306,738	294,045		
Restricted	32,738	32,046	26,646	-	59,384	32,046		
Unrestricted	(42,542)	(44,722)	23,939	26,591	(18,603)	(18,131)		
Total net position	<u>167,626</u>	<u>158,882</u>	<u>179,893</u>	<u>149,078</u>	<u>347,519</u>	<u>307,960</u>		
Total liabilities, deferred inflows and net position	<u><u>\$ 456,561</u></u>	<u><u>\$ 448,465</u></u>	<u><u>\$ 372,655</u></u>	<u><u>\$ 368,466</u></u>	<u><u>\$ 829,216</u></u>	<u><u>\$ 816,931</u></u>		

The largest portion of net position reflects our investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. As of year-end, net investment in capital assets is \$306,737,989, an increase of \$12,692,559 as compared to prior year. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position of \$59,383,754 or 17% of total net position, represents resources that are subject to external restrictions on how they may be used. The unrestricted net position of (\$18,602,500) represents amounts without constraints established by enabling legislation, external agreements, or other legal requirements. That amount is reduced by a deficit

in governmental activities primarily resulting from the City's unfunded total pension and total OPEB liabilities as discussed in the Notes 21 and 22.

Financial Results - The following is a summary of condensed government-wide financial data of changes in net position for the current and prior fiscal year.

	Summary of Changes in Net Position (000s)							
	Governmental Activities		Business-Type Activities		Totals		2025	2024
	2025	2024	2025	2024	2025	2024		
Revenues:								
Program Revenues:								
Charges for services	\$ 28,369	\$ 26,290	\$ 31,305	\$ 29,164	\$ 59,674	\$ 55,454		
Operating grants and contributions	22,234	18,061	847	40	23,081	18,101		
Capital grants and contributions	2,719	5,191	1,462	4,113	4,181	9,304		
General Revenues:								
Property taxes	109,132	101,822	-	-	109,132	101,822		
Interest on taxes	150	146	-	-	150	146		
Grants and contributions not restricted to specific programs	2,233	2,081	-	-	2,233	2,081		
Investment income	4,520	4,757	1,935	1,813	6,455	6,570		
Other	837	485	-	-	837	485		
Total revenues	170,194	158,833	35,549	35,130	205,743	193,963		
Expenses:								
General government	20,694	19,487	-	-	20,694	19,487		
Public safety	28,663	26,452	-	-	28,663	26,452		
Education	74,037	70,789	-	-	74,037	70,789		
Public works	24,567	24,568	-	-	24,567	24,568		
Health and human services	1,528	1,065	-	-	1,528	1,065		
Culture and recreation	7,172	6,476	-	-	7,172	6,476		
Community development	1,653	599	-	-	1,653	599		
Interest on long-term debt	3,623	262	-	-	3,623	262		
Water operations	-	-	11,136	10,448	11,136	10,448		
Sewer operations	-	-	21,103	19,756	21,103	19,756		
Total expenses	161,937	149,698	32,239	30,204	194,176	179,902		
Change in net position before transfers	8,257	9,135	3,310	4,926	11,567	14,061		
Transfers in (out)	487	619	(487)	(619)	-	-		
Change in net position	8,744	9,754	2,823	4,307	11,567	14,061		
Net position - beginning of year - as originally reported	158,882	149,128	149,078	144,771	307,960	293,899		
Adjustment	-	-	27,992	-	27,992	-		
Net position - beginning of year - as adjusted	158,882	149,128	177,070	144,771	335,952	293,899		
Net position - end of year	\$ 167,626	\$ 158,882	\$ 179,893	\$ 149,078	\$ 347,519	\$ 307,960		

Governmental Activities. Governmental activities for the year resulted in a net position of \$167,625,899 which is an increase of \$8,744,425 from the prior year. Governmental activities realized the following significant transactions:

- Program expenses, largely the cost of salaries and benefits for staff, increased by \$12,236,841 over the prior year due to cost-of-living adjustments in salaries plus related increases in taxes, retirement contributions, and health insurance contributions.
- Program revenues, including charges for services, operating grants and contributions, and capital grants and contributions, increased by \$3,777,077 over the prior year driven by a \$1,006,545 increase in inspection permits from commercial property development and the utilization of \$2,183,054 of American Rescue Plan Act grant funds for community needs.
- Property tax revenue increased by \$7,310,329 or 7.2% over the prior year. The property tax rate decreased by 30.7%, however the total taxable assessed value of property increased \$3,501,446,905 or 53%.

Business-Type Activities. Business-type activities for the year resulted in a net position of \$179,893,344 which is an increase of \$2,823,059 from the prior year. The key elements of the changes are as follows:

- Program expenses increased by \$2,035,439. Increases were driven by rising costs for operation and maintenance; primarily labor, chemicals and energy costs. Regulatory and environmental mandates as well as an aging infrastructure also continue to drive increases in overall costs.
- Charges for services increased by \$2,140,460 over the prior year. The increase was primarily driven by a rate increase for water of approximately 6% and a rate increase in sewer of approximately 5% from the prior year. The billable volume used for setting the rates stayed approximately the same year over year.
- Operating grants and contributions saw a \$807,635 increase which was driven by state funded drinking and groundwater grants received during fiscal year 2025.
- Non-operating revenues net of expenses with capital contributions and transfers contributed the remaining change in net position.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$93,977,854, a decrease of \$8,816,572 in comparison with the prior year.

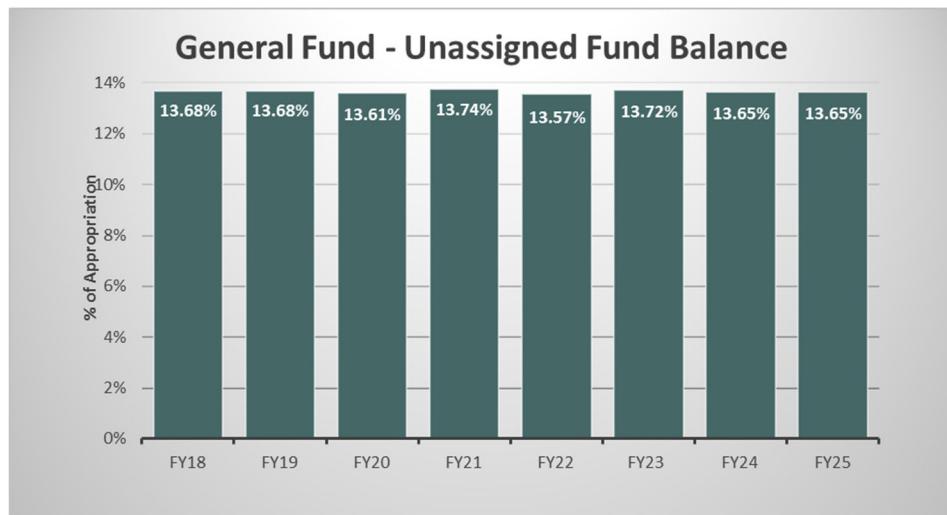
General Fund

The General Fund is the chief operating fund. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to final general fund budget.

City Council adopted in Fiscal Year 1998 the “Unassigned Fund Balance Ordinance” to maintain unassigned fund balance within a certain range. This ordinance was amended in Fiscal Year 2013, which mandates that the City will maintain an unassigned fund balance of between 10% and 17% of total general fund appropriations.

Unassigned fund balance at the end of the fiscal year was \$19,772,767 or 13.65% of the final general fund budget. This is an increase of \$848,901 or 4.49% from prior year.

The table below demonstrates, in each of the last eight years, the unassigned fund balance has exceeded 10% of the final General Fund budget.



Total fund balance for the General Fund at the end of the current fiscal year was \$52,721,762 or 36.4% of the final budget. This is an increase of \$227,177 or 0.43% from the prior year. The key factors in this change are as follows:

- A decrease in fund balance of \$2,700,000 from transfers for the budgetary use of fund balance for \$1,000,000, \$1,600,000 for the reserve for future debt service; and \$100,000 for the reserve for tax appraisals.
- An increase in fund balance of \$3,020,736 from revenues exceeding final budget estimates primarily driven by total licenses and permits exceeding budget by \$2,904,882.
- An increase in fund balance of \$678,305 from remaining departmental appropriations primarily due to vacancies in staffing;
- An increase in fund balance of \$284,868 from excess funding in the leave at termination stabilization account due to delayed retirements; and
- A decrease in fund balance of \$655,420 from expenditures for premium contributions exceeding appropriations in the Health Insurance Stabilization Account.

Non-major Funds

At the end of the current fiscal year, total fund balance of other governmental funds was \$41,256,092, which is a net decrease of \$9,043,749 or 17.89% from prior year. The decrease was driven by a decrease in the restricted fund balance of \$8,830,375. The most significant portion of the decrease occurred in the capital project transportation management fund. Capital outlay expenditures in this non major fund exceeded prior year by \$7,453,507. Debt issuances for this non major fund decreased \$10,410,000.

Proprietary Funds. Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail. Proprietary fund financial statements use the accrual basis of accounting, like the government-wide financials. As such, there is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

Total net position for the Water and Sewer Funds at the end of the year increased \$2,823,059 to a total of \$179,893,344. The Water Fund increased by \$2,009,879 and the Sewer Fund increased by \$813,180 mainly attributed to utility rate increases of approximately 6% and 5% respectively for Water and Sewer services to raise revenues for future rate stabilization and capital projects.

To provide adequate revenues to meet expenditures for operations, debt service, and capital improvements, the City's rates are based on a two-step, inclining block rate structure for both water and sewer usage. Water rates for FY25 increased 6% over prior year. The first ten units (one unit equals 100 cubic feet or 748 gallons) of water consumed per month were billed at \$5.02 per unit; all units over ten units per month were billed at a rate of \$6.04 per unit. Irrigation meters have a third tier to further capture the cost of additional capacity to service the customer's water demands. The first ten units of water consumed per month were billed at \$6.04 per unit, water consumed over 10 units up to 20 units were billed at \$11.41 per unit, and units over 20 units per month were billed at a rate of \$14.08 per unit.

Sewer, which is measured by water consumption, had a rate increase of 5% over prior year. The first ten units were billed at \$17.32 per unit; and all units over ten units per month were billed at a rate of \$19.05 per unit.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund budgetary highlights are recorded on a budgetary basis and not GAAP.

The difference between budget and actual results is a positive variance of \$3,669,041. Actual revenues exceeded estimated budgets by \$3,020,736 and actual expenditures were less than the estimated budget by \$678,305. Significant variances include:

- Negative variance in Property Taxes of \$1,400,967 was due to adjustments reducing revenues to recognize liabilities for property tax abatements filed timely but not yet processed by the Superior Court or Board of Tax and Land Appeals;
- Positive variance in Licenses and Permits of \$2,904,882 is mainly attributed to an excess of \$788,028 from estimated motor vehicle registrations, and \$2,061,312 in building, electrical, and plumbing permits resulting from renovations and new construction Citywide;
- Positive variance in Investment Income of \$607,554 due to favorable interest rates;
- Positive variance in Fines and Costs of \$463,875 is mainly attributed to a surplus of parking violations;
- Positive variance in Other Revenues of \$354,781 is mainly attributed to \$282,887 from unanticipated revenues and \$77,794 from rentals of city property;
- Positive variance of \$587,635 in Operating Expenditures is comprised of surpluses in other City departments primarily the result of position vacancies; \$280,903 in the Police Department, \$747 in the School Department, and \$305,985 from other General Government departments; and
- Non-operating expenditures resulted in a positive variance of \$90,670 driven by \$92,328 in favorable debt service costs due to lower-than-expected professional service costs for debt issuance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Total investment in capital assets for governmental and business-type activities at year-end amounted to \$587,550,492 (net of accumulated depreciation), an increase of \$32,508,287 from the prior year. This investment in capital assets includes land, buildings, system improvements, and machinery and equipment. The following comparison shows net capital assets by category:

	Capital Assets (000s) (net of depreciation)								
	Governmental Activities		Business-Type Activities		Totals		Amount Change	% Change	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>			
Land	\$ 25,815	\$ 25,815	\$ 5,208	\$ 3,730	\$ 31,023	\$ 29,545	\$ 1,478	5.00%	
Buildings and improvements	135,474	135,808	66,120	67,827	201,594	203,635	(2,041)	-1.00%	
Machinery and equipment	9,096	8,641	39,868	42,484	48,964	51,125	(2,161)	-4.23%	
Infrastructure	111,571	83,466	122,696	120,203	234,267	203,669	30,598	15.02%	
Construction in progress	18,837	29,395	52,865	37,674	71,702	67,069	4,633	6.91%	
Total Assets	\$ 300,793	\$ 283,125	\$ 286,757	\$ 271,918	\$ 587,550	\$ 555,043	\$ 32,507	5.86%	

Major capital asset events during the current fiscal year included the following:

- Governmental Activities construction in progress totaled \$18,838,056.
- Governmental funds capitalization of depreciable assets and land totaled \$40,255,496 summarized as follows:
 - Outdoor Pool;
 - Community Campus Building Improvements;
 - High School Tennis Courts;
 - New Franklin Elementary School Upgrades;
 - Mechanic Street Seawall;
 - Pannaway Gateway Sidewalk;
 - Various Street Paving;
 - Various Road and Sidewalk reconstruction; and
 - Various General Government vehicles and equipment for the Public Works, Police, Fire, and School Departments.
- Business-type Activities construction in progress totaled \$52,864,439: Water Fund \$14,423,960 and Sewer Fund \$38,440,479.
- Water Fund capitalization of depreciable assets and land totaled \$6,414,820 summarized as follows:
 - Various Water Transmission Improvements
 - Bellamy Reservoir Fernald Easement;

- Peverly Hill Waterline;
- Pinehurst Waterline; and
- Various vehicles and equipment replacement.
- Sewer Fund capitalization of depreciable assets and land totaled \$785,290 summarized as follows:
 - Maplewood Bridge Sewerline;
 - Heritage Pump Station;
 - Various sewer line replacements; and
 - Various vehicles and equipment replacement.

Additional information on the City of Portsmouth's capital assets can be found in Note 11 of this report.

Long-term Debt. At the end of the current fiscal year, total bonded debt, including unamortized bond premiums, and State Revolving Fund (SRF) loans outstanding, including business-type activities (Water and Sewer Departments) was \$302,897,854 as shown in the table below, all of which was backed by the full faith and credit of the government.

The SRF Loan Program was created by the New Hampshire Legislature in 1987. This SRF program provides low-interest loans to help municipalities with projects such as wastewater treatment projects, landfill closures, and public water supply improvements.

The City of Portsmouth's General Obligation bonds have an AAA rating from Standard and Poor's Global rating services.

Outstanding Debt (000s)

	Governmental		Business-Type		Totals	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
General obligation bonds	\$ 117,029	\$ 116,062	\$ 91,752	\$ 86,278	\$ 208,781	\$ 202,340
State revolving fund loans	-	-	80,322	78,133	80,322	78,133
Unamortized premium	<u>8,853</u>	<u>9,785</u>	<u>4,943</u>	<u>5,210</u>	<u>13,796</u>	<u>14,995</u>
Total	<u>\$ 125,882</u>	<u>\$ 125,847</u>	<u>\$ 177,017</u>	<u>\$ 169,621</u>	<u>\$ 302,899</u>	<u>\$ 295,468</u>

The City of Portsmouth's total debt increased by \$7,430,682 or 2.5% during the current fiscal year. The key factors in this net increase are:

- The issuance of general obligation bonds in June 2025 totaling \$25.3 million;
- Reductions of outstanding debt principal in the amount of \$22.1 million; and
- Net change in unamortized bond premiums in the amount of \$1.2 million.

Under current State statutes, the City's general obligation bonded debt issuances are subject to legal limitations based on various percentages of "base valuation." The "base valuation" for computing debt limit is determined by adding the amount of taxable property lost to cities and towns as a result of the enactment of the State Business Profits Tax Law, to the equalized assessed valuation (full value) as determined by the State Department of Revenue Administration.

The general debt limit of the City is 3% of "base valuation," (see below), except for landfill closures, school, water, and sewer purposes, which have their own independent limits. The debt limit for school purposes is 7%, for water purposes is 10% of a base valuation, and debt for landfill closure and sewer purposes are exempt from the debt limit and are not counted toward the 3% limitation. Borrowings authorized by special legislative acts rather than the general municipal finance statutes can also be excluded from the City's debt limit. As of June 30, 2025, the City's net general obligation bonded debt was well below the legal limits.

The base valuation for computing debt limit for the City of Portsmouth is \$10,559,663,738. The debt limit and outstanding debt are as follows:

Purpose	Percent of Allowable Debt Limit	Bonds Outstanding including Unamortized			Authorized Unissued as of June 30, 2025	Total Gross Debt as of June 30, 2025	% of Legal Debt Service Used
		Maximum Debt Limit	Bond Premiums as of June 30, 2025	 			
Municipal	3.00%	\$ 316,789,912	\$ 91,251,596	\$ 23,321,000	\$ 114,572,596		36%
Landfill closure (1)	N/A			4,641,897		4,641,897	N/A
School	7.00%	739,176,462	34,629,353	-		34,629,353	5%
Water	10.00%	1,055,966,374	43,240,568	11,476,500		54,717,068	5%
Sewer (1)	N/A		133,776,337	41,073,500		174,849,837	N/A
Total		\$ 2,111,932,748	\$ 302,897,854	\$ 80,512,897		\$ 383,410,751	

(1) Exempt from Debt Limit

Additional information on long-term debt can be found in Note 17 of this report.

ECONOMIC CONDITIONS AND NEXT YEAR'S BUDGET AND RATES

As of June 30, 2025, the unemployment rate in the City of Portsmouth was 2.9%. During the same period, Portsmouth's unemployment rate remained lower by comparison than that of the State of New Hampshire, New England, and the Nation, which were 3.1%, 4.0%, and 4.1%, respectively.

The budget and tax rate for the General Fund for FY26 have been submitted to the Department of Revenue Administration. The tax rate has been set at \$11.51 per \$1,000 of assessed value. The total assessed valuation increased by approximately \$197.5 million or 2.0%.

On a budgetary basis, the final FY26 General Fund budget of \$149,894,940 represents an increase of \$5,033,593 or 3.47% from the prior year. This budget includes:

- Use of Committed Fund Balance of \$1,500,000 from debt service reserves and \$100,000 from abatement reserves; and
- Use of Unassigned Fund Balance of \$2,000,000 to offset taxes.

Both the Water and Sewer Division user rates are based on a two-tier inclining rate block structure based on units of water consumed. *One unit is equal to 100 cubic feet or 748 gallons of water.* This two-tier inclining rate block structure provided an equitable method of financing water treatment and wastewater operations. The large volume users have a greater impact on system operations; therefore, a second tier at the higher rate captures the additional costs incurred to serve them.

The water rate increased by 9% over FY25 as follows:

WATER USER RATES	<u>FY25</u>	<u>FY26</u>
First Tier Rate (10 units or less)	\$5.02	\$5.47
Second Tier Rate (over 10 units)	\$6.04	\$6.58
IRRIGATION USER RATES	<u>FY25</u>	<u>FY26</u>
First Tier Rate (10 units or less)	\$6.04	\$6.58
Second Tier Rate (over 10 units)	\$11.41	\$12.43
Third Tier Rate (over 20 units)	\$14.08	\$15.34

The sewer rate increased by 4% over FY25 as follows:

SEWER USER RATES	<u>FY25</u>	<u>FY26</u>
First Tier Rate (10 units or less)	\$17.32	\$18.01
Second Tier Rate (over 10 units)	\$19.02	\$19.81

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Portsmouth's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information can be found on the City's web page at www.cityofportsmouth.com or should be addressed to:

Office of the Deputy City Manager - Finance and Administration
City of Portsmouth
1 Junkins Avenue
Portsmouth, New Hampshire 03801

Basic Financial Statements

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Statement of Net Position

June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Current:			
Cash and short-term investments	\$ 102,103,276	\$ 51,460,423	\$ 153,563,699
Investments	13,044,125	-	13,044,125
Receivables, net of allowance for uncollectible (amounts):			
Property taxes	3,077,879	-	3,077,879
User fees	-	5,885,284	5,885,284
Departmental and other	1,569,474	-	1,569,474
Contributions	-	246,853	246,853
Intergovernmental	2,591,229	1,334,799	3,926,028
Special assessment	187,084	-	187,084
Loans and interest	13,413	-	13,413
Leases	324,698	-	324,698
Other assets	168,738	-	168,738
Inventory	59,237	305,107	364,344
	<hr/>	<hr/>	<hr/>
Total Current Assets	123,139,153	59,232,466	182,371,619
Noncurrent:			
Receivables, net of allowance for uncollectible (amounts):			
Property Taxes	441,322	-	441,322
Departmental and other	41,117	-	41,117
Loans and Interest	2,286,741	-	2,286,741
Intergovernmental	4,004,814	25,433,030	29,437,844
Leases	6,307,249	-	6,307,249
Capital Assets:			
Land and Construction in progress	44,652,280	58,072,656	102,724,936
Other capital assets, net of accumulated depreciation	256,141,303	228,684,253	484,825,556
	<hr/>	<hr/>	<hr/>
Total Noncurrent Assets	313,874,826	312,189,939	626,064,765
Total Assets	<hr/>	<hr/>	<hr/>
	437,013,979	371,422,405	808,436,384
Deferred Outflows of Resources			
Related to pension	17,664,767	1,181,085	18,845,852
Related to OPEB	1,882,437	52,159	1,934,596
Total Deferred Outflows of Resources	<hr/>	<hr/>	<hr/>
	19,547,204	1,233,244	20,780,448
Total Assets and Deferred Outflows of Resources	<hr/>	<hr/>	<hr/>
	\$ 456,561,183	\$ 372,655,649	\$ 829,216,832

(continued)

The accompanying notes are an integral part of these financial statements.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Statement of Net Position

June 30, 2025

(continued)

	Governmental Activities	Business-Type Activities	<u>Total</u>
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current:			
Accounts payable	7,733,990	3,503,685	11,237,675
Accrued liabilities	3,504,593	1,077,585	4,582,178
Notes payable	7,213,876	1,538,122	8,751,998
Deposits held in custody	-	39,667	39,667
Unearned revenue	995,884	212,733	1,208,617
Retainage payable	1,892,030	1,647,146	3,539,176
Tax refunds payable	4,180,196	-	4,180,196
Other current liabilities	1,007,493	295,855	1,303,348
Current portion of long-term liabilities			
Bonds and loans payable	12,770,719	13,116,926	25,887,645
Landfill liability	150,829	-	150,829
Total OPEB Liability	352,299	-	352,299
Accrued employee benefits	529,995	50,142	580,137
Total Current Liabilities	<u>40,331,904</u>	<u>21,481,861</u>	<u>61,813,765</u>
Noncurrent:			
Bonds and loans payable, net of current portion	113,110,230	163,899,979	277,010,209
Landfill liability	1,288,567	-	1,288,567
Accrued employee benefits, net of current portion	3,886,633	576,628	4,463,261
Total pension liability	99,091,953	5,951,766	105,043,719
Total OPEB liability	16,362,741	467,355	16,830,096
Total Noncurrent Liabilities	<u>233,740,124</u>	<u>170,895,728</u>	<u>404,635,852</u>
Total Liabilities	<u>274,072,028</u>	<u>192,377,589</u>	<u>466,449,617</u>
Deferred Inflows of Resources			
Related to pension	3,501,865	223,615	3,725,480
Related to OPEB	4,882,903	161,101	5,044,004
Related to leases	6,478,488	-	6,478,488
Total Deferred Inflows of Resources	14,863,256	384,716	15,247,972
Net Position			
Net investment in capital assets	177,429,882	129,308,107	306,737,989
Restricted for:			
Public work improvements	3,826,277	-	3,826,277
Education	706,166	-	706,166
Public safety	397,528	-	397,528
Other purposes	15,789,965	-	15,789,965
State aid grants	-	26,645,794	26,645,794
Permanent funds:			
Nonexpendable	1,633,475	-	1,633,475
Expendable	10,384,549	-	10,384,549
Unrestricted (deficit)	<u>(42,541,943)</u>	<u>23,939,443</u>	<u>(18,602,500)</u>
Total Net Position	<u>167,625,899</u>	<u>179,893,344</u>	<u>347,519,243</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 456,561,183</u>	<u>\$ 372,655,649</u>	<u>\$ 829,216,832</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Statement of Activities
For the Year Ended June 30, 2025

	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses)/Revenues
Governmental Activities					
General government	\$ 20,693,773	\$ 13,039,495	\$ 3,337,559	\$ 193,700	\$ (4,123,019)
Public safety	28,663,146	2,080,666	1,322,099	285,784	(24,974,597)
Education	74,037,098	1,013,423	12,935,542	-	(60,088,133)
Public works	24,566,730	10,530,318	2,886,410	1,327,027	(9,822,975)
Health and human services	1,528,431	118,180	644,310	-	(765,941)
Culture and recreation	7,171,899	1,586,748	1,085,538	-	(4,499,613)
Community development	1,652,807	-	22,210	912,178	(718,419)
Interest on long-term debt	3,622,786	-	-	-	(3,622,786)
Total Governmental Activities	<u>161,936,670</u>	<u>28,368,830</u>	<u>22,233,668</u>	<u>2,718,689</u>	<u>(108,615,483)</u>
Business-Type Activities					
Water services	11,135,868	11,349,372	847,105	391,896	1,452,505
Sewer services	21,103,674	19,955,359	-	1,070,462	(77,853)
Total Business-Type Activities	<u>32,239,542</u>	<u>31,304,731</u>	<u>847,105</u>	<u>1,462,358</u>	<u>1,374,652</u>
Total	<u>\$ 194,176,212</u>	<u>\$ 59,673,561</u>	<u>\$ 23,080,773</u>	<u>\$ 4,181,047</u>	<u>\$ (107,240,831)</u>

(continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Statement of Activities
For the Year Ended June 30, 2025

(continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Change in Net Position			
Net (expenses) revenues from previous page	\$ (108,615,483)	\$ 1,374,652	\$ (107,240,831)
General Revenues and Transfers			
Property taxes	109,131,894	-	109,131,894
Interest on taxes	150,455	-	150,455
Grants and contributions not restricted			
to specific programs	2,232,998	-	2,232,998
Investment income	4,520,457	1,935,035	6,455,492
Other revenues	837,476	-	837,476
Transfers in (out), net	486,628	(486,628)	-
Total General Revenues and Transfers	117,359,908	1,448,407	118,808,315
 Change in Net Position	 8,744,425	 2,823,059	 11,567,484
 Net Position			
Beginning of Year - As Originally Reported	158,881,474	149,078,256	307,959,730
Adjustment	-	27,992,029	27,992,029
 Beginning of Year - As Adjusted	 158,881,474	 177,070,285	 335,951,759
 End of Year	 \$ 167,625,899	 \$ 179,893,344	 \$ 347,519,243

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Governmental Funds

Balance Sheet

June 30, 2025

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and short-term investments	\$ 59,119,247	\$ 42,984,029	\$ 102,103,276
Investments	-	13,044,125	13,044,125
Receivables:			
Property taxes	3,519,201	-	3,519,201
Departmental and other	1,480,186	130,405	1,610,591
Intergovernmental	4,745,788	1,850,255	6,596,043
Special Assessment	-	187,084	187,084
Loans and Interest	-	2,300,154	2,300,154
Leases	236,539	6,395,408	6,631,947
Due from other funds	887,265	287,016	1,174,281
Advances to other funds	264,760	-	264,760
Other assets	168,738	-	168,738
Inventory	-	59,237	59,237
Total Assets	\$ 70,421,724	\$ 67,237,713	\$ 137,659,437
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 1,763,473	\$ 5,970,517	\$ 7,733,990
Accrued liabilities	3,075,212	90,614	3,165,826
Notes payable	82,876	7,131,000	7,213,876
Unearned revenue	-	995,884	995,884
Retainage payable	-	1,892,030	1,892,030
Tax refunds payable	4,180,196	-	4,180,196
Due to other funds	287,016	887,265	1,174,281
Advances from other funds	-	264,760	264,760
Other liabilities	1,007,493	-	1,007,493
Total Liabilities	10,396,266	17,232,070	27,628,336
Deferred Inflows of Resources			
Unavailable Revenue - taxes	1,355,884	-	1,355,884
Unavailable Revenue - ambulance fees	977,518	-	977,518
Unavailable Revenue - long term receivables	4,745,788	2,495,569	7,241,357
Lease related	224,506	6,253,982	6,478,488
Total Deferred Inflows of Resources	7,303,696	8,749,551	16,053,247
Fund Balances			
Nonspendable	264,760	1,633,475	1,898,235
Restricted	-	28,608,916	28,608,916
Committed	23,711,255	11,013,701	34,724,956
Assigned	8,972,980	-	8,972,980
Unassigned	19,772,767	-	19,772,767
Total Fund Balances	52,721,762	41,256,092	93,977,854
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 70,421,724	\$ 67,237,713	\$ 137,659,437

The accompanying notes are an integral part of these financial statements.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Reconciliation of Total Governmental Fund
Balances to Net Position of Governmental
Activities in the Statement of Net Position

June 30, 2025

Total Governmental Fund Balances	\$ 93,977,854
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	300,793,583
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	9,574,759
• Deferred outflows and inflows of pension resources are not financial resources nor are they available to pay current period expenditures. Pension related outflows and inflows consist of:	
Deferred outflows	17,664,767
Deferred inflows	(3,501,865)
• Deferred outflows and inflows of OPEB resources are not financial resources nor are they available to pay current period expenditures. OPEB related outflows and inflows consist of:	
Deferred outflows	1,882,437
Deferred inflows	(4,882,903)
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(338,767)
• Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
General obligation bonds and loan payables, including unamortized premiums	(125,880,949)
Estimated liability for landfill postclosure care costs	(1,439,396)
Accrued employee benefits	(4,416,628)
Total pension liability	(99,091,953)
Total OPEB liability	<u>(16,715,040)</u>
Net Position of Governmental Activities	<u>\$ 167,625,899</u>

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2025

	General	Grants and Contributions Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 109,074,922	\$ -	\$ -	\$ 109,074,922
Licenses and permits	10,661,982	-	-	10,661,982
Intergovernmental	10,428,732	-	13,345,168	23,773,900
Charges for services	5,888,480	-	11,085,989	16,974,469
Investment income	2,927,354	-	1,593,103	4,520,457
Interest on taxes	150,456	-	-	150,456
Fines and costs	1,469,875	-	85,487	1,555,362
Contributions	-	-	2,172,483	2,172,483
Special assessments	-	-	187,084	187,084
Other	710,647	-	1,209,561	1,920,208
Total Revenues	141,312,448	-	29,678,875	170,991,323
Expenditures				
Current:				
General government	12,429,830	-	1,126,810	13,556,640
Public safety	26,383,163	-	1,254,088	27,637,251
Education	64,734,147	-	7,709,250	72,443,397
Public works	9,349,286	-	7,507,118	16,856,404
Health and human services	1,132,696	-	404,790	1,537,486
Culture and recreation	3,977,806	-	2,043,901	6,021,707
Community development	-	-	1,185,252	1,185,252
Debt service:				
Principal	9,460,300	-	1,545,000	11,005,300
Interest	4,178,156	-	971,263	5,149,419
Capital Outlay	1,807,458	-	29,828,139	31,635,597
Intergovernmental	5,826,070	-	-	5,826,070
Total Expenditures	139,278,912	-	53,575,611	192,854,523
Excess (deficiency) of revenues over (under) expenditures	2,033,536	-	(23,896,736)	(21,863,200)
Other Financing Sources (Uses)				
Issuance of bonds	-	-	11,971,700	11,971,700
Premium from issuance of bonds	-	-	588,300	588,300
Transfers In	2,183,054	-	5,224,141	7,407,195
Transfer Out	(3,989,413)	-	(2,931,154)	(6,920,567)
Total Other Financing Sources (Uses)	(1,806,359)	-	14,852,987	13,046,628
Net Change in Fund Balances	227,177	-	(9,043,749)	(8,816,572)
Fund Balances - Beginning of Year, As Originally Reported	52,494,585	5,711,807	44,588,034	102,794,426
Adjustment	-	(5,711,807)	5,711,807	-
Fund Balances - Beginning of Year, As Adjusted	52,494,585	-	50,299,841	102,794,426
Fund Balances - at End of Year	\$ 52,721,762	\$ -	\$ 41,256,092	\$ 93,977,854

The accompanying notes are an integral part of these financial statements.

CITY OF PORTSMOUTH, NEW HAMPSHIRE
**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025**

Net Change in Fund Balances - Total Governmental Funds	\$ (8,816,572)
<ul style="list-style-type: none"> Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: 	
Capital Outlays	29,698,025
Depreciation	(12,029,431)
<ul style="list-style-type: none"> 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., property taxes and other receivables) differ between the two statements. This amount represents the net change in deferred revenue. 	(796,859)
<ul style="list-style-type: none"> The issuance of long-term debt 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 impact on net position: 	
Issuance of bonds	(11,971,700)
Premium received on issuance of bonds	(588,300)
Repayments of debt	11,005,300
Bond premium amortization	1,520,473
<ul style="list-style-type: none"> In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due. 	6,160
<ul style="list-style-type: none"> Pension and OPEB liabilities, including related outflows and inflows are reported in the Statement of Net Position and the Statement of Activities, but are not reported in governmental funds. 	
Change in total pension liability	4,676,290
Change in pension related deferred outflows and inflows of resources	(4,725,416)
Changes in total other post employment benefits liability	(418,424)
Changes in OPEB related deferred outflows and inflows of resources	1,503,276
<ul style="list-style-type: none"> Accrued employee benefits reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. 	<u>(318,397)</u>
Changes in Net Position of Governmental Activities	<u>\$ 8,744,425</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Proprietary Funds Statement of Net Position June 30, 2025

	Business-Type Activities		
	Water	Sewer	Total
Assets and Deferred Outflows of Resources			
Assets			
Current:			
Cash and short-term investments	\$ 16,443,444	\$ 35,016,979	\$ 51,460,423
Receivables, net of allowance for uncollectibles:			
User fees	2,059,951	3,825,333	5,885,284
Contributions	167,805	79,048	246,853
Intergovernmental	4,760	1,330,039	1,334,799
Inventory	<u>243,641</u>	<u>61,466</u>	<u>305,107</u>
Total Current Assets	<u>18,919,601</u>	<u>40,312,865</u>	<u>59,232,466</u>
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental receivables, net of current portion	-	25,433,030	25,433,030
Land and construction in progress	17,681,711	40,390,945	58,072,656
Capital assets, net of accumulated depreciation	<u>77,822,854</u>	<u>150,861,399</u>	<u>228,684,253</u>
Total Noncurrent Assets	<u>95,504,565</u>	<u>216,685,374</u>	<u>312,189,939</u>
Total Assets	<u>114,424,166</u>	<u>256,998,239</u>	<u>371,422,405</u>
Deferred Outflows of Resources			
Related to pension	547,374	633,711	1,181,085
Related to OPEB	<u>26,344</u>	<u>25,815</u>	<u>52,159</u>
Total Deferred Outflows of Resources	<u>573,718</u>	<u>659,526</u>	<u>1,233,244</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 114,997,884</u>	<u>\$ 257,657,765</u>	<u>\$ 372,655,649</u>
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current:			
Accounts payable	763,182	2,740,503	3,503,685
Accrued liabilities	221,286	856,299	1,077,585
Notes payable	-	1,538,122	1,538,122
Deposits held in custody	15,429	24,238	39,667
Unearned revenue	15,000	197,733	212,733
Retainage payable	626,736	1,020,410	1,647,146
Other current liabilities	295,855	-	295,855
Current portion of long-term liabilities:			
Bonds and loans payable	3,773,179	9,343,747	13,116,926
Accrued employee benefits	<u>24,772</u>	<u>25,370</u>	<u>50,142</u>
Total Current Liabilities	<u>5,735,439</u>	<u>15,746,422</u>	<u>21,481,861</u>
Noncurrent:			
Bonds and loans payable, net of current portion	39,467,389	124,432,590	163,899,979
Total pension liability	2,758,346	3,193,420	5,951,766
Total OPEB liability	236,859	230,496	467,355
Accrued employee benefits, net of current portion	<u>284,878</u>	<u>291,750</u>	<u>576,628</u>
Total Noncurrent Liabilities	<u>42,747,472</u>	<u>128,148,256</u>	<u>170,895,728</u>
Total Liabilities	<u>48,482,911</u>	<u>143,894,678</u>	<u>192,377,589</u>
Deferred Inflows of Resources			
Related to pension	103,634	119,981	223,615
Related to OPEB	<u>84,021</u>	<u>77,080</u>	<u>161,101</u>
Total Deferred Inflows of Resources	<u>187,655</u>	<u>197,061</u>	<u>384,716</u>
Net Position			
Net Investment in Capital Assets	62,220,718	67,087,389	129,308,107
Restricted - State aid grants	-	26,645,794	26,645,794
Unrestricted	<u>4,106,600</u>	<u>19,832,843</u>	<u>23,939,443</u>
Total Net Position	<u>66,327,318</u>	<u>113,566,026</u>	<u>179,893,344</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 114,997,884</u>	<u>\$ 257,657,765</u>	<u>\$ 372,655,649</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2025

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Total
Operating Revenues			
Charges for services	\$ 9,796,666	\$ 19,430,392	\$ 29,227,058
License and permits	1,314,127	281,259	1,595,386
Departmental revenue	<u>238,579</u>	<u>243,708</u>	<u>482,287</u>
Total Operating Revenues	<u>11,349,372</u>	<u>19,955,359</u>	<u>31,304,731</u>
Operating Expenses			
Personnel services	3,869,046	4,161,879	8,030,925
Non-personnel services	3,631,247	8,575,793	12,207,040
Depreciation	<u>2,487,597</u>	<u>5,098,927</u>	<u>7,586,524</u>
Total Operating Expenses	<u>9,987,890</u>	<u>17,836,599</u>	<u>27,824,489</u>
Operating Income	1,361,482	2,118,760	3,480,242
Nonoperating Revenues (Expenses)			
Intergovernmental	847,105	-	847,105
Investment income	557,374	1,377,661	1,935,035
Bond premium amortization	272,800	410,820	683,620
Interest expense	<u>(1,420,778)</u>	<u>(3,677,895)</u>	<u>(5,098,673)</u>
Total Nonoperating Revenues (Expenses), net	<u>256,501</u>	<u>(1,889,414)</u>	<u>(1,632,913)</u>
Income Before Contributions and Transfers	<u>1,617,983</u>	<u>229,346</u>	<u>1,847,329</u>
Capital contributions	391,896	1,070,462	1,462,358
Transfers out	<u>-</u>	<u>(486,628)</u>	<u>(486,628)</u>
Total Contributions and Transfers	<u>391,896</u>	<u>583,834</u>	<u>975,730</u>
Change in Net Position	2,009,879	813,180	2,823,059
Net Position, at Beginning of Year - As Originally Reported	64,317,439	84,760,817	149,078,256
Adjustment	<u>-</u>	<u>27,992,029</u>	<u>27,992,029</u>
Net Position, at Beginning of Year - As Adjusted	<u>64,317,439</u>	<u>112,752,846</u>	<u>177,070,285</u>
Net Position, at End of Year	<u>\$ 66,327,318</u>	<u>\$ 113,566,026</u>	<u>\$ 179,893,344</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Proprietary Funds

Statement of Cash Flows

For the Year Ended June 30, 2025

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Total
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 11,125,153	\$ 19,692,028	\$ 30,817,181
Payments to employees for salaries and related benefits	(3,854,947)	(4,003,181)	(7,858,128)
Payments to suppliers for goods and services	(4,000,727)	(8,918,735)	(12,919,462)
Net Cash Provided by Operating Activities	<u>3,269,479</u>	<u>6,770,112</u>	<u>10,039,591</u>
Cash Flows from Noncapital Financing Activities			
Transfers to other funds	-	(486,628)	(486,628)
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(9,002,636)	(13,423,581)	(22,426,217)
Proceeds from general obligation bonds	6,535,500	12,247,800	18,783,300
Principal payments on bonds and loans	(3,198,300)	(14,421,625)	(17,619,925)
Revolving loan drawdowns	-	1,091,279	1,091,279
Bond premium	264,500	152,200	416,700
Intergovernmental revenues	867,170	-	867,170
Capital contributions	1,039,427	3,554,633	4,594,060
Interest expense	(1,420,778)	(3,677,895)	(5,098,673)
Net Cash Used for Capital and Related Financing Activities	<u>(4,915,117)</u>	<u>(14,477,189)</u>	<u>(19,392,306)</u>
Cash Flow From Investing Activities			
Investment Income	<u>557,374</u>	<u>1,377,661</u>	<u>1,935,035</u>
Net Change in Cash and Short-Term Investments	<u>(1,088,264)</u>	<u>(6,816,044)</u>	<u>(7,904,308)</u>
Cash and Short-Term Investments, Beginning of Year	<u>17,531,708</u>	<u>41,833,023</u>	<u>59,364,731</u>
Cash and Short-Term Investments, End of Year	<u>\$ 16,443,444</u>	<u>\$ 35,016,979</u>	<u>\$ 51,460,423</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	<u>\$ 1,361,482</u>	<u>\$ 2,118,760</u>	<u>\$ 3,480,242</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	2,487,597	5,098,927	7,586,524
Changes in assets, liabilities, and deferred outflows/inflows			
User fee receivable	(235,405)	(265,435)	(500,840)
Inventory	11,186	2,104	13,290
Deferred outflows	(4,266)	86,092	81,826
Accounts payable	(533,381)	147,737	(385,644)
Accrued liabilities	7,869	136,279	144,148
Accrued employee benefits	6,230	22,419	28,649
Total pension liability	(49,743)	(522,113)	(571,856)
Total OPEB liability	14,545	4,724	19,269
Deferred inflows	27,920	29,969	57,889
Retainage	126,023	(20,366)	105,657
Other liabilities	49,422	(68,985)	(19,563)
Total Adjustments	<u>1,907,997</u>	<u>4,651,352</u>	<u>6,559,349</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,269,479</u>	<u>\$ 6,770,112</u>	<u>\$ 10,039,591</u>
Schedule of non-cash capital and relating financing activities			
Capital-Related Accounts Payable and Retainage	<u>\$ 1,136,308</u>	<u>\$ 3,162,445</u>	<u>\$ 4,298,753</u>

The accompanying notes are an integral part of these financial statements.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2025

	Private Purpose Trust Funds	Custodial Funds
Assets		
Cash and short-term investments	\$ 613,126	\$ 702,133
Investments:		
Fixed income mutual funds	3,259,016	-
Equity mutual funds	10,770,628	-
Other assets	<u>2,691</u>	<u>-</u>
Total Assets	<u>14,645,461</u>	<u>702,133</u>
Liabilities		
Accounts payable	<u>3,000</u>	<u>-</u>
Net Position		
Restricted for:		
Individuals, coalitions, and other governments	<u>14,642,461</u>	<u>702,133</u>
Total Liabilities and Net Position	<u>\$ 14,645,461</u>	<u>\$ 702,133</u>

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025

	Private Purpose Trust Funds	Custodial Funds
Additions		
Property taxes collected for Rockingham County	\$ -	\$ 5,826,090
Fees collected for State of New Hampshire	- -	1,649,760
Investment income	1,680,267	-
Contributions	<u>149,805</u>	<u>1,152,691</u>
 Total Additions	 <u>1,830,072</u>	 <u>8,628,541</u>
Deductions		
Payments of taxes to Rockingham County	- -	5,826,090
Payments of fees to State of New Hampshire	- -	1,649,760
Payments to beneficiaries	<u>329,240</u>	<u>1,266,773</u>
 Total Deductions	 <u>329,240</u>	 <u>8,742,623</u>
 Change in Net Position	 <u>1,500,832</u>	 (114,082)
Net Position		
Beginning of Year	<u>13,141,629</u>	<u>816,215</u>
End of Year	<u>\$ 14,642,461</u>	<u>\$ 702,133</u>

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

1. Summary of Significant Accounting Policies

The accounting policies of the City of Portsmouth, New Hampshire (the City) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental and financial reporting principles. The following is a summary of the significant policies:

A. *Reporting Entity*

The City is a municipal corporation governed by an elected City Council, including a Mayor, eight members, and an appointed City Manager. As required by GAAP, these financial statements present the City and applicable component units for which the City is considered to be financially accountable. In fiscal year 2025, it was determined that no entities met the component units requirements.

B. *Reclassifications*

The City has reclassified certain major governmental funds to nonmajor governmental funds. The effects of the change in reclassifications are as follows:

	Grants and Contribution Fund	Nonmajor Governmental Funds
Fund balance, June 30, 2024, as previously reported	\$ 5,711,807	\$ 44,588,034
Reclassification of grants and contributions nonmajor governmental fund	<u>(5,711,807)</u>	<u>5,711,807</u>
Beginning fund balance, as reclassified	\$ -	\$ 50,299,841

C. *Government-Wide and Fund Financial Statements*

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. However, internal eliminations do not include services provided to City departments. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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 revenues 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. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property tax revenues and loans to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, claims and judgments, compensated absences, OPEB, and pension are recorded only when payment is due.

The City reports the following major governmental fund:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 principal operating revenues of an enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major proprietary (enterprise) funds:

- *Water Fund* is used to account for the operation of a water treatment plant, City wells and water system.
- *Sewer Fund* is used to account for the operations of two sewer treatment plants, pumping stations and sewer lines.

Fiduciary funds employ the same *economic resources measurement focus* and *accrual basis of accounting* as do proprietary funds. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

The City reports the following fiduciary funds:

- *The Private Purpose Trust Funds* are used to account for trust arrangements, under which principal and investment income exclusively benefits individuals, private organizations, or other governments. Private purpose trust funds held by the City include trust arrangements for parks, scholarships, worthy poor, memorials, and commemorations.
- The *Custodial Funds* account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others and are not required to be reported elsewhere on the financial statements. Custodial funds include taxes and fees collected on behalf of other governments, amounts held for coalitions, and student activity funds.

E. Cash and Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Each of those funds' portions of consolidated cash is displayed on its respective balance sheet as "cash and short-term investments". Cash balances are invested to the extent available, and interest earnings are recognized in the appropriate funds. Cash and short-term investments are separately held and reflected in proprietary, permanent, fiduciary, and certain special revenue funds.

Under New Hampshire RSA 48:16, whenever the City Treasurer has in custody an excess of funds which are not immediately needed for the purpose of expenditure, the City Treasurer shall invest the same in accordance with the investment policy adopted by the mayor or city council under RSA 47:6, II. The treasurer may invest in participation units in the New Hampshire Public Deposit Investment Pool (NHPDIP) established pursuant to RSA 383:22, in deposits, including money market accounts or certificates of deposit, of federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the state, or in obligations fully guaranteed as to principal and interest by the United States government. The obligations may be held directly or in the form of securities of or other interests in any open-end or closed-end management-type investment company or investment trust registered under 15 U. S. C. Section 80a-1 et seq., if the portfolio of the investment company or investment trust is limited to such obligations and repurchase agreements fully collateralized by such obligations.

For purpose of the Statement of Cash Flows, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

The City invests in NHPDIP, an external investment pool managed by the State Banking Commission. The portfolio meets the requirements of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and investments are valued at amortized cost.

Investments are carried at fair value, except certificates of deposit and the investment in NHPDIP, which are reported at cost and amortized cost, respectively.

F. Leases

In accordance with GASB Statement No. 87, *Leases*, the discounted value of future lease receipts is included in deferred inflows of resources. The present value of the leases is valued at inception and periodically revalued in accordance with GASB Statement No. 87 and presented as a deferred inflow of resources. These deferred inflows are amortized as lease revenue in a systematic and rational manner over the life of the lease. When the interest rate is not readily determined the City will use the prime rate at the date of inception as the estimated incremental borrowing rate.

G. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due from/to other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans).

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate the portion not available for appropriation and not available as expendable financial resources.

The government-wide Statement of Activities eliminates transfers as reported within the segregated governmental and business-type activities columns. Only transfers between the two columns appear in this statement.

H. Inventory

Inventory is valued at cost using the first-in/first-out (FIFO) method for business-type activities. The costs of governmental fund-type inventory are recorded as an expenditure when purchased rather than when consumed, except for the School Lunch fund, a nonmajor governmental fund, which used the FIFO method valued at cost.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

I. Capital Assets

Capital assets, which include buildings, improvements, infrastructure, machinery and equipment, land, and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds Statement of Net Position. Capital assets are defined by the City as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of 2 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, equipment, and infrastructure of the City is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	5-50
Improvements	20
Machinery and equipment	2-30
Infrastructure	2-65

J. Compensated Absences

Compensated absences consists of leave that has not been used that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Compensated absences are reported in the government wide and proprietary fund financial statements.

K. Long-Term Liabilities

All long-term liabilities are reported in the government-wide and proprietary funds Statement of Net Position.

L. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance - Generally, fund balance represents the difference between current assets/deferred outflows and current liabilities/deferred inflows. The City reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the City uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

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

M. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred inflows and outflows of resources, and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

N. Mandated Fund Balance

In August 1997 (revised for GASB 54 terminology in fiscal year 2012), the City Council adopted ordinances Chapter I, Sections 1:1401 and 1:1402 that mandates the City's unassigned fund balance be maintained (amended in fiscal year 2013) between 10% and 17% of total current year appropriations. Specific City Council ordinances are as follows:

Section 1:1401 - Mandated Fund Balance

The General Fund Balance of the City, at the end of any fiscal year as recorded in accordance with generally accepted accounting principles (GAAP) and excluding any and all reserves, and any dedicated fund balances of the General Fund (otherwise referred to as Unassigned Fund balance of the General Fund) shall be maintained at the prescribed amount of not less than 10% of the actual Total General Fund appropriations for that fiscal year.

Section 1:1402 - Operational Objective

Notwithstanding the provision of Section 1:1401, it is recognized that the financial management goal of the City of Portsmouth is to annually maintain an Unassigned Fund Balance between 10% and 17% of total actual General Fund appropriations.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

2. Stewardship, Compliance, and Accountability

A. *Budgetary Information*

An annual appropriated budget is adopted for the City's General Fund. In January, the City Manager issues a directive requesting line-item budget proposals from each department. In accordance with the City ordinance, the departments must submit their budget to the City Manager no later than March 15 of each fiscal year. The City Manager schedules individual department reviews with supervisors. In accordance with the City Charter, the City Manager's recommendations must be submitted to the City Council no later than 45 days prior to the first day of the fiscal year (May 15). The City Council, through the City Manager, schedules public work-sessions with the individual departments.

The City Council then calls a public hearing to review budget requirements with the general public. After due consideration to the public, the City Council makes a final decision. A resolution is required for acceptance for the final budget by a majority vote. Departments are legally limited to their total budget as voted.

The final budget and resolution are then presented to the Department of Revenue Administration for their review and approval of the tax rate. Certain limitations set by state statute must be adhered to before the rate is established. Any changes in the budget after the tax rate is set must be made within the revenues and reserves estimated as available by the City Manager and must be approved by an affirmative vote of a two-thirds majority of the City Council.

After the budget has been adopted, no expenditure may be incurred, except pursuant to a budget appropriation unless there is a specific additional appropriation thereof. The head of any department, with the approval of the City Manager, may transfer any unencumbered balance or any portion thereof from one fund or agency within his/her department to another fund or agency within his/her department. The City Charter establishes that the legal level of control is at the department level.

Budget appropriations lapse at the end of the fiscal year except for any appropriations either supported by formal purchase contracts or approval by the City Manager to be carried forward.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

3. Deposits and Investments

A. *Custodial Credit Risk*

The custodial credit risk for deposits or investments is the risk that, in the event of the failure of the bank or counterparty to a transaction, the City will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of another party. The City's policy is to follow New Hampshire RSA 48:16 and 383:22. Under New Hampshire RSA 48:16, the City Treasurer shall deposit money in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in federally insured banks chartered under the laws of New Hampshire or the federal government with a branch within the state, except that funds may be deposited in federally insured banks outside the state if such banks pledge and deliver to a third party custodial bank or the regional federal reserve bank collateral security for such deposits of the following types:

- (a) United States government obligations;
- (b) United States government agency obligations; or
- (c) Obligations of the State of New Hampshire in value at least equal to the amount of the deposit in each case.

As of June 30, 2025, \$748,886 of the City's deposits and short-term investments was uninsured and uncollateralized.

The City's investments are held in the City's name by the City's brokerage firm, which is also the counterparty to these securities.

B. *Investment Summary*

The following is a summary of the City's investments as of June 30, 2025:

Investment Type	Amount
Fixed income mutual funds	\$ 6,283,142
Equity mutual funds	<u>20,790,627</u>
Total	<u>\$ 27,073,769</u>

C. *Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law employs the prudent person rule whereby investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

The City's Investment Policy minimizes credit risk by limiting investments to eligible instruments.

The Trustees of Trust Funds are also required to report annually to the New Hampshire Attorney General any securities retained under the provisions of RSA 31:25c.

As of June 30, 2025, \$6,283,142 of the City's investments were held in bond mutual funds, with average S&P credit rating of A-.

D. Concentration of Credit Risk

The Trustees of Trust Funds' policy on the concentration of credit risk is to limit the amount that may be invested in any one issue to \$15,000 or 10% of the value of the account, whichever is greater. The City does not have a formal policy on the concentration of credit risk exposure, since all investments are in mutual funds.

E. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2025, \$6,283,142 of the City's investments were held in bond mutual funds, with average effective duration of 4.04 years.

F. Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The City's policy limits investments to domestic securities.

As of June 30, 2025, the City did not have any investments exposed to foreign currency risk.

G. Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB 72).

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

The hierarchy is based on the valuation inputs used to measure the fair value of an asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The hierarchy categorizes the inputs to valuation techniques used for the fair value measurement into three levels as follows:

- Level 1 – inputs that reflect quoted prices (unadjusted) in active markets for identifiable assets or liabilities that are accessible at the measurement date.
- Level 2 – inputs other than quoted prices that are observable for an asset or liability either directly or indirectly, including inputs in markets that are not considered to be active. Because they must often be priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held securities are categorized as Level 2.
- Level 3 – unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative instruments.

In instances where inputs are used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

The City has the following fair value measurements as of June 30, 2025:

Investment Type	Amount	Fair value measurements using:		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investments by fair value level:				
Fixed income mutual funds	\$ 6,283,142	\$ 6,283,142	\$ -	\$ -
Equity mutual funds	\$ 20,790,627	\$ 20,790,627	\$ -	\$ -
Total	\$ 27,073,769	\$ 27,073,769	\$ -	\$ -

4. Property Taxes Receivable

Property taxes were committed in November and were due in two installments, on January 22, 2025 and June 2, 2025. Taxes unpaid by January 23, 2025 and June 3, 2025 accrued interest at 8% until August 30, 2025. A tax lien was recorded on all properties with taxes unpaid as of August 31, 2025, at which time interest began accruing at 14%.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

Property tax revenues are recognized in the fiscal year for which taxes have been levied to the extent that they become available, i.e., due or receivable within the current fiscal year and collected within the current period or within 60 days of year-end.

The City annually budgets an amount (overlay for abatements) for property tax abatements and refunds. All abatements and refunds are charged to overlay.

Property taxes receivable at June 30, 2025 by levy year consist of the following:

Property Taxes:		
2025	\$	3,071,494
Unredeemed Taxes:		
2024		263,289
2023		70,167
Prior Years		<u>114,251</u>
Total	\$	<u>3,519,201</u>

5. User Fees Receivable

User fees receivable in the Water Fund and Sewer Fund include amounts due from customers for water and sewer usage. User fees receivable are reported net of an allowance for doubtful accounts based on the age of the receivables. Water and sewer delinquent receivables are liened in a similar manner as property taxes, described in Note 4.

User fees receivable and related allowance for doubtful accounts at June 30, 2025 consist of the following:

	Water Fund	Sewer Fund	Total
Billed user fees	\$ 1,127,192	\$ 2,026,243	\$ 3,153,435
Unbilled at year end	1,028,443	1,808,176	2,836,619
Less: Allowance for doubtful accounts	(95,684)	(9,086)	(104,770)
Net Amount	\$ 2,059,951	\$ 3,825,333	\$ 5,885,284

CITY OF PORTSMOUTH, NEW HAMPSHIRE**Notes to Financial Statements****June 30, 2025****6. Departmental and Other Receivables**

Departmental and other receivables represent ambulance, police detail, and other receivables.

	Ambulance	Police Detail	Other	Total
Gross receivable	\$ 1,700,871	\$ 474,816	\$ 277,332	\$ 2,453,019
Less: Allowance for doubtful accounts	<u>(723,353)</u>	<u>(119,075)</u>	<u>-</u>	<u>(842,428)</u>
Net Amount	<u>\$ 977,518</u>	<u>\$ 355,741</u>	<u>\$ 277,332</u>	<u>\$ 1,610,591</u>

7. Contributions Receivable

Contributions receivable, as reported in business-type funds, represent agreements between the City and the contributors, for which the City has met its purpose restrictions requirements.

Contributions receivable at June 30, 2025 are due as follows:

	Water Fund	Sewer Fund	Total
Less than one year	\$ 167,805	\$ 79,048	\$ 246,853

8. Intergovernmental Receivables

This balance represents reimbursements requested from federal and state agencies for expenditures incurred in fiscal year 2025, as well as state grants for school building and wastewater capital improvements.

9. Leases Receivable

At June 30, 2025, the City was the lessor in the following leasing arrangements:

The City leases a portion of land at 680 Peverly Hill Road to Message Center Management, Inc. (MCM). The agreement was initiated on July 14, 2000, and is currently on its fifth extension period, which ends on October 30, 2033. MCM pays the City on a monthly schedule and submits 60% of gross collected receipts that the cell tower generates to the City. During fiscal year 2025, the monthly payment schedules were amended. The incremental borrowing rate is 4.25%.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

The City leases five designated spaces in the Worth Lot to Bluestone Properties of Rye, LLC (Bluestone). The agreement was initiated on October 1, 2021, and continues for a period of 20 years. Bluestone pays the City annually \$3,750 per space for a total annual payment of \$18,750. For years 6 -20 the annual rate will change to equal the hourly rate charged by the City for parking spaces in the Worth Lot during the City's enforcement times as established by the City Council. The incremental borrowing rate is 3.25%.

The City leases a portion of the City Hall Annex / Seybolt Building to the AIDS Response of the Seacoast. The agreement was initiated on August 1, 2024, and terminates on June 30, 2029. Monthly payments of \$1,856 to the City commenced on August 1, 2024, and were due on or before the 1st day of the month. Rent in subsequent years will be based on the square footage multiplied by the lessor's annual operating cost per square foot. The incremental borrowing rate is 4.25%.

In fiscal year 2025, the City amended four leases collectively as the "Community Campus". The four leases include contracts with the Krempels Center, Seacoast Community School, Seacoast Outright, and Child Advocacy Center of Rockingham County. The incremental borrowing rate is 4.25%.

The future minimum lease receipts to be received are as follows:

Governmental Activities			
	Principal	Interest	Total
2026	\$ 324,698	\$ 273,276	\$ 597,974
2027	356,066	258,986	615,052
2028	389,220	243,329	632,549
2029	424,385	226,197	650,582
2030	340,524	209,941	550,465
2031 - 2036	2,189,133	908,283	3,097,416
2037 and thereafter	2,607,921	2,035,058	4,642,979
Total minimum lease payments	\$ 6,631,947	\$ 4,155,070	\$ 10,787,017

10. Interfund Accounts

Although self-balancing funds are maintained, most transactions flow through the General Fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. At June 30, 2025, interfund receivable and payable accounts were as follows:

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

Fund	Due from Other Funds	Due to Other Funds
Governmental Funds:		
General Fund	\$ 887,265	\$ 287,016
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Community development	-	412
School lunch	-	184,074
School categorial revenues	287,016	-
Police grants	-	702,779
Total	<u>\$ 1,174,281</u>	<u>\$ 1,174,281</u>

The balance due to the General Fund from police grants resulted from a short-term loan made to establish working capital. The balance due to General Fund from the remaining special revenue funds results from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The composition of advances to/from other funds (amounts considered to be long-term) as of June 30, 2025 is as follows:

Fund	Advances to Other Funds	Advances from Other Funds
Governmental Funds:		
General Fund	\$ 264,760	\$ -
Nonmajor Governmental Funds:		
Special Revenue Funds:		
City trust	-	264,760
Total	<u>\$ 264,760</u>	<u>\$ 264,760</u>

The advance from the General Fund, to the City trust, represents a loan agreement signed in fiscal year 2015 for the replacement of the Prescott Park south dock system. The loan will be repaid by the Marine Maintenance Trust.

The City reports interfund transfers between many of its funds. The sum of all transfers presented in the following table agrees with the sum of interfund transfers presented in the governmental and proprietary fund financial statements. The following is a schedule of interfund transfers made in fiscal year 2025:

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

Governmental Funds:	Transfers In	Transfers Out
General Fund	\$ 2,183,054	\$ 3,989,413
Nonmajor Governmental Funds:		
Special Revenue Funds:		
School lunch	212,233	-
School categorical revenues	20,000	-
Grants and contributions fund	512,000	2,183,054
Prescott park	556,030	-
Parking and transportation	-	160,000
Housing subsidy	-	-
Conservation	825	-
Stormwater	703,256	355,000
Swimming pool	200,000	-
Community campus	465,355	-
City trust	-	25,000
Capital Project Funds:		
Vehicle/equipment replacement	1,273,650	-
Building and infrastructure	550,000	-
Technology equipment	730,792	-
Permanent Funds:		
City trust	-	208,100
Subtotal Nonmajor Funds	5,224,141	2,931,154
Business-Type Funds:		
Sewer Fund	-	486,628
Grand Total	<u>\$ 7,407,195</u>	<u>\$ 7,407,195</u>

The majority of the transfers out of the General Fund represent the City's practice of funding capital with current year revenues, including a \$1,273,650 transfer into the vehicle/equipment replacement fund, a \$730,792 transfer into technology equipment fund, and a \$550,000 transfer into the building and infrastructure fund. A transfer of \$500,000 to the grants and contribution fund represents funding for legal expenses. The transfer of \$703,256 to the stormwater fund was funded half by the General Fund and half by the Sewer Fund. Prior to 2019, stormwater functions were shown as part of the General Fund portion of public works. However, because of the combined nature of the City's sewer system, stormwater functions were also completed by the City's sewer division.

The City also transferred \$2,183,054 from the grants and contributions fund to the General Fund which represents use of ARPA funds.

Other transfers are used to (1) move revenues from the fund that statute or the budget requires to collect them to the fund that statute or the budget requires to expend them, (2) move unrestricted revenues collected in the General Fund to finance various programs and accounted for in other funds, in accordance with budgetary authorizations.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

11. Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Buildings	\$ 205,959	\$ 4,307	(2,429)	\$ 207,837
Improvements	1,257	-	(644)	613
Infrastructure	127,917	33,408	-	161,325
Machinery and equipment	30,173	2,540	(163)	32,550
Total capital assets, being depreciated	<u>365,306</u>	<u>40,255</u>	<u>(3,236)</u>	<u>402,325</u>
Less accumulated depreciation for:				
Buildings	(70,155)	(4,640)	2,429	(72,366)
Improvements	(1,253)	(1)	644	(610)
Infrastructure	(44,451)	(5,303)	-	(49,754)
Machinery and equipment	(21,532)	(2,085)	163	(23,454)
Total accumulated depreciation	<u>(137,391)</u>	<u>(12,029)</u>	<u>3,236</u>	<u>(146,184)</u>
Capital assets, being depreciated, net	<u>227,915</u>	<u>28,226</u>	<u>-</u>	<u>256,141</u>
Capital assets, not being depreciated:				
Land	25,815	-	-	25,815
Construction in progress	29,395	24,533	(35,091)	18,837
Total capital assets, not being depreciated	<u>55,210</u>	<u>24,533</u>	<u>(35,091)</u>	<u>44,652</u>
Governmental activities capital assets, net	<u>\$ 283,125</u>	<u>\$ 52,759</u>	<u>\$ (35,091)</u>	<u>\$ 300,793</u>
 Business-Type Activities				
Capital assets, being depreciated:				
Buildings	\$ 87,443	\$ -	(2,358)	\$ 85,085
Improvements	4	-	-	4
Infrastructure	152,875	5,139	(85)	157,929
Machinery and equipment	68,561	583	(195)	68,949
Total capital assets, being depreciated	<u>308,883</u>	<u>5,722</u>	<u>(2,638)</u>	<u>311,967</u>
Less accumulated depreciation for:				
Buildings	(19,620)	(1,707)	2,358	(18,969)
Infrastructure	(32,672)	(2,640)	79	(35,233)
Machinery and equipment	(26,077)	(3,239)	235	(29,081)
Total accumulated depreciation	<u>(78,369)</u>	<u>(7,586)</u>	<u>2,672</u>	<u>(83,283)</u>
Capital assets, being depreciated, net	<u>230,514</u>	<u>(1,864)</u>	<u>34</u>	<u>228,684</u>
Capital assets, not being depreciated:				
Land	3,730	1,478	-	5,208
Construction in progress	37,674	19,462	(4,271)	52,865
Total capital assets, not being depreciated	<u>41,404</u>	<u>20,940</u>	<u>(4,271)</u>	<u>58,073</u>
Business-type activities capital assets, net	<u>\$ 271,918</u>	<u>\$ 19,076</u>	<u>\$ (4,237)</u>	<u>\$ 286,757</u>

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

Depreciation expense was charged to functions of the City as follows:

Governmental Activities:		
General Government	\$	1,192,642
Public Safety		1,071,879
Education		2,502,348
Public works		6,562,091
Culture and recreation		700,471
Total governmental activities	\$	<u>12,029,431</u>
Business-Type Activities		
Water	\$	2,487,597
Sewer		5,098,927
Total business-type activities	\$	<u>7,586,524</u>

12. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net assets by the City that apply to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pension and OPEB, in accordance with GASB Statements No. 68 and 75, are more fully discussed in the corresponding pension and OPEB notes.

13. Accrued Liabilities

Accrued liabilities represent accrued payroll in governmental funds, and accrued payroll and accrued interest in proprietary funds. Governmental activities also include accrued interest in government-wide Statement of Net Position.

14. Unearned Revenue

This balance consists primarily of the unspent portion of the American Rescue Plan Act grant that was received prior to the City incurring eligible expenditures.

15. Tax Refunds Payable

This balance consists of an estimate of refunds due to property taxpayers for potential abatements pending with the state Board of Tax and Land Appeals and Superior Court.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

16. Notes Payable

The City had notes payable during the year ended June 30, 2025, included in current liabilities. The notes will be permanently funded upon completion of the projects. The following summarizes activity in notes payable for the year ended June 30, 2025:

<u>State Revolving Loan</u>	Interest <u>Rate</u>	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>
Sagamore Avenue Sewer Extension	2.00%	\$ 6,396,838	\$ 103,162	\$ (6,500,000)	\$ -
Pease WWTF Extension and Upgrade	2.00%	550,005	949,995	-	1,500,000
Fleet Street	2.80%	-	38,122	-	38,122
<u>Taxable BAN</u>					
Community Campus	4.25%	7,681,000	-	(7,681,000)	-
Community Campus	4.25%	-	7,131,000	-	7,131,000
Subtotal		14,627,843	8,222,279	(14,181,000)	8,669,122
Premium of BANS		48,737	82,876	(48,737)	82,876
Total		\$ 14,676,580	\$ 8,305,155	\$ (14,229,737)	\$ 8,751,998

17. Long-Term Debt

A. *Long-Term Debt Supporting Activities*

General obligation bonds and state revolving loans are approved by City Council and repaid with property taxes recorded in the General Fund and water and sewer charges recorded in the enterprise funds. The Commerce Way bond issued in fiscal year 2016 is being repaid by the Debt Service Fund, from special assessment revenues. These bonds are required to be fully paid within 20 years from the date of issue and are backed by the full faith and credit of the City. The City's borrowing capacity is restrained by State law. Compensated absences, total pension liability, and the total OPEB liability are repaid from the funds that the costs relate to, mostly General, Water, and Sewer funds.

B. *General Obligation Bonds and State Revolving Loans*

General obligation bonds and state revolving loans have been issued for both governmental and business-type activities. The City has outstanding general obligation bonds from public offerings totaling \$117,028,500, related to governmental activities. The City has general obligation bonds from public offerings and notes from direct borrowings related to business-type activities totaling \$91,751,500 and \$80,322,402, respectively, related to business-type activities. General obligation bonds and state revolving loans outstanding at June 30, 2025 are as follows:

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

Governmental Activities	Original <u>Issue</u>	Serial <u>Maturity</u>	Interest <u>Rate (%)</u>	Amount Outstanding as of <u>6/30/2025</u>
Middle School Renovations or Construction	\$ 3,300,000	6/1/34	2.87	\$ 1,485,000
Refunding 2005	3,335,000	8/1/25	2.09	315,000
Refunding 2009	708,500	1/15/29	1.57	278,500
Commerce Way Betterment District	1,524,710	6/15/26	1.87	180,000
Little Harbour Elementary School Facility Improvements	5,000,000	6/15/36	1.87	2,750,000
School Facilities	500,000	6/15/26	1.87	50,000
Refunding Fire Station 2 Land and Construction 2008	2,332,000	6/15/28	1.87	675,000
Streets and Sidewalks Improvements	6,100,000	6/15/26	1.87	610,000
Elementary School Facility Improvements	5,000,000	6/15/37	2.24	3,000,000
Fire Station 3 Improvements	610,000	6/15/27	2.24	120,000
Streets, Sidewalks and Facilities Improvements	6,850,000	6/15/27	2.24	1,370,000
High School Athletic Field Lighting	550,000	6/15/28	2.69	165,000
Streets, Sidewalk and Facility	6,200,000	6/15/28	2.69	1,860,000
Elementary School Facilities	5,000,000	6/15/38	2.69	3,250,000
Elementary School Facilities	4,508,500	6/15/39	2.33	3,145,000
Foundry Place Parking Facility III	1,095,000	6/15/39	2.33	860,000
Fire Station I	278,000	6/15/29	2.33	95,000
McDonough Street Improvements	680,000	6/15/29	2.33	260,000
Foundry Place Parking Facility IV	2,736,000	6/15/39	2.33	2,150,000
School Facility Improvements	426,000	6/15/29	2.33	155,000
Foundry Place Parking Facility I	5,849,000	6/15/36	2.33	4,270,000
Citywide Bridge Improvements	297,500	6/15/29	2.33	115,000
Market Street Gateway	1,442,500	6/15/29	2.33	570,000
Islington St Streetscape	2,122,000	6/15/29	2.33	835,000
Foundry Place Parking Facility II	13,469,000	6/15/37	2.33	10,105,000
Citywide Bridge Improvements	1,101,000	4/1/41	1.47	880,000
Senior Center Construction	1,889,900	4/1/41	1.47	1,515,000
Cate Street Connector	1,374,300	4/1/41	1.47	1,100,000
Maplewood Ave Bridge Improvements	454,800	4/1/41	1.47	355,000
Multi-Purpose Recreation Fields	2,605,600	4/1/41	1.47	2,080,000
North Mill Pond Multi Use Path	425,600	4/1/31	1.47	245,000
Bi-Annual Sidewalk Improvements	364,000	4/1/41	1.47	285,000
Bi-Annual Street Paving	1,833,000	4/1/41	1.47	1,455,000
City Hall Electrical Upgrades	547,200	4/1/41	1.47	425,000
School Facilities Improvements	454,800	4/1/41	1.47	355,000
Citywide Facility Improvements	917,300	4/1/41	1.47	720,000
Longmeadow Road Extension	364,000	4/1/41	1.47	285,000
Police Facility Upgrades	364,000	4/1/41	1.47	285,000
Elementary School Facility Improvements	1,833,000	4/1/41	1.47	1,455,000
Refunding 2010 - Middle School	5,773,500	4/1/30	1.47	3,200,000
Refunding 2011 - Middle School and Piece Island Waste Water T	9,430,000	12/1/31	1.99	6,690,000
Islington Street	1,518,500	6/15/42	3.10	1,280,000
Pease Tradeport Street Rehabilitation	694,000	6/15/42	3.10	590,000
Willard Ave Reconstruction	1,111,500	6/15/42	3.10	935,000
Ladder #2 Truck	1,188,500	6/15/32	3.10	830,000
Banfield Road Pedestrian Access	459,800	6/15/42	3.10	385,000
School Facilities	459,800	6/15/42	3.10	385,000
Elementary School Upgrades	1,018,500	6/15/42	3.10	855,000
Prescott Park Master Plan	694,000	6/15/42	3.10	590,000
Union Street Reconstruction	925,800	6/15/42	3.10	775,000
Police Station Upgrades	368,000	6/15/42	3.10	310,000
Citywide Facility Improvements	910,500	6/15/43	3.43	810,000
Pease Tradeport Street Rehabilitation	680,750	6/15/43	3.43	610,000

(Continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

(Continued)

Governmental Activities	Original Issue	Serial Maturity Through	Interest Rate (%)	Amount Outstanding as of 6/30/2025
School Facilities	1,454,500	6/15/43	3.43	1,305,000
Elementary School Upgrades	1,363,000	6/15/43	3.43	1,225,000
Police Station Upgrades	362,750	6/15/43	3.43	320,000
Police Facility Feasibility and Design	180,250	6/15/43	3.43	160,000
Street Paving Management and Rehabilitation	3,639,000	6/15/43	3.43	3,270,000
Citywide Sidewalk Reconstruction	728,500	6/15/43	3.43	650,000
City Fuel Station Upgrades	910,500	6/15/43	3.43	810,000
Hanover Parking Facility Upgrade 2	3,912,250	6/15/43	3.43	3,510,000
Greenland Rd Recreation Facility - Skatepark	1,642,250	6/15/43	3.43	1,470,000
Hanover Parking Facility Upgrade 1	1,811,250	6/15/42	3.43	1,615,000
Borthwick Avenue Bike Path	288,400	6/15/44	3.74	274,000
Union Street	651,500	6/15/44	3.74	618,500
Islington Street	2,326,000	6/15/44	3.74	2,209,500
Street and Sidewalk Improvement Pool	1,860,900	6/15/44	3.74	1,767,400
Greenland Road Recreation Center	1,008,000	6/15/44	3.74	957,500
Citywide Sidewalk Reconstruction Program	744,400	6/15/44	3.74	707,000
Pease Tradeport Street Rehabilitation	2,977,200	6/15/44	3.74	2,828,500
Fit-Up of Community Campus Space for RJ Lister Academy	1,674,700	6/15/44	3.74	1,591,000
Street, Sidewalk and Facility Improvement Pool	930,500	6/15/44	3.74	883,500
Street and Sidewalk Improvement Maplewood Avenue	930,500	6/15/44	3.74	883,500
Citywide Facilities Capital Improvement	465,200	6/15/44	3.74	441,700
Outdoor Pool	1,860,900	6/15/44	3.74	1,767,400
Street, Sidewalk and Facility Improvement Maplewood Avenue	412,400	6/15/34	3.74	371,000
Edmond Avenue	46,000	6/15/34	3.74	41,000
Bartlett Street Utilities Upgrades and Streetscape	744,300	6/15/44	3.74	707,000
School Facilities Capital Improvement	511,900	6/15/44	3.74	486,000
Police Facility and Feasibility Design	279,100	6/15/44	3.74	265,500
Street Paving, Management and Rehabilitation	3,721,800	6/15/44	3.74	3,535,300
Street and Sidewalk Improvement Bridge	744,400	6/15/44	3.74	707,000
Outdoor Pool 2	1,395,500	6/15/44	3.74	1,326,000
New Police Station	381,500	6/15/45	4.11	381,500
Downtown Aerial Utilities Undergrounding	476,500	6/15/45	4.11	476,500
Elwyn Park Sidewalks Traffic Calming	1,430,200	6/15/45	4.11	1,430,200
Sagamore Avenue Sidewalk	285,800	6/15/45	4.11	285,800
Fire Apparatus	760,000	6/15/30	4.11	760,000
Ambulance	294,500	6/15/30	4.11	294,500
School Facilities Capital Improvements	620,000	6/15/45	4.11	620,000
South Mill Pond Playground	572,300	6/15/45	4.11	572,300
Additional Outdoor Recreation Fields	2,860,400	6/15/45	4.11	2,860,400
Citywide Facilities Capital Improvements	810,500	6/15/45	4.11	810,500
Greenleaf Avenue Sidewalk	381,500	6/15/45	4.11	381,500
Fleet Street Utilities Upgrade and Streetscape	953,500	6/15/45	4.11	953,500
Citywide Storm Drainage Improvements	476,500	6/15/45	4.11	476,500
The Creek Neighborhood Reconstruction	476,500	6/15/45	4.11	476,500
Foundry Place Parking Offices	1,192,000	6/15/45	4.11	1,192,000
Total Governmental Activities				\$ 117,028,500

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

Business-Type Activities		Original Issue	Serial Maturity Through	Interest Rate (%)	Amount Outstanding as of 6/30/2025
<u>Water:</u>					
Madbury WTP Design	\$ 1,958,128	6/1/28	2.49	\$ 300,000	
Madbury WWTP Upgrades	5,000,000	6/1/32	2.72	1,750,000	
Hobb's Hill Water Tank	3,500,000	6/1/34	2.87	1,575,000	
Greenland Well and Water Line	4,800,000	6/15/35	2.99	2,400,000	
Refunding Madbury Treatment Plant Upgrades	7,921,500	1/15/29	1.57	3,156,500	
Water System Pressure and Storage or State 2 Disinfection	4,100,000	6/15/36	1.87	2,255,000	
Water Line Replacement and Storage Improvements	2,250,000	6/15/37	2.24	1,330,000	
Water Line Replacement	2,500,000	6/15/38	2.69	1,625,000	
Water Line Replacement	600,000	6/15/28	2.69	180,000	
Water System Pressure and Storage	1,981,400	6/15/39	2.33	1,380,000	
Water Line Replacement	426,000	6/15/29	2.33	155,000	
New Groundwater Source	454,800	4/1/41	1.47	355,000	
Madbury Well	687,000	4/1/41	1.47	545,000	
Islington Street Phase 1B	1,514,000	4/1/41	1.47	1,200,000	
Water Transmission Main Replacement II	547,200	4/1/41	1.47	425,000	
Maplewood Ave Area Construction	1,100,900	4/1/41	1.47	880,000	
Pleasant Street Water Main	699,400	4/1/41	1.47	560,000	
Annual Waterline Replacement	917,300	4/1/41	1.47	720,000	
Water Transmission Main Replacement I	228,400	4/1/41	1.47	170,000	
Islington Phase 2	2,128,900	6/15/42	3.10	1,800,000	
Reservoir Management	552,800	6/15/42	3.10	465,000	
Annual Waterline Replacement	925,800	6/15/42	3.10	775,000	
Willard Ave Reconstruction	1,664,000	6/15/42	3.10	1,410,000	
Union Street Reconstruction	1,387,900	6/15/42	3.10	1,180,000	
Annual Waterline Replacement	963,500	6/15/54	3.74	931,000	
Water Transmission Main Replacement	2,791,500	6/15/44	3.74	2,651,500	
Islington Street Water	818,600	6/15/54	3.74	791,500	
Greenland Well PFAS Treatment	2,410,900	6/15/54	3.74	2,330,700	
Bartlett Street Utilities Upgrades and Streetscape-Water	770,500	6/15/54	3.74	744,500	
Union Street	674,500	6/15/54	3.74	652,000	
Water Transmission Main Replacement	4,100,000	6/15/45	4.11	4,100,000	
Fleet Street Utilities Upgrades/Streetscape	974,500	6/15/55	4.11	974,500	
DPW Complex Improvements	1,461,000	6/15/55	4.11	1,461,000	

(Continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

(Continued)

Business-Type Activities	Original Issue	Serial Maturity Through	Interest Rate (%)	Amount Outstanding as of 6/30/2025
Sewer:				
Phase III Sewer	5,508,137	12/1/27	2.38	826,221
Lower Court Street Utilities Upgrade	688,562	7/1/27	2.38	103,284
Rye Line Pump Station	1,069,714	11/1/29	2.58	267,428
201 Facility Study Plan Updates	1,000,000	1/1/30	2.58	250,000
Bartlett Street Area Sewer Extension	5,290,233	1/1/31	2.62	1,587,070
WWTP Engineering Plant	8,000,000	9/15/31	2.31	2,800,000
Sewer Lincoln 3C Separation	5,595,874	6/1/33	2.38	2,238,350
Sewer Lincoln 3C	3,929,000	6/15/33	2.38	1,560,000
Pease WWTP	3,500,000	6/1/34	2.87	1,575,000
Peirce Island WWTP	10,000,000	6/1/34	2.87	4,500,000
Pease Waste Water Treatment Plant	1,000,000	6/15/35	2.99	500,000
Sewer for Lafayette Road Pumping Station Upgrades - Madbury 1	4,000,000	6/15/36	2.99	1,750,000
Sewer Line and Pumping Station Replacement	900,000	6/15/27	2.24	180,000
Pumping Station Replacement	2,500,000	6/15/37	2.24	1,500,000
Sewer Line Replacement	3,000,000	6/15/38	2.69	1,950,000
Sewer Line and Pump Station	1,800,000	6/15/28	2.69	540,000
Pease Wastewater Treatment Plant	6,490,000	6/15/39	2.33	4,540,000
Street Reconstruction	595,000	6/15/29	2.33	230,000
Consent Decree Mitigation	340,100	6/15/29	2.33	130,000
Annual Sewer Line Replacement	426,000	6/15/29	2.33	155,000
Peirce Island Wastewater Treatment Facility	76,724,200	4/1/51	1.47	66,500,049
Annual Sewerline Replacement	917,300	4/1/41	1.47	720,000
Maplewood Ave Area Construction	894,000	4/1/41	1.47	715,000
Mechanic Street Pump Station Sewer Force M	3,302,700	4/1/41	1.47	2,640,000
Pleasant Street Sewer	621,000	4/1/41	1.47	480,000
Islington Phase 1B	1,514,000	4/1/41	1.47	1,200,000
Refunding 2011 - Middle School and Piece Island Waste Water Tr	1,260,000	12/1/31	1.99	895,000
Mechanic St Pumping Station	1,849,500	6/15/42	3.10	1,565,000
Annual Sewerline Replacement	459,800	6/15/42	3.10	385,000
Willard Ave Sewer Separation	2,775,500	6/15/42	3.10	2,355,000
Islington Street Phase 2	2,128,900	6/15/42	3.10	1,800,000
Annual Union Street Reconstruction	1,018,500	6/15/42	3.10	855,000
Peirce Island Wastewater Treatment Plant	926,050	6/15/43	3.43	825,000
Service for Sagamore Ave Sewer Extension	271,250	6/15/43	3.43	240,000
Main for Sagamore Ave Sewer Extension	372,750	6/15/53	3.43	340,000
Annual Sewer Line Replacement	472,450	6/15/53	3.43	435,000
Main for Sagamore Ave Area Sewer Extension	1,127,000	6/15/53	3.43	1,045,000
Sewer Service for Sagamore Avenue Sewer Extension	351,500	6/15/54	3.74	339,500
Annual Sewer Line Replacement	963,500	6/15/54	3.74	931,000
Union Street*	674,500	6/15/54	3.74	652,000
Long Tenn Control Related Projects	289,000	6/15/54	3.74	279,000
Woodbury Avenue Sewer Separation	241,000	6/15/54	3.74	232,500
Pease Wastewater Treatment Facility Non SRF	529,700	6/15/54	3.74	512,000
Islington 2c Sewer	2,023,200	6/15/54	3.74	1,955,700
Bartlett Street Utilities Upgrades and Streetscape Sewer	770,500	6/15/54	3.74	744,500
Pumping Station Upgrades	1,468,200	6/15/54	3.74	1,407,500
Fleet Street Utilities Upgrades/Streetscape	500,300	6/15/54	3.74	483,300
Marjorie Pumping Station	930,500	6/15/44	3.74	883,500
Fleet Street Utilities Upgrades/Streetscape	974,500	6/15/55	4.11	974,500
DPW Complex Improvements	1,461,000	6/15/55	4.11	1,461,000
Fleet Street Utilities Upgrades/Streetscape	1,948,500	6/15/55	4.11	1,948,500
Edmond Ave	195,000	6/15/55	4.11	195,000
Pumping Station Upgrades	682,000	6/15/55	4.11	682,000
Stormdrainage	486,800	6/15/55	4.11	486,800
Sagamore Avenue Sewer Extension	6,500,000	11/1/44	2.00	6,500,000
Total Business-Type Activities				\$ 172,073,902

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

C. Future Debt Service

The annual payments to retire all general obligation bonds and state revolving loans outstanding as of June 30, 2025 are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>General Obligation Bonds</u>	
	<u>(Public Offerings)</u>	
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 11,371,000	\$ 5,173,388
2027	10,264,500	4,355,456
2028	9,569,000	3,877,206
2029	8,710,500	3,429,606
2030	8,215,500	3,022,829
2031 - 2035	33,867,000	10,419,918
2036 - 2040	23,851,000	4,607,161
2041 - 2045	<u>11,180,000</u>	<u>1,064,777</u>
Total	<u>\$ 117,028,500</u>	<u>\$ 35,950,341</u>

<u>Year Ending June 30,</u>	<u>Business-Type Activities</u>					
	<u>General Obligation Bonds</u>		<u>State Revolving Loans (Direct</u>		<u>Total</u>	
	<u>(Public Offerings)</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 7,264,000	\$ 3,598,359	\$ 5,116,570	\$ 1,762,466	\$ 12,380,570	\$ 5,360,825
2027	7,160,500	3,281,416	4,141,570	1,557,318	11,302,070	4,838,734
2028	7,046,000	2,983,316	4,141,570	1,463,999	11,187,570	4,447,315
2029	6,779,500	2,686,041	3,731,735	1,370,681	10,511,235	4,056,722
2030	5,829,500	2,407,388	3,731,735	1,288,224	9,561,235	3,695,612
2031 - 2035	26,253,000	8,699,159	15,773,614	5,302,341	42,026,614	14,001,500
2036 - 2040	16,474,000	4,643,989	14,169,721	3,801,772	30,643,721	8,445,761
2041 - 2045	7,930,000	2,296,860	14,169,721	2,384,800	22,099,721	4,681,660
2046 - 2050	3,795,000	1,176,813	12,788,471	1,023,078	16,583,471	2,199,891
2051 - 2055	<u>3,220,000</u>	<u>375,038</u>	<u>2,557,695</u>	<u>51,154</u>	<u>5,777,695</u>	<u>426,192</u>
Total	<u>\$ 91,751,500</u>	<u>\$ 32,148,379</u>	<u>\$ 80,322,402</u>	<u>\$ 20,005,833</u>	<u>\$ 172,073,902</u>	<u>\$ 52,154,212</u>

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

D. Bond Authorizations/Unissued

Bond authorizations not yet issued or rescinded as of June 30, 2025 are as follows:

Purpose	Amount
Governmental activities:	
Coakley Landfill	\$ 4,641,897
2018 Streets and sidewalks	500,000
2019 Streets and sidewalks	3,775,000
2021 Prescott Park	1,750,000
2022 Police Facility	500,000
2022 Community Campus	7,131,000
2023 Downtown Aerial Utilities Undergrounding	2,000,000
2024 Streets, sidewalks, facilities and land	1,900,000
2024 Streets, sidewalks, facilities, land and Prescott Park	<u>5,765,000</u>
Subtotal governmental	27,962,897
Business-type Activities:	
2021 Water storage tanks painting	850,000
2023 Other Water projects	1,350,000
2024 Other Water projects	4,226,500
2025 Other Water projects	1,550,000
2025 Other Water SRF	3,500,000
2022 Sewer SRF	1,680,500
2025 Sewer Pease WWTF SRF	26,628,000
2025 Other Sewer projects	2,765,000
2025 Other Sewer SRF	<u>10,000,000</u>
Subtotal business-type	<u>52,550,000</u>
Total Bond Authorizations / Unissued	<u>\$ 80,512,897</u>

E. Changes in Long-Term Liabilities

During the year ended June 30, 2025, the following changes occurred in long-term liabilities (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
Governmental Activities:						
General obligation bond (public offerings)	\$ 116,062	\$ 11,972	\$ (11,005)	\$ 117,029	\$ (11,371)	\$ 105,658
Unamortized premium	<u>9,785</u>	<u>588</u>	<u>(1,520)</u>	<u>8,853</u>	<u>(1,400)</u>	<u>7,453</u>
Subtotal bonds and loans payable	125,847	12,560	(12,525)	125,882	(12,771)	113,111
Total Pension liability	103,768	-	(4,676)	99,092	-	99,092
Total OPEB liability	16,297	777	(359)	16,715	(352)	16,363
Landfill closure	1,440	-	-	1,440	(151)	1,289
Accrued employee benefits	<u>4,098</u>	<u>339</u>	<u>(20)</u>	<u>4,417</u>	<u>(530)</u>	<u>3,887</u>
Totals Governmental Activities	<u>\$ 251,450</u>	<u>\$ 13,676</u>	<u>\$ (17,580)</u>	<u>\$ 247,546</u>	<u>\$ (13,804)</u>	<u>\$ 233,742</u>

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

	Beginning <u>Balance</u>	Additions	Reductions	Ending <u>Balance</u>	Less Current <u>Portion</u>	Equals Long-Term <u>Portion</u>
Business-Type Activities:						
General obligation bond (public offerings)	\$ 86,278	\$ 12,283	\$ (6,810)	\$ 91,751	\$ (7,264)	\$ 84,487
State revolving loans (direct borrowing)	78,133	6,500	(4,310)	80,323	(5,117)	75,206
Unamortized premium	<u>5,210</u>	<u>416</u>	<u>(683)</u>	<u>4,943</u>	<u>(736)</u>	<u>4,207</u>
Subtotal bonds and loans payable	169,621	19,199	(11,803)	177,017	(13,117)	163,900
Total Pension Liability	6,523	-	(572)	5,951	-	5,951
Total OPEB liability	448	25	(6)	467	-	467
Accrued employee benefits	<u>598</u>	<u>29</u>	<u>-</u>	<u>627</u>	<u>(50)</u>	<u>577</u>
Totals Business-Type Activities	<u>\$ 177,190</u>	<u>\$ 19,253</u>	<u>\$ (12,381)</u>	<u>\$ 184,062</u>	<u>\$ (13,167)</u>	<u>\$ 170,895</u>

18. Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure.

The \$1,439,396 reported as landfill postclosure care liability at June 30, 2025 represents the remaining estimated postclosure maintenance costs. These amounts are based on what it would cost to perform all postclosure care in 2025. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

19. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net assets by the City that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. The City reports four items as deferred inflows of resources - two of which are attributable to the changes in the total pension liability and total OPEB liability, one related to future lease payments and one which arises from the current financial resources' measurement focus and the modified accrual basis of accounting in governmental funds. Deferred inflows of resources related to pension and OPEB will be recognized as expense in future years and are more fully described in the corresponding pension and OPEB notes.

Unavailable revenues are reported in the governmental funds balance sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

20. Governmental Fund Balances

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The following types of fund balances are reported at June 30, 2025:

Nonspendable - This fund balance classification includes an offset for inventory, advances to other funds, and reserves for the principal portion of permanent trust funds.

Restricted - This fund balance classification includes various special revenue funds, capital project balances funded by bond issuances and grants, and the income portion of permanent trust funds.

Committed - This fund balance classification includes General Fund capital reserve funds set aside by City Council vote for future debt payments, health insurance costs, future tax abatements, capital acquisitions and improvements, subsequent year's use of fund balance, and amounts used from operations for capital per City Council resolutions.

Assigned - This fund balance classification includes General Fund surplus balances that management assigns for specific purposes with management approval.

Unassigned - This fund balance classification includes General Fund available balance and other funds' temporary fund balance deficits.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

The following types of fund balances are reported at June 30, 2025:

	General	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Advance to Other Funds	\$ 264,760	\$ -	\$ 264,760
City Trust	- -	1,629,062	1,629,062
Library Trust	- -	4,413	4,413
Sub-total - Nonspendable	<u>264,760</u>	<u>1,633,475</u>	<u>1,898,235</u>
Restricted:			
Grants and contributions	- -	4,955,863	4,955,863
Bonded projects and capital contributions	- -	7,764,068	7,764,068
Community development	- -	1,048,719	1,048,719
Education	- -	627,515	627,515
School lunch	- -	54,899	54,899
Police and fire	- -	397,528	397,528
Recreation	- -	736,734	736,734
Community campus	- -	294,806	294,806
Trusts for education and recreation	- -	2,343,890	2,343,890
Expendable permanent funds (City Trust)	- -	10,384,549	10,384,549
Other	- -	345	345
Sub-Total - Restricted	<u>-</u>	<u>28,608,916</u>	<u>28,608,916</u>
Committed:			
Debt service	9,131,519	- -	9,131,519
Health insurance	7,023,597	- -	7,023,597
Tax appraisal	3,369,544	- -	3,369,544
Compensated absences	1,064,906	- -	1,064,906
Coakley landfill	619,645	- -	619,645
Future Statewide Property Tax Coalition Fund	502,044	- -	502,044
Subsequent year's expenditures	2,000,000	- -	2,000,000
Parking and transportation	- -	4,602,080	4,602,080
Portwalk Place services and repairs	- -	100,000	100,000
Conservation	- -	1,193,510	1,193,510
Stormwater	- -	545,052	545,052
Recreation	- -	246,686	246,686
Other capital project funds	<u>-</u>	<u>4,326,373</u>	<u>4,326,373</u>
Sub-Total - Committed	<u>23,711,255</u>	<u>11,013,701</u>	<u>34,724,956</u>
Assigned:			
Capital	6,647,107	- -	6,647,107
Contingency	379,403	- -	379,403
General government	1,364,429	- -	1,364,429
Public safety	364,962	- -	364,962
Education	5,631	- -	5,631
Public works	203,320	- -	203,320
Health	8,128	- -	8,128
Sub-Total - Assigned	<u>8,972,980</u>	<u>-</u>	<u>8,972,980</u>
Unassigned			
Total Fund Balance	<u>\$ 52,721,762</u>	<u>\$ 41,256,092</u>	<u>\$ 93,977,854</u>

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

21. Retirement System

The City follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the State of New Hampshire Retirement System (NHRS). The following pension disclosures for the New Hampshire Retirement System pension plan are based upon an actuarial valuation performed as of June 30, 2023, using a measurement date of June 30, 2024.

A. Plan Description

Full-time employees participate in the NHRS, a cost-sharing, multiple-employer defined benefit contributory pension plan and trust established in 1967 by RSA 100-A:2 and qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. The plan provides service, disability, death, and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State of New Hampshire are eligible and required to participate in the system. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate if the governing body of the political subdivision has elected participation.

The NHRS, a Public Employees Retirement System (PERS), is divided into two membership groups. State or local employees and teachers belong to *Group I*. Police officers and firefighters belong to *Group II*. All assets are held in a single trust and are available to each group. Additional information is disclosed in the annual report available at www.nhrs.org.

B. Benefits Provided

Group I benefits are provided based on creditable service and average final salary for the highest of either three or five years, depending on when service commenced. Group II benefits are provided based on age, years of creditable service, and a benefit multiplier depending on vesting status as of January 1, 2012. The maximum retirement allowance for Group II members vested by January 1, 2012 (45 years of age with 20 years of service or age 60 regardless of years of creditable service) is the average final compensation multiplied by 2.5% multiplied by creditable service. For Group II members not vested by January 1, 2012, the benefit is calculated the same way but the multiplier used in the calculation will change depending on age and years of creditable service, as follows:

Years of creditable service as of <u>January 1, 2012</u>	Minimum <u>Age</u>	Minimum <u>Service</u>	Benefit <u>Multiplier</u>
At least 3 but less than 10 years	46	21	2.4%
At least 6 but less than 8 years	47	22	2.3%
At least 4 but less than 6 years	48	23	2.2%
Less than 4 years	49	24	2.1%

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

C. Contributions

Plan members are required to contribute a percentage of their gross earnings to the pension plan, which the contribution rates are 7% for employees and teachers 11.55% for police and 11.80% for fire. The City makes contributions to the pension plan equal to the amount required by Revised Statutes Annotated 100 - A:16, III, which is 13.27% for employees, 18.51% for teachers, 28.68% for police, and 27.75% for fire. The City's contribution to NHRS for the year ended June 30, 2025 was \$12,210,115 (exclusive of a \$715,056 medical subsidy contribution), which was equal to its annual required contribution.

D. Summary of Significant Accounting Policies

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

E. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to Pensions

At June 30, 2025, the City reported a liability of \$105,043,719 for its proportionate share of the total pension liability. The total pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the total pension liability was determined by an actuarial valuation as of June 30, 2023. The City's proportion of the total pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

At the June 30, 2024 measurement date, the City's proportion was 2.03%.

For the year ended June 30, 2025, the City recognized pension expense of \$12,612,205. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 13,049,462	\$ -
Changes in proportion and differences between employer contributions and share of contributions	3,457,956	1,008,610
Differences between expected and actual experience	2,338,434	21,122
Differences between projected and actual investment earnings	-	1,466,360
Changes of assumptions	-	1,229,388
	<hr/> <u>\$ 18,845,852</u>	<hr/> <u>\$ 3,725,480</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as an increase (decrease) in pension expense as follows:

Year Ended June 30,		
2026	\$ 17,307,068	
2027	(27,240,434)	
2028	6,612,165	
2029	<hr/> <u>5,392,111</u>	
	<hr/> <u>\$ 2,070,910</u>	

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

F. Actuarial Assumptions and Other Inputs

The collective total pension liability as of June 30, 2024, which was based on a roll-forward of the June 30, 2023 valuation was determined using the following actuarial assumptions:

Price inflation	2.25%
Wage inflation	3.00 % (2.50% for teachers)
Salary increases	6.0% average, including inflation
Investment rate of return	6.75%, net of investment expense, included inflation

Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (police and fire combined) and projected fully generational mortality improvements using scale MP-2021.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2019 – June 30, 2023.

G. Target Allocation

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

The following is a table presenting target allocations and geometric real rates of return for each asset class:

Asset Class	Target Allocation Percentage	Weighted-Average Average Long Term Expected Real Rate of Return
Broad US equities	24.00 %	5.40%
Global Ex-US equity	<u>16.00</u>	5.65%
Total public equities	40.00	
Real estate equity	10.00	4.00%
Private equity	<u>10.00</u>	6.65%
Total private market equity	20.00	
Private debt	<u>10.00</u>	5.05%
Core US fixed income	<u>25.00</u>	2.15%
Infrastructure	5.00	4.35%
Total	<u><u>100.00 %</u></u>	

H. Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the pension plan's actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to 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.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

I. Sensitivity of the Proportionate Share of the Total Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the total pension liability calculated using the discount rate of 6.75%, as well as what the City's proportionate share of the total pension liability would be if it was calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
\$	<u>146,863,027</u>	<u>105,043,719</u>	<u>70,206,944</u>

J. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NHRS financial report.

22. Other Post-Employment Benefits (GASB 75)

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

A. City OPEB Plan

General Information about the OPEB Plan

Plan Description

The City indirectly provides postemployment healthcare for retired employees through an implicit rate covered by current employees. Retirees of the City who participate in this single-employer plan pay 100% of the healthcare premiums to participate in the City's healthcare program. Since they are included in the same pool as active employees, the insurance rates are implicitly higher for current employees due to the age consideration. This increased rate is an implicit subsidy the City pays for the retirees. This is a single-employer plan, that does not issue a standalone financial report.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

The benefits, benefit levels, employee contributions, and employer contributions are based on requirements of the New Hampshire Retirement System (NHRS) and governed by RSA 100-A:50. The OPEB Plan is not administered through a trust that meets the criteria in paragraph 4 of GASB 75.

Benefits Provided

The City provides medical and prescription drug insurance to retirees and their covered dependents. All active employees who retire from the City and meet the eligibility criteria will receive these benefits.

Plan Membership

At July 1, 2024 (the last full valuation date), the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	40
Active employees	757
<hr/>	<hr/>
Total	797
<hr/>	<hr/>

Actuarial Assumptions and Other Inputs

The total OPEB liability was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2024, which was rolled forward to the measurement date of June 30, 2025. The following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00% per year
Salary increase	3.00% for wage inflation plus merit/productivity growth, which are based on the Employees, Police, Fire, and Teachers rates used in the New Hampshire Retirement System actuarial valuation as of June 30, 2023
Discount rate	5.20% as of June 30, 2025; 4.21% as of July 1, 2024
Healthcare cost trend	8.0% for fiscal year ending June 30, 2024, decreasing 0.50% for 8 years, to an ultimate 4.5% in 2031

The discount rate was based on Bond Buyer Go 20 – Bond Municipal Bond Index at June 30, 2025.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

Mortality rates were based on the following:

- Police and fire participants: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021.
- All other participants: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021.
- Surviving spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021.

The actuarial assumptions used in the valuation were based on the results of the City's historical experience.

Discount Rate

The discount rate used to measure the total OPEB liability was 5.20%. 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.

Total OPEB Liability

The City's total OPEB liability of \$10,917,709 was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2024.

Changes in the Total OPEB Liability

The following summarizes the changes to the total OPEB liability for the past year:

	Total OPEB Liability
Balance, beginning of year	\$ 10,114,629
Changes for the year:	
Service cost	523,034
Interest	439,269
Difference between expected and actual experience	21,220
Changes of assumptions	231,247
Benefit payments	(411,690)
Net Changes	<hr/> 803,080
Balance, end of year	<hr/> 10,917,709

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

Changes in assumptions reflect a change in the discount rate from 4.21% in 2024 to 5.20% in 2025.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it was calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

Current		
1%	Discount Rate	1%
Decrease	(5.20%)	Increase
\$11,749,811	\$10,917,709	\$10,149,365

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it was calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

Current		
1%	Healthcare	1%
Decrease	Cost Trend	Increase
\$9,855,557	\$10,917,709	\$12,141,077

OPEB Expense and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to OPEB

For the year ended June 30, 2025, the City recognized an OPEB expense of \$(297,726). At June 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred	Deferred
	Outflows of	Inflows of
	Resources	Resources
Difference between expected and actual experience	\$ 18,862	\$ 3,425,598
Changes of assumptions	<u>1,150,404</u>	<u>1,616,922</u>
Total	<u>1,169,266</u>	<u>5,042,520</u>

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

The amounts reported as deferred outflows and inflows of resources (other than contributions subsequent to the measurement date) related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>		
2026	\$	(1,161,046)
2027		(1,051,873)
2028		(575,313)
2029		(575,316)
2030		(521,475)
Thereafter		<u>11,769</u>
Total	\$	<u>(3,873,254)</u>

B. New Hampshire Retirement System Medical Subsidy Plan Description

General Information about the OPEB Plan

Plan Description

In addition to the OPEB plan discussed in Note 22A, the City participates in the New Hampshire Retirement System (NHRs) Medical Subsidy. The NHRs administers a cost-sharing, multiple-employer, defined benefit postemployment medical subsidy healthcare plan designated in statute by membership type. The four membership groups are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees and Group I State Employees. Collectively, they are referred to as the OPEB Plan. NHRs issues publicly available financial reports that can be obtained by writing to them at 54 Regional Drive, Concord, NH 03301-8507 or from their website at <http://www.nhrs.org>.

Benefits Provided

The OPEB plan provides a medical insurance subsidy to qualified retired members. The medical subsidy is a payment made by NHRs to the former employer or their insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certifiably dependent children with a disability who are living in the household and being cared for by the retiree. Group I benefits are based on creditable service, age, and retirement date. Group II benefits are based on hire date, age, and creditable service. The OPEB plan is closed to new entrants.

The eligibility requirements for receiving OPEB Plan benefits differ for Group I and Group II members. The monthly Medical Subsidy rates are:

- 1 Person - \$375.56
- 2 Person - \$751.12
- 1 Person Medicare Supplement - \$236.84
- 2 Person Medicare Supplement - \$473.68

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

Contributions

Pursuant to RSA 100-A:16, III, and the biennial actuarial valuation, funding for the medical subsidy payment is via the employer contribution rates set forth by NHRS. Employer contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the NHRS actuary using the entry age normal funding method and are expressed as a percentage of gross payroll. The City contributed 0.26% of gross payroll for Group I employees, 1.13% of gross payroll for Group I teachers, and 2.60% of gross payroll for Group II fire and police department members, respectively. Employees are not required to contribute. The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the medical subsidy plan. The City's contribution to NHRS for the year ended June 30, 2025 was \$715,056, which was equal to its annual required contribution.

Actuarial Assumptions and Other Inputs

Actuarial assumptions for the collective total OPEB liability are the same as the NHRS, which is disclosed in Note 21.

Total OPEB Liability, Expense, and Deferred Outflows and (Inflows)

The City's proportionate share of the total NHRS Medical Subsidy (total OPEB liability) as of the measurement date of June 30, 2024, was \$6,264,686, representing 2.02%.

For the year ended June 30, 2025, the City recognized an OPEB expense related to the NHRS Medical Subsidy of \$359,122. At June 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution subsequent to the measurement date	\$ 765,330	\$ -
Net difference between projected and actual OPEB investment earnings	-	1,484
Total	\$ 765,330	\$ 1,484

The amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ending June 30, 2026.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

Other amounts reported as deferred outflows and inflows of resources related to the total OPEB liability will be recognized as increase (decrease) in OPEB expense as follows:

<u>Year Ended June 30:</u>		
2026	\$	(13,241)
2027		19,593
2028		(5,052)
2029		(2,784)
Total	\$	<u>(1,484)</u>

Sensitivity of the Total NHRS Medical Subsidy OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability calculated using the discount rate of 6.75%, as well as what the total OPEB liability would be if it was calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

1% <u>Decrease</u>	Current <u>Discount Rate</u>	1% <u>Increase</u>
\$6,853,465	\$6,264,686	\$5,857,897

Healthcare Cost Trend Rate

Health care cost trend rates are not applicable given that the benefits are fixed stipends.

C. Consolidation of Total OPEB Liabilities and Related Deferred Outflows and (Inflows)

The following consolidates the City's total OPEB liability and related deferred outflows/(inflows) and OPEB expense, and the City's proportionate share of the NHRS Medical Subsidy total OPEB liability and related deferred outflows/(inflows) and OPEB expense at June 30, 2025:

	Total OPEB Liability	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources	Total OPEB Expense
City OPEB Plan	\$ 10,917,709	\$ 1,169,266	\$ 5,042,520	\$ (297,726)
Proportionate share of NHRS Medical Subsidy Plan	\$ 6,264,686 \$ 17,182,395	\$ 765,330 \$ 1,934,596	\$ 1,484 \$ 5,044,004	\$ 359,122 \$ 61,396

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

23. **Deferred Compensation Plans**

The City offers its employees voluntary participation in various 457(b) plans. The City does not contribute to such plans. The plans permit full-time employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, or death. The investments are self-directed by employees.

24. **Commitments and Contingencies**

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Banfield Realty LLC v. City, et al. – The new property owners of 375 Banfield Road brought suit in Federal Court against the City and numerous other partners for the contamination of the property. It is alleged that the City disposed of hazardous waste on the property in the late 1960s and early 1970s as part of an Urban Renewal Project. The matter is being handled by outside counsel. The City contends it had no part in the disposal of any waste at the site. Discovery conducted to date confirms this and that other named defendants were responsible. A motion is being prepared to remove the City as a party to this litigation.

It is anticipated that the City will incur additional attorneys' fees, as motion practice continues in the federal court. However, based on the current evidence, the likelihood of the City incurring any substantial liability for the alleged improper disposal of materials appears to be minimal. The City believes it will be dropped from the suit in the near future.

Coakley Landfill – For the period 1972 through 1982, the Coakley Landfill site, located in North Hampton, New Hampshire, served as the municipal refuse disposal site for the City of Portsmouth and for the Towns of North Hampton, New Castle, and Pease Air Force Base. In December 1984, the City was advised by the State of New Hampshire that the City was considered to be a Potentially Responsible Party (PRP) under the provisions of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended by the Superfund Amendments and Reauthorization Act of 1986, for contamination conditions which exist at the site.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

In December 1992, a total of 27 responsible parties, including the City, entered into two Consent Decrees (Decrees) with the United States Environmental Protection Agency (EPA). The Decrees commit the City to expend a significant amount as its share of the costs to remedy conditions at the site and to monitor and maintain the site once the remedial steps have been completed. The Decrees estimated the total cost of the cleanup to be approximately \$22 million, with the City's share of these costs estimated to be approximately \$8.9 million, to be contributed over a number of years as needed by the project. Liability amongst the responsible parties is joint and several and is in no way limited by the estimate in the Decrees. Should one of the responsible parties default on its obligations, the remaining parties will assume the liability for the defaulting party.

In December 1991, the City Council authorized the issuance of \$8.9 million in bonds to pay for the costs of the project. To date, the City has borrowed \$4,258,103 from the State Revolving Loan Fund against this authorization and is paid in full. The City also received state aid payments in connection with the project in the total amount of \$943,644 which was paid over the life of the loan. The City awaits a final determination of the City's remaining liability and has \$4,641,897 remaining in the bond authority to pay its liability, if necessary.

It is not estimated that the remediation required by the Consent Decrees will be completed prior to 2035 or 2040. With emerging contaminants such as PFAs as well as 1,4- Dioxane, it is possible that the completion of the project will be extended beyond that time. Currently, regulatory agencies are contemplating what if any remediation will be required to deal with these new issues. The Coakley Landfill Group (CLG), of which the City is the majority participant at 53.551%, recently applied for a NH Clean Water State Revolving Loan (CWSRF) in the amount of \$980,000. This program is administered by the NH Department of Environmental Services (DES) and is a 100% forgiveness loan, essentially a grant. DES has more recently confirmed that this money will be provided as a grant, if the CLG can meet certain requirements. The CLG is making significant progress in meeting those requirements and hopes to have this grant commitment confirmed before the end of the year.

This money will be used to develop a pilot program for treating and reducing contaminants entering Berry's Brook Watershed from groundwater and surface water originating at the closed Coakley Landfill Site. The development of this pilot program will overlap with remediation recently ordered by EPA, pursuant to the initial Consent Decree signed by all the participating parties to the CLG.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

As in the past, costs for taking mandated remediation efforts will be paid by a system of assessments made against the parties to the Consent Decrees and to the Participating Parties agreements. If the Grant is not obtained, the City's assessed portion, \$524,800, will be paid from the 1991 bond authority. It is not possible to predict with any degree of certainty what the regulatory agencies might require in the future or what share of those costs will be assessed against the City.

Wastewater Treatment Facility – The City of Portsmouth is obligated under a Consent Decree (as amended) with the Environmental Protection Agency (EPA) and New Hampshire Department of Environmental Services (DES) to complete construction of an upgraded wastewater treatment facility and achieve secondary treatment permit limits by April 2020. All Consent Decree milestones for substantial completion and operation of the new Biological Aerated Filter treatment system have been met. In April of 2024 the EPA granted with the concurrence of DES and the Conservation Law Foundation, the City's request for a revised schedule of its Supplemental Compliance Plan projects for addressing the City's combined sewer overflows. A short list of projects will be completed within five years (several of the projects are underway) followed thereafter by a study to evaluate the effectiveness of the compliance effort and next steps. Several of the projects are completed, and all of the remaining projects are underway with one slightly delayed due to State permitting requirements, but the final schedule for completion of all projects is unaffected.

Greenleaf Avenue Realty Trust – Between 1967 and 1968 the City constructed a sewer line across property of the State of New Hampshire located off the Route 1 By-pass. The State had given the City permission, but no formal easement was ever recorded. In 2003, after passing through several owners, the property came to be owned by 150 Greenleaf Avenue Realty Trust. In 2010, 150 Greenleaf Avenue Realty Trust commenced a legal action against the City of Portsmouth with multiple claims sounding in trespass, nuisance and inverse condemnation related to the construction of a municipal sewer line across the property in the late 1960s and the alleged unlawful detention of water on his property. In February 2017, a New Hampshire Superior Court jury awarded \$3.57 million on various claims, the sole damages for which were lost profits. The City vigorously contested many issues throughout the course of litigation including those related to the applicability and calculation of lost profits. The City and the plaintiff filed appeals to the New Hampshire Supreme Court.

Separate from but related to the 150 Greenleaf Avenue Realty Trust litigation, the City took by eminent domain a portion of the property at 150 Greenleaf Avenue in order to acquire the rights to maintain the sewer line, detain water for stormwater purposes and protect wetlands. The owner successfully contested the City's right to take that action at the superior court level. That determination was also appealed to the New Hampshire Supreme Court.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

In January of 2020, the New Hampshire Supreme Court ruled on both pending appeals. In the sewer line case, the Court vacated the jury award of \$3.57 million but ruled against the City on the trespass issues. A jury trial in March of 2025 determined the amount of rental damages as \$550,000. The plaintiff had asked for \$4.6 million.

In the eminent domain matter, the Supreme Court upheld the decision of the Superior Court and the matter was referred to the New Hampshire Board of Tax and Land Appeals for an initial determination of damages owed by the City based on fair rental value of the land temporarily taken. The BTLA rejected the landowner's claim for over \$2 million in fees and the landowner has exercised his statutory right to have the Superior Court hear the matter *de novo*. A jury trial (originally scheduled for May 2025) is now scheduled for January 2026 to determine fair market rental value. A hearing, before the Superior Court judge, to determine whether the City acted in bad faith in its condemnation action will be held in February 2026. The City constructed a sewer pump station to allow for the removal of the sewer pipe from the plaintiff's property to resolve the trespass. The plaintiff, James Boyle, Trustee, has objected to the City's design and permitting plans to remove the pipe across his property of which he complains (the Abatement Plan). The Abatement Plan will be resolved by the Court.

SoBow Square, LLC v. City – This matter has been dismissed by agreement of the parties, with prejudice and no damages for either party. As part of the Settlement Agreement, there are a few remaining milestones for each party to meet. If those are all met without controversy, there should be no additional legal fees incurred for this matter.

Other legal matters – In addition to the above, there are various suits pending in courts within the State of New Hampshire in which the City is a defendant. In the opinion of Counsel for the City, no litigation is pending, or to Counsel's knowledge, threatened, which is likely to result, either individually or in the aggregate, in final judgements against the City that would materially affect its financial position.

Encumbrances – At year-end the City's General Fund has \$8,972,980 in encumbrances that will be honored in the next fiscal year.

25. Risk Financing

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

June 30, 2025

26. Restatement of Beginning Net Position

During fiscal year 2025, the City determined that State aid grants related to the Sewer Enterprise Fund should have been accrued as revenue instead of being reported as deferred inflows of resources. Therefore, deferred inflows of resources were overstated and net position was understated by \$27,992,029 as of and for the fiscal year ended June 30, 2024 for business-type activities and proprietary funds.

The effect of making the correction described above is shown in the table below.

	June 30, 2024		
	As Previously Reported	Adjustment	June 30, 2024 As Adjusted
Business-Type Activities - Net Position	\$ 149,078,256	27,992,029	177,070,285
Sewer Enterprise Fund - Net Position	84,760,817	27,992,029	112,752,846

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Required Supplementary Information

General Fund

Schedule of Revenues and Other Sources

And Expenditures and Other Uses – Budget and Actual – Budgetary Basis

For the Year Ended June 30, 2025

(Unaudited)

	<u>Budgeted Amounts</u>				Variance with Final Budget
	Original Budget	Final Budget	Actual		
Revenues and Other Sources:					
Property taxes	\$ 110,475,888	\$ 110,475,888	\$ 109,074,921	\$ (1,400,967)	
License and permits	7,757,100	7,757,100	10,661,982	2,904,882	
Intergovernmental	12,399,627	12,399,627	12,611,786	212,159	
Charges for services	5,994,000	5,994,000	5,888,480	(105,520)	
Investment income	2,319,800	2,319,800	2,927,354	607,554	
Interest on taxes	170,000	170,000	150,456	(19,544)	
Fines and costs	1,006,000	1,006,000	1,469,875	463,875	
Other revenues	186,000	186,000	540,781	354,781	
Other financing sources:					
Transfers in	1,852,932	1,852,932	1,852,932	-	
Bond premiums	-	-	3,516	3,516	
Use of fund balance:					
To reduce taxes	<u>2,700,000</u>	<u>2,700,000</u>	<u>2,700,000</u>	<u>-</u>	
Total Revenues and Other Sources	<u>144,861,347</u>	<u>144,861,347</u>	<u>147,882,083</u>	<u>3,020,736</u>	
Expenditures and Other Uses:					
Current:					
General administrative	10,363,397	10,363,397	10,200,494	162,903	
Other general administrative	2,053,800	2,053,800	1,982,256	71,544	
Public works	7,990,517	7,990,517	7,988,937	1,580	
Community services	4,625,262	4,625,262	4,590,925	34,337	
Regulatory services	2,347,293	2,347,293	2,322,355	24,938	
Emergency management	18,080	18,080	7,917	10,163	
Police department	14,586,704	14,586,704	14,305,801	280,903	
Fire department	12,507,527	12,507,527	12,507,007	520	
School department	64,061,713	64,061,713	64,060,966	747	
Non-operating	<u>26,307,054</u>	<u>26,307,054</u>	<u>26,216,384</u>	<u>90,670</u>	
Total Expenditures and Other Uses	<u>144,861,347</u>	<u>144,861,347</u>	<u>144,183,042</u>	<u>678,305</u>	
Excess of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,699,041</u>	<u>\$ 3,699,041</u>	

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Required Supplementary Information

**Schedule of Proportionate Share
Of the Total Pension Liability**

Last Ten Years

June 30, 2025

(Unaudited)

New Hampshire Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Total Pension Liability</u>	<u>Proportionate Share of the Total Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Total Pension Liability as a percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2025	June 30, 2024	2.03%	\$ 105,043,719	\$ 62,611,672	167.77%	70.33%
June 30, 2024	June 30, 2023	1.97%	\$ 110,291,864	\$ 60,597,408	182.01%	67.18%
June 30, 2023	June 30, 2022	1.97%	\$ 112,944,015	\$ 56,437,810	200.12%	65.12%
June 30, 2022	June 30, 2021	1.98%	\$ 87,571,335	\$ 53,997,615	162.18%	72.22%
June 30, 2021	June 30, 2020	1.95%	\$ 124,664,427	\$ 49,698,886	250.84%	58.72%
June 30, 2020	June 30, 2019	1.94%	\$ 93,399,589	\$ 48,895,625	191.02%	65.59%
June 30, 2019	June 30, 2018	1.92%	\$ 92,668,486	\$ 48,508,941	191.03%	64.73%
June 30, 2018	June 30, 2017	1.87%	\$ 92,175,747	\$ 45,846,939	201.05%	62.66%
June 30, 2017	June 30, 2016	1.86%	\$ 98,937,025	\$ 43,883,269	225.46%	58.30%
June 30, 2016	June 30, 2015	1.86%	\$ 73,723,357	\$ 42,543,250	173.29%	65.47%

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditor's Report.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Required Supplementary Information

Schedule of Pension Contributions

Last Ten Years

June 30, 2025

(Unaudited)

New Hampshire Retirement System

<u>Fiscal Year</u>	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2025	\$ 12,210,115	\$ 12,210,115	\$ -	\$ 71,119,599	17.2%
June 30, 2024	\$ 11,847,201	\$ 11,847,201	\$ -	\$ 62,611,672	18.9%
June 30, 2023	\$ 11,400,765	\$ 11,400,765	\$ -	\$ 60,597,408	18.8%
June 30, 2022	\$ 11,392,339	\$ 11,392,339	\$ -	\$ 56,437,810	20.2%
June 30, 2021	\$ 9,075,480	\$ 9,075,480	\$ -	\$ 53,997,615	16.8%
June 30, 2020	\$ 8,665,646	\$ 8,665,646	\$ -	\$ 49,698,886	17.4%
June 30, 2019	\$ 8,447,361	\$ 8,447,361	\$ -	\$ 48,895,625	17.3%
June 30, 2018	\$ 8,134,040	\$ 8,134,040	\$ -	\$ 48,508,941	16.8%
June 30, 2017	\$ 8,074,117	\$ 8,074,117	\$ -	\$ 45,846,939	17.6%
June 30, 2016	\$ 6,866,210	\$ 6,866,210	\$ -	\$ 43,883,269	15.6%

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditor's Report.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Required Supplementary Information

Schedule of Proportionate Share and Contributions of the Total OPEB Liability Last Ten Years June 30, 2025 (Unaudited)

Schedule of Proportionate Share

New Hampshire Retirement System Medical Subsidy

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net OPEB Liability</u>	<u>Proportionate Share of the Net OPEB Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total OPEB Liability</u>
June 30, 2025	June 30, 2024	2.02%	\$ 6,264,686	\$ 62,611,672	10.01%	14.01%
June 30, 2024	June 30, 2023	1.94%	\$ 6,630,072	\$ 60,597,408	10.94%	12.80%
June 30, 2023	June 30, 2022	1.95%	\$ 7,386,400	\$ 56,437,810	13.09%	10.64%
June 30, 2022	June 30, 2021	1.91%	\$ 7,653,044	\$ 53,997,615	13.56%	11.06%
June 30, 2021	June 30, 2020	1.88%	\$ 8,246,332	\$ 49,698,886	15.27%	7.74%
June 30, 2020	June 30, 2019	1.89%	\$ 8,296,898	\$ 48,895,625	16.69%	7.75%
June 30, 2019	June 30, 2018	1.89%	\$ 8,625,408	\$ 48,508,941	17.64%	7.53%
June 30, 2018	June 30, 2017	1.75%	\$ 8,021,348	\$ 45,846,939	16.54%	7.91%
June 30, 2017	June 30, 2016	1.75%	\$ 8,490,288	\$ 43,883,269	18.52%	5.21%

Schedule of Contributions

New Hampshire Retirement System Medical Subsidy

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions Relative to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2025	\$ 715,056	\$ 715,056	-	\$ 71,119,599	1.01%
June 30, 2024	\$ 849,158	\$ 849,158	-	\$ 62,611,672	1.36%
June 30, 2023	\$ 823,086	\$ 823,086	-	\$ 60,597,408	1.36%
June 30, 2022	\$ 822,041	\$ 822,041	-	\$ 56,437,810	1.46%
June 30, 2021	\$ 915,833	\$ 915,833	-	\$ 53,997,615	1.70%
June 30, 2020	\$ 853,498	\$ 853,498	-	\$ 49,698,886	1.72%
June 30, 2019	\$ 833,310	\$ 833,310	-	\$ 48,895,625	1.70%
June 30, 2018	\$ 1,039,787	\$ 1,039,787	-	\$ 48,508,941	2.14%
June 30, 2017	\$ 1,019,071	\$ 1,019,071	-	\$ 45,846,939	2.22%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditor's Report.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Required Supplementary Information

Other Post-Employment Benefits Plan – City Plan Schedule of Changes in the Total OPEB Liability

Last Ten Years

June 30, 2025

(Unaudited)

	2025	2024	2023	2022
Total OPEB liability				
Service cost	\$ 523,034	\$ 543,122	\$ 542,429	\$ 893,568
Interest on unfunded liability - time value of money	439,269	416,745	410,682	309,905
Differences between expected and actual experience	21,220	(994,394)	(380,288)	(2,762,635)
Changes of assumptions	231,247	872,596	(27,543)	(1,653,469)
Benefit payments, including refunds of member contributions	<u>(411,690)</u>	<u>(536,567)</u>	<u>(457,102)</u>	<u>(636,101)</u>
Net change in total OPEB liability	803,080	301,502	88,178	(3,848,732)
Total OPEB liability - beginning	<u>10,114,629</u>	<u>9,813,127</u>	<u>9,724,949</u>	<u>13,573,681</u>
Total OPEB liability - ending	<u>\$ 10,917,709</u>	<u>\$ 10,114,629</u>	<u>\$ 9,813,127</u>	<u>\$ 9,724,949</u>
Covered employee payroll	\$ 62,160,787	\$ 60,350,279	\$ 58,735,065	\$ 57,679,936
Total OPEB liability as a percentage of covered employee payroll	17.6%	16.8%	16.7%	16.9%
	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 860,752	\$ 1,032,861	\$ 982,172	\$ 1,004,806
Interest on unfunded liability - time value of money	371,203	593,708	646,717	590,211
Differences between expected and actual experience	(959,321)	(1,092,644)	(1,314,662)	(887,452)
Changes of assumptions	474,758	(2,719,864)	441,310	95,546
Benefit payments, including refunds of member contributions	<u>(532,415)</u>	<u>(668,753)</u>	<u>(536,933)</u>	<u>(574,642)</u>
Net change in total OPEB liability	214,977	(2,854,692)	218,604	228,469
Total OPEB liability - beginning	<u>13,358,704</u>	<u>16,213,396</u>	<u>15,994,792</u>	<u>15,766,323</u>
Total OPEB liability - ending	<u>\$ 13,573,681</u>	<u>\$ 13,358,704</u>	<u>\$ 16,213,396</u>	<u>\$ 15,994,792</u>
Covered employee payroll	\$ 56,136,191	\$ 54,633,763	\$ 45,387,789	\$ 44,280,770
Total OPEB liability as a percentage of covered employee payroll	24.2%	24.5%	35.7%	36.1%

There are no assets accumulated in a trust that meets the criteria of GASB codification P52.101 to pay related benefits for the OPEB plan.

Schedules is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditor's Report.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Required Supplementary Information

June 30, 2025

(Unaudited)

Note A: Budgetary – U.S. GAAP Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from GAAP. Therefore, in addition to the GAAP basis financial statements, the results of operations of the General Fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	Excess (Deficiency)
<u>General Fund</u>			
Revenues/Expenditures (GAAP Basis)	\$ 141,312,448	\$ 139,278,912	\$ 2,033,536
Other financing sources/uses (GAAP Basis)	<u>2,183,054</u>	<u>3,989,413</u>	<u>(1,806,359)</u>
Subtotal (GAAP Basis)	143,495,502	143,268,325	227,177
Reverse expenditures of prior year appropriation carryforwards	-	(3,768,008)	3,768,008
Use of fund balance	2,700,000	-	2,700,000
Indirect costs from enterprise funds	1,852,932	1,852,932	-
Add end-of-year appropriation carryforwards	-	2,897,333	(2,897,333)
Other reconciling items	<u>(166,351)</u>	<u>(67,540)</u>	<u>(98,811)</u>
Budgetary Basis	<u>\$ 147,882,083</u>	<u>\$ 144,183,042</u>	<u>\$ 3,699,041</u>

Combining Financial Statements

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special revenue funds are established for the following purposes:

- Community Development: to account for the use of Community Development Block Grant Funds as received from the federal government through the New Hampshire Office of State Planning. Current grants are mainly designed for City of Portsmouth economic development, housing rehabilitation, public service, and public facilities.
- School Lunch: to account for local funds and funds received from the federal and state government to provide lunches at City of Portsmouth schools.
- School Categorical Revenues: to account for funds received from the federal and state government for special programs and projects at City of Portsmouth schools.
- Grants and Contributions: to account for funds of the City designed for special purposes.
- Police Grants: to account for federal and state grants for the Police Department.
- Prescott Park: to account for maintenance costs associated with the park. The fund is funded by the Josie F. Prescott trust, Marine Maintenance trust, a transfer from the General Fund, and revenues generated from weddings and license agreements.
- Seizure: to account for Federal Equitable Sharing program funds received from seized funds and equipment.
- Parking and Transportation: to account for operations of the City's parking facility, parking enforcement, parking meter operations and parking administration funded by funds generated from these parking activities.
- Portwalk Place: to account for public works services, private street maintenance, parking enforcement services and reserve for future repair and maintenance costs of the private street.
- Housing Subsidy: to account for housing subsidy grants to provide assistance to first time homebuyers.
- Conservation: to account for Land Use Change Tax dedicated for the acquisition or preservation of open space.
- Stormwater: to account for funds dedicated to improving water quality in drainage areas by management of stormwater and combined sewer/stormwater systems.
- Recreation: to account for fees collected for sports and other recreational activities and related expenditures.

- Swimming Pool: to account for operations of the City's indoor swimming pool.
- Community Campus: to account for public works and recreation activity at the Community Campus Complex.
- Library: to account for certain revenues, including equipment fees and donations and related expenditures incurred in operation of this public library located at 175 Parrott Avenue.
- Library Trust: to account for expendable gifts received by the Library.
- City Trust: to account for the various expendable portions of the City's trusts.

CAPITAL PROJECT FUNDS

Capital project funds are established to account for resources obtained and expended for the acquisition of major capital facilities or equipment other than those employed in the delivery of services accounted for in Enterprise Funds.

The capital project funds are established for the following purposes:

- School Renovations: to fund Middle School renovation costs.
- Transportation Management: to fund transportation management projects.
- Transportation State: to account for transportation projects funded both by City and state funds and as where the City manages the project.
- Vehicle/Equipment Replacement: to fund purchases of vehicles and equipment.
- Technology Equipment: to fund purchases of technology equipment.
- Building and Infrastructure: to account for building and infrastructure improvements.

PERMANENT FUNDS

Permanent funds are established to account for certain assets held by the City in a fiduciary capacity as trustee. The following is a description of the City's permanent funds:

- City Trust: to account for various bequests to the City designated for particular purposes.
- Library Trust: to account for nonexpendable gifts received by the library with income restricted for maintenance of the library grounds.

DEBT SERVICE FUNDS

Debt service funds are established to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources. The following is a description of the City's Debt Service Fund:

- Debt Service Fund: to account for the betterment improvement on Commerce Way.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

Assets	Special Revenue Funds					
	Community Development	School Lunch	School Categorical Revenues	Grants and Contributions	Police Grants	Prescott Park
Cash and short-term investments	\$ 752,082	\$ 223,180	\$ -	\$ 6,523,190	\$ -	\$ 149,026
Investments	-	-	-	-	-	-
Receivables:						
Departmental and other	-	20,977	49,477	43,241	-	4,917
Intergovernmental	955	-	291,022	561,592	964,218	-
Special assessments	-	-	-	-	-	-
Loans and interest	833,599	-	-	-	-	-
Leases	-	-	-	2,738,268	-	-
Due from other funds	-	-	287,016	-	-	-
Inventory	-	59,237	-	-	-	-
Total Assets	\$ 1,586,636	\$ 303,394	\$ 627,515	\$ 9,866,291	\$ 964,218	\$ 153,943
 Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts payable	\$ 8,634.00	\$ -	\$ -	\$ 1,085,251	\$ -	\$ 14,248
Accrued liabilities	-	-	-	-	-	11,180
Notes payable	-	-	-	-	-	-
Unearned revenue	-	40,668	-	955,216	-	-
Retainage payable	-	-	-	180,615	-	-
Due to other funds	412	184,074	-	-	702,779	-
Advances from other funds	-	-	-	-	-	-
Total Liabilities	9,046	224,742	-	2,221,082	702,779	25,428
Deferred Inflows of Resources						
Unavailable revenues - long term receivables	764,097	23,753	-	36,427	-	20,000
Lease related	-	-	-	2,652,919	-	-
Total Deferred Inflows of Resources	764,097	23,753	-	2,689,346	-	20,000
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	813,493	54,899	627,515	4,955,863	261,439	108,515
Committed	-	-	-	-	-	-
Total Fund Balances	813,493	54,899	627,515	4,955,863	261,439	108,515
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,586,636	\$ 303,394	\$ 627,515	\$ 9,866,291	\$ 964,218	\$ 153,943

(continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

(continued)

Assets	Special Revenue Funds					
	Parking and Transportation		Portwalk Place	Housing Subsidy	Conservation	Stormwater
	Seizure					
Cash and short-term investments	\$ 130,433	\$ 5,249,792	\$ 130,071	\$ 235,226	\$ 1,193,510	\$ 617,434
Investments	-	-	-	-	-	-
Receivables:						
Departmental and other	-	-	-	-	-	-
Intergovernmental	5,656	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Loans and Interest	-	-	-	1,464,208	-	-
Leases	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total Assets	\$ 136,089	\$ 5,249,792	\$ 130,071	\$ 1,699,434	\$ 1,193,510	\$ 617,434
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ 583,103	\$ 30,071	\$ -	\$ -	\$ 67,259
Accrued liabilities	-	64,609	-	-	-	5,123
Notes payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Retainage payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total Liabilities	-	647,712	30,071	-	-	72,382
Deferred Inflows of Resources						
Unavailable revenues - long term receivables	-	-	-	1,464,208	-	-
Lease related	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	1,464,208	-	-
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	136,089	-	-	235,226	-	-
Committed	-	4,602,080	100,000	-	1,193,510	545,052
Total Fund Balances	136,089	4,602,080	100,000	235,226	1,193,510	545,052
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 136,089	\$ 5,249,792	\$ 130,071	\$ 1,699,434	\$ 1,193,510	\$ 617,434

(continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

(continued)

Assets	Special Revenue Funds						
	Recreation	Swimming Pool	Community Campus	Library	Library Trust	City Trust	Sub-total
Cash and short-term investments	\$ 285,281	\$ 224,342	\$ 291,585	\$ 282,985	\$ 91,244	\$ 1,234,141	\$ 17,613,522
Investments	-	-	-	-	48,876	1,374,243	1,423,119
Receivables:							
Departmental and other	-	-	11,339	-	-	-	129,951
Intergovernmental	-	-	-	-	-	-	1,823,443
Special assessments	-	-	-	-	-	-	-
Loans and interest	-	-	-	-	-	266	2,298,073
Leases	-	-	3,657,140	-	-	-	6,395,408
Due from other funds	-	-	-	-	-	-	287,016
Inventory	-	-	-	-	-	-	59,237
Total Assets	\$ 285,281	\$ 224,342	\$ 3,960,064	\$ 282,985	\$ 140,120	\$ 2,608,650	\$ 30,029,769
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts payable	\$ 36,535	\$ 10,186	\$ 61,089	\$ 4,506	-	\$	\$ 1,900,882
Accrued liabilities	2,060	4,132	3,106	404	-	-	90,614
Notes payable	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	995,884
Retainage payable	-	-	-	-	-	-	180,615
Due to other funds	-	-	-	-	-	-	887,265
Advances from other funds	-	-	-	-	-	264,760	264,760
Total Liabilities	38,595	14,318	64,195	4,910	-	264,760	4,320,020
Deferred Inflows of Resources							
Unavailable revenues - long term receivables	-	-	-	-	-	-	2,308,485
Lease related	-	-	3,601,063	-	-	-	6,253,982
Total Deferred Inflows of Resources	-	-	3,601,063	-	-	-	8,562,467
Fund Balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	210,024	294,806	278,075	140,120	2,343,890	10,459,954
Committed	246,686	-	-	-	-	-	6,687,328
Total Fund Balances	246,686	210,024	294,806	278,075	140,120	2,343,890	17,147,282
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 285,281	\$ 224,342	\$ 3,960,064	\$ 282,985	\$ 140,120	\$ 2,608,650	\$ 30,029,769

(continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

(continued)

Assets	Capital Projects						
	School Renovations	Transportation Management	Transportation State	Vehicle/ Equipment Replacement	Technology Equipment	Building and Infrastructure	Sub-total
Cash and short-term investments	\$ 2,277	\$ 10,287,561	\$ 200,918	\$ 2,470,408	\$ 1,658,583	\$ 10,355,932	\$ 24,975,679
Investments	-	-	-	-	-	-	-
Receivables:							
Departmental and other	-	-	-	-	-	-	-
Intergovernmental	-	-	26,812	-	-	-	26,812
Special assessments	-	-	-	-	-	-	-
Loans and Interest	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Total Assets	\$ 2,277	\$ 10,287,561	\$ 227,730	\$ 2,470,408	\$ 1,658,583	\$ 10,355,932	\$ 25,002,491
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ 1,982,958	\$ 24,659	\$ -	\$ 5,689	\$ 2,056,329	\$ 4,069,635
Accrued liabilities	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	7,131,000	7,131,000
Unearned revenue	-	-	-	-	-	-	-
Retainage payable	-	698,717	-	-	-	1,012,698	1,711,415
Due to other funds	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Total Liabilities	-	2,681,675	24,659	-	5,689	10,200,027	12,912,050
Deferred Inflows of Resources							
Unavailable revenues - long term receivables	-	-	-	-	-	-	-
Lease related	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
Fund Balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	2,277	7,605,886	-	-	-	155,905	7,764,068
Committed	-	-	203,071	2,470,408	1,652,894	-	4,326,373
Total Fund Balances	2,277	7,605,886	203,071	2,470,408	1,652,894	155,905	12,090,441
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,277	\$ 10,287,561	\$ 227,730	\$ 2,470,408	\$ 1,658,583	\$ 10,355,932	\$ 25,002,491

(continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

(continued)

Assets	<i>Permanent Funds</i>				Total Nonmajor Governmental Funds
	City Trust	Library Trust	Sub-total	Debt Service Fund	
Cash and short-term investments	\$ 394,483	\$ -	\$ 394,483	\$ 345	\$ 42,984,029
Investments	11,616,593	4,413	11,621,006	-	13,044,125
Receivables:					
Departmental and other	454	-	454	-	130,405
Intergovernmental	-	-	-	-	1,850,255
Special assessments	-	-	-	187,084	187,084
Loans and Interest	2,081	-	2,081	-	2,300,154
Leases	-	-	-	-	6,395,408
Due from other funds	-	-	-	-	287,016
Inventory	-	-	-	-	59,237
Total Assets	\$ 12,013,611	\$ 4,413	\$ 12,018,024	\$ 187,429	\$ 67,237,713
 Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 5,970,517
Accrued liabilities	-	-	-	-	90,614
Notes payable	-	-	-	-	7,131,000
Unearned revenue	-	-	-	-	995,884
Retainage payable	-	-	-	-	1,892,030
Due to other funds	-	-	-	-	887,265
Advances from other funds	-	-	-	-	264,760
Total Liabilities	-	-	-	-	17,232,070
Deferred Inflows of Resources					
Unavailable revenues - long term receivables	-	-	-	187,084	2,495,569
Lease related	-	-	-	-	6,253,982
Total Deferred Inflows of Resources	-	-	-	187,084	8,749,551
Fund Balances					
Nonspendable	1,629,062	4,413	1,633,475	-	1,633,475
Restricted	10,384,549	-	10,384,549	345	28,608,916
Committed	-	-	-	-	11,013,701
Total Fund Balances	12,013,611	4,413	12,018,024	345	41,256,092
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,013,611	\$ 4,413	\$ 12,018,024	\$ 187,429	\$ 67,237,713

(concluded)

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
For the Year Ended June 30, 2025

<i>Special Revenue Funds</i>						
	Community Development	School Lunch	School Categorical Revenues	Grants and Contributions	Police Grants	Prescott Park
Revenues						
Intergovernmental	\$ 759,950	\$ -	\$ 5,923,779	\$ 5,392,654	\$ 1,169,570	\$ -
Charges for services	-	1,021,182	-	34,540	-	31,648
Investment income (loss)	8,707	-	-	-	-	-
Fines and costs	-	-	-	2,715	-	-
Contributions	-	-	-	1,429,527	3,855	-
Special assessments	-	-	-	-	-	-
Other	<u>231,235</u>	<u>-</u>	<u>-</u>	<u>348,855</u>	<u>-</u>	<u>4,001</u>
Total Revenues	<u>999,892</u>	<u>1,021,182</u>	<u>5,923,779</u>	<u>7,208,291</u>	<u>1,173,425</u>	<u>35,649</u>
Expenditures						
Current:						
General government	-	-	-	1,126,810	-	-
Public safety	-	-	-	93,940	1,127,375	-
Education	-	1,227,413	6,377,154	-	-	-
Public works	-	-	-	152,560	-	43,955
Health and Human Services	-	-	-	404,790	-	-
Culture and recreation	-	-	-	108,508	-	498,665
Community development	<u>1,038,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	<u>4,406,573</u>	<u>19,359</u>	<u>-</u>
Total Expenditures	<u>1,038,732</u>	<u>1,227,413</u>	<u>6,377,154</u>	<u>6,293,181</u>	<u>1,146,734</u>	<u>542,620</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(38,840)</u>	<u>(206,231)</u>	<u>(453,375)</u>	<u>915,110</u>	<u>26,691</u>	<u>(506,971)</u>
Other Financing Sources (Uses)						
Issuance of bonds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Transfers In	-	212,233	20,000	512,000	-	556,030
Transfers Out	-	-	-	<u>(2,183,054)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>212,233</u>	<u>20,000</u>	<u>(1,671,054)</u>	<u>-</u>	<u>556,030</u>
Net change in fund balances	<u>(38,840)</u>	<u>6,002</u>	<u>(433,375)</u>	<u>(755,944)</u>	<u>26,691</u>	<u>49,059</u>
Fund Balances, beginning of year, as reclassified	<u>852,333</u>	<u>48,897</u>	<u>1,060,890</u>	<u>5,711,807</u>	<u>234,748</u>	<u>59,456</u>
Fund Balances, end of year	<u>\$ 813,493</u>	<u>\$ 54,899</u>	<u>\$ 627,515</u>	<u>\$ 4,955,863</u>	<u>\$ 261,439</u>	<u>\$ 108,515</u>

(continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
For the Year Ended June 30, 2025

(continued)

<i>Special Revenue Funds</i>						
	Seizure	Parking and Transportation	Portwalk Place	Housing Subsidy	Conservation	Stormwater
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	- -	8,823,977	66,822	- -	- -	- -
Investment income (loss)	- -	- -	- -	- -	- -	- -
Fines and costs	82,772	- -	- -	- -	- -	- -
Contributions	- -	- -	- -	- -	- -	- -
Special assessments	- -	- -	- -	- -	- -	- -
Other	26,303	150	- -	58,939	- -	- -
Total Revenues	109,075	8,824,127	66,822	58,939	- -	- -
Expenditures						
Current:						
General government	- -	- -	- -	- -	- -	- -
Public safety	32,773	- -	- -	- -	- -	- -
Education	- -	- -	- -	- -	- -	- -
Public works	- -	6,105,659	66,822	- -	- -	490,194
Health and Human Services	- -	- -	- -	- -	- -	- -
Culture and recreation	- -	- -	- -	- -	- -	- -
Community development	- -	- -	- -	146,520	- -	- -
Debt service:						
Principal	- -	1,375,000	- -	- -	- -	- -
Interest	- -	957,263	- -	- -	- -	- -
Capital outlay	- -	1,212,434	- -	- -	- -	- -
Total Expenditures	32,773	9,650,356	66,822	146,520	- -	490,194
Excess (deficiency) of revenues over (under) expenditures	76,302	(826,229)	- -	(87,581)	- -	(490,194)
Other Financing Sources (Uses)						
Issuance of bonds	- -	- -	- -	- -	- -	- -
Bond premium	- -	- -	- -	- -	- -	- -
Transfers In	- -	- -	- -	- -	825	703,256
Transfers Out	- -	(160,000)	- -	- -	- -	(355,000)
Total Other Financing Sources (Uses)	- -	(160,000)	- -	- -	825	348,256
Net change in fund balances	76,302	(986,229)	- -	(87,581)	825	(141,938)
Fund Balances, beginning of year, as reclassified	59,787	5,588,309	100,000	322,807	1,192,685	686,990
Fund Balances, end of year	\$ 136,089	\$ 4,602,080	\$ 100,000	\$ 235,226	\$ 1,193,510	\$ 545,052

(continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
For the Year Ended June 30, 2025

(continued)

	<i>Special Revenue Funds</i>						
	Recreation	Swimming Pool	Community Campus	Library	Library Trust	City Trust	Sub-total
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,245,953
Charges for services	559,494	374,518	-	91,558	-	82,250	11,085,989
Investment income (loss)	-	-	-	-	5,591	173,618	187,916
Fines and costs	-	-	-	-	-	-	85,487
Contributions	-	-	-	16,927	-	721,974	2,172,283
Special assessments	-	-	-	-	-	-	-
Other	-	-	540,038	40	-	-	1,209,561
Total Revenues	<u>559,494</u>	<u>374,518</u>	<u>540,038</u>	<u>108,525</u>	<u>5,591</u>	<u>977,842</u>	<u>27,987,189</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	1,126,810
Public safety	-	-	-	-	-	-	1,254,088
Education	-	-	-	-	-	80,605	7,685,172
Public works	-	-	647,928	-	-	-	7,507,118
Health and Human Services	-	-	-	-	-	-	404,790
Culture and recreation	486,984	539,526	197,766	71,075	-	117,191	2,019,715
Community development	-	-	-	-	-	-	1,185,252
Debt service:							
Principal	-	-	-	-	-	-	1,375,000
Interest	-	-	-	-	-	-	957,263
Capital outlay	-	-	-	-	-	-	5,638,366
Total Expenditures	<u>486,984</u>	<u>539,526</u>	<u>845,694</u>	<u>71,075</u>	<u>-</u>	<u>197,796</u>	<u>29,153,574</u>
Excess (deficiency) of revenues over (under) expenditures	<u>72,510</u>	<u>(165,008)</u>	<u>(305,656)</u>	<u>37,450</u>	<u>5,591</u>	<u>780,046</u>	<u>(1,166,385)</u>
Other Financing Sources (Uses)							
Issuance of bonds	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-
Transfers In	-	200,000	465,355	-	-	-	2,669,699
Transfers Out	-	-	-	-	-	(25,000)	(2,723,054)
Total Other Financing Sources (Uses)	<u>-</u>	<u>200,000</u>	<u>465,355</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>	<u>(53,355)</u>
Net change in fund balances	<u>72,510</u>	<u>34,992</u>	<u>159,699</u>	<u>37,450</u>	<u>5,591</u>	<u>755,046</u>	<u>(1,219,740)</u>
Fund Balances, beginning of year, as reclassified	<u>174,176</u>	<u>175,032</u>	<u>135,107</u>	<u>240,625</u>	<u>134,529</u>	<u>1,588,844</u>	<u>18,367,022</u>
Fund Balances, end of year	<u>\$ 246,686</u>	<u>\$ 210,024</u>	<u>\$ 294,806</u>	<u>\$ 278,075</u>	<u>\$ 140,120</u>	<u>\$ 2,343,890</u>	<u>\$ 17,147,282</u>

(continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
For the Year Ended June 30, 2025

(continued)

	<i>Capital Projects</i>						
	School Renovations	Transportation Management	Transportation State	Vehicle/ Equipment Replacement	Technology Equipment	Building and Infrastructure	Sub-total
Revenues							
Intergovernmental	\$ -	\$ -	\$ 99,215	\$ -	\$ -	\$ -	\$ 99,215
Charges for services	-	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	-	-	-
Fines and costs	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Revenues	-	-	99,215	-	-	-	99,215
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Health and Human Services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay	-	12,758,879	124,020	1,320,641	633,693	9,352,540	24,189,773
Total Expenditures	-	12,758,879	124,020	1,320,641	633,693	9,352,540	24,189,773
Excess (deficiency) of revenues over (under) expenditures	-	(12,758,879)	(24,805)	(1,320,641)	(633,693)	(9,352,540)	(24,090,558)
Other Financing Sources (Uses)							
Issuance of bonds	-	4,004,000	-	1,054,500	-	6,913,200	11,971,700
Bond premium	-	196,000	-	55,500	-	336,800	588,300
Transfers In	-	-	-	1,273,650	730,792	550,000	2,554,442
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	4,200,000	-	2,383,650	730,792	7,800,000	15,114,442
Net change in fund balances	-	(8,558,879)	(24,805)	1,063,009	97,099	(1,552,540)	(8,976,116)
Fund Balances, beginning of year, as reclassified	2,277	16,164,765	227,876	1,407,399	1,555,795	1,708,445	21,066,557
Fund Balances, end of year	\$ 2,277	\$ 7,605,886	\$ 203,071	\$ 2,470,408	\$ 1,652,894	\$ 155,905	\$ 12,090,441

(continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE
 Combining Statement of Revenues, Expenditures
 And Changes in Fund Balances
 For the Year Ended June 30, 2025

(continued)

	<i>Permanent Funds</i>				<i>Total</i>
	<i>City Trust</i>	<i>Library Trust</i>	<i>Sub-total</i>	<i>Debt Service</i>	
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 13,345,168
Charges for services	-	-	-	-	11,085,989
Investment income (loss)	1,405,011	176	1,405,187	-	1,593,103
Fines and costs	-	-	-	-	85,487
Contributions	200	-	200	-	2,172,483
Special assessments	-	-	-	187,084	187,084
Other	-	-	-	-	1,209,561
Total Revenues	1,405,211	176	1,405,387	187,084	29,678,875
Expenditures					
Current:					
General government	-	-	-	-	1,126,810
Public safety	-	-	-	-	1,254,088
Education	24,078	-	24,078	-	7,709,250
Public works	-	-	-	-	7,507,118
Health and Human Services	-	-	-	-	404,790
Culture and recreation	24,186	-	24,186	-	2,043,901
Community development	-	-	-	-	1,185,252
Debt service:					
Principal	-	-	-	170,000	1,545,000
Interest	-	-	-	14,000	971,263
Capital outlay	-	-	-	-	29,828,139
Total Expenditures	48,264	-	48,264	184,000	53,575,611
Excess (deficiency) of revenues over (under) expenditures	1,356,947	176	1,357,123	3,084	(23,896,736)
Other Financing Sources (Uses)					
Issuance of bonds	-	-	-	-	11,971,700
Bond premium	-	-	-	-	588,300
Transfers In	-	-	-	-	5,224,141
Transfers Out	(208,100)	-	(208,100)	-	(2,931,154)
Total Other Financing Sources (Uses)	(208,100)	-	(208,100)	-	14,852,987
Net change in fund balances	1,148,847	176	1,149,023	3,084	(9,043,749)
Fund Balances, beginning of year, as reclassified	10,864,764	4,237	10,869,001	(2,739)	50,299,841
Fund Balances, end of year	\$ 12,013,611	\$ 4,413	\$ 12,018,024	\$ 345	\$ 41,256,092

(concluded)

FIDUCIARY FUNDS

PRIVATE PURPOSE TRUST FUNDS

Private purpose trust funds represent contributions used to account for trust arrangements, under which principal and investment income exclusively benefit individuals, coalitions, or other governments.

- Park: represents contributions used to compensate local artists performing in Prescott Park Arts Festival and to maintain and provide for upkeep of the Lower State Street Park.
- Scholarship: represents contributions used to subsidize education costs for eligible students.
- Worthy Poor: represents contributions to help eligible residents with living costs.
- Memorial: represents contributions used to maintain Emerson Hovey Fountain in Prescott Park, construction of memorial for veterans, and presentation of travel talks for the public.
- Commemoration: represents contributions for celebration on Emancipation Day, 400th celebrations, and to further Japanese-American relations.

CUSTODIAL FUNDS

Custodial funds are established to account for fiduciary assets held by the City in a custodial capacity as an agent on behalf of others.

- Coalition Communities: represents contributions from local governments in the State of New Hampshire to ensure a fair and sustainable education funding solution, without the statewide property tax, that guarantees every NH schoolchild an equal education opportunity.
- School: represents primarily student activity funds, which are contributions from students and fundraising receipts used to pay for student-related activities.
- Taxes and Fees: Used to account for taxes and fees collected by the City on behalf of other governments.

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Combining Statement Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2025

	Park	Scholarship	Worthy Poor	Memorial	Commemoration	Total
Assets						
Cash and short-term investments	\$ 936	\$ 465,552	\$ -	\$ -	\$ 146,638	\$ 613,126
Investments:						
Fixed income mutual funds	29,392	2,991,109	29,829	206,470	2,216	3,259,016
Equity mutual funds	97,040	9,886,109	98,482	681,678	7,319	10,770,628
Other assets	22	2,412	22	233	2	2,691
Total Assets	127,390	13,345,182	128,333	888,381	156,175	14,645,461
Liabilities						
Accounts payable	-	3,000	-	-	-	3,000
Net Position Held in Trust	127,390	13,342,182	128,333	888,381	156,175	14,642,461
Total Liabilities and Net Position	\$ 127,390	\$ 13,345,182	\$ 128,333	\$ 888,381	\$ 156,175	\$ 14,645,461

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Combining Statement of Changes Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2025

	Park	Scholarship	Poor	Worthy	Memorial	Commemoration	Total
Additions							
Investment income	\$ 15,260	\$ 1,541,171	\$ 15,487	\$ 107,195	\$ 1,154	\$ 1,680,267	
Contributions	<u>-</u>	<u>3,170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,635</u>	<u>149,805</u>
Total Additions	<u>15,260</u>	<u>1,544,341</u>	<u>15,487</u>	<u>107,195</u>	<u>147,789</u>	<u>1,680,267</u>	<u>1,830,072</u>
Deductions							
Payments to beneficiaries	<u>86,232</u>	<u>241,134</u>	<u>235</u>	<u>1,623</u>	<u>16</u>	<u>329,240</u>	
Total Deductions	<u>86,232</u>	<u>241,134</u>	<u>235</u>	<u>1,623</u>	<u>16</u>	<u>329,240</u>	
Change in Net Position	(70,972)	1,303,207	15,252	105,572	147,773		1,500,832
Net Position							
Beginning of year	<u>198,362</u>	<u>12,038,975</u>	<u>113,081</u>	<u>782,809</u>	<u>8,402</u>	<u>13,141,629</u>	
End of year	\$ <u>127,390</u>	\$ <u>13,342,182</u>	\$ <u>128,333</u>	\$ <u>888,381</u>	\$ <u>156,175</u>	\$ <u>14,642,461</u>	

CITY OF PORTSMOUTH, NEW HAMPSHIRE
 Combining Statement of Fiduciary Net Position
 Custodial Funds
 June 30, 2025

	Coalition Communities	School	Taxes and Fees	Total
Assets				
Cash and short-term investments	\$ 263,623	\$ 438,510	\$ -	\$ 702,133
Net Position				
Restricted for Other Purposes	<u>\$ 263,623</u>	<u>\$ 438,510</u>	<u>\$ -</u>	<u>\$ 702,133</u>

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Combining Statement of Changes Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2025

	Coalition Communities	School	Taxes and Fees	Total
Additions				
Property taxes collected for Rockingham County	\$ -	\$ -	\$ 5,826,090	\$ 5,826,090
Fees collected for the State of New Hampshire	- -	- -	1,649,760	1,649,760
Other	<u>175,187</u>	<u>977,504</u>	<u>-</u>	<u>1,152,691</u>
Total Additions	<u>175,187</u>	<u>977,504</u>	<u>7,475,850</u>	<u>8,628,541</u>
Deductions				
Payments of taxes to Rockingham County	- -	- -	5,826,090	5,826,090
Payments of fees to State of New Hampshire	- -	- -	1,649,760	1,649,760
Payments to beneficiaries	<u>132,386</u>	<u>1,134,387</u>	<u>-</u>	<u>1,266,773</u>
Total Deductions	<u>132,386</u>	<u>1,134,387</u>	<u>7,475,850</u>	<u>8,742,623</u>
Change in Net Position	<u>42,801</u>	<u>(156,883)</u>	<u>-</u>	<u>(114,082)</u>
Net Position				
Beginning of year	<u>220,822</u>	<u>595,393</u>	<u>-</u>	<u>816,215</u>
End of year	<u>\$ 263,623</u>	<u>\$ 438,510</u>	<u>\$ -</u>	<u>\$ 702,133</u>

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CITY OF PORTSMOUTH, NEW HAMPSHIRE

STATISTICAL SECTION

The City of Portsmouth's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

	<u>Page</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	128 - 132
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	133 - 139
<i>Debt Capacity</i>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	140 - 143
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	144 - 145
<i>Operating Information</i>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	146 - 148

City of Portsmouth, New Hampshire

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2016	2017	2018 ⁽¹⁾	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net invested in capital assets	\$ 113,265,585	\$ 120,182,374	\$ 126,962,691	\$ 134,801,319	\$ 145,409,298	\$ 151,204,499	\$ 158,507,095	\$ 163,202,770	\$ 171,558,070	\$ 177,429,882
Restricted	17,379,705	23,682,016	27,866,299	23,358,486	14,219,166	16,115,655	15,727,416	23,588,317	32,045,678	32,737,960
Unrestricted	(20,874,844)	(26,597,332)	(47,851,018)	(48,314,956)	(47,163,662)	(55,502,650)	(46,878,577)	(37,663,383)	(44,722,274)	(42,541,943)
Total governmental activities net position	\$ 109,770,446	\$ 117,267,058	\$ 106,977,972	\$ 109,844,849	\$ 112,464,802	\$ 111,817,504	\$ 127,355,934	\$ 149,127,704	\$ 158,881,474	\$ 167,625,899
Business-type activities										
Net invested in capital assets	\$ 60,256,180	\$ 64,498,965	\$ 73,151,637	\$ 80,956,213	\$ 91,839,994	\$ 99,765,133	\$ 109,947,647	\$ 114,948,832	\$ 122,487,360	\$ 129,308,107
Restricted	650,192	487,644	325,096	162,549	-	-	-	-	-	26,645,794
Unrestricted	30,326,890	33,436,307	33,845,169	35,188,457	35,917,199	34,778,323	30,508,407	29,822,455	26,590,896	23,939,443
Total business-type activities net position	\$ 91,233,262	\$ 98,422,916	\$ 107,321,902	\$ 116,307,219	\$ 127,757,193	\$ 134,543,456	\$ 140,456,054	\$ 144,771,287	\$ 149,078,256	\$ 179,893,344
Primary government										
Net invested in capital assets	\$ 173,521,765	\$ 184,681,339	\$ 200,114,328	\$ 215,757,532	\$ 237,249,292	\$ 250,969,632	\$ 268,454,742	\$ 278,151,602	\$ 294,045,430	\$ 306,737,989
Restricted	18,029,897	24,169,660	28,191,395	23,521,035	14,219,166	16,115,655	15,727,416	23,588,317	32,045,678	59,383,754
Unrestricted	9,452,046	6,838,975	(14,005,849)	(13,126,499)	(11,246,463)	(20,724,327)	(16,370,170)	(7,840,928)	(18,131,378)	(18,602,500)
Total primary government net position	\$ 201,003,708	\$ 215,689,974	\$ 214,299,874	\$ 226,152,068	\$ 240,221,995	\$ 246,360,960	\$ 267,811,988	\$ 293,898,991	\$ 307,959,730	\$ 347,519,243

Notes:

⁽¹⁾As restated in conformity with GASB Statement 75.

City of Portsmouth, New Hampshire

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2016	2017	2018 ⁽¹⁾	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	\$ 12,673,140	\$ 13,503,790	\$ 15,088,352	\$ 16,128,724	\$ 16,600,160	\$ 16,340,029	\$ 17,256,619	\$ 15,741,384	\$ 19,487,297	\$ 20,693,773
Public safety	18,094,404	20,724,528	21,595,007	23,145,413	25,184,885	27,099,533	21,771,468	24,021,022	26,452,472	28,663,146
Education	50,084,302	54,271,573	55,519,796	57,309,963	57,810,208	64,043,879	60,176,866	65,177,969	70,789,328	74,037,098
Public works	12,653,506	14,283,986	15,615,743	16,596,453	17,308,970	17,265,865	18,139,049	24,231,392	24,568,380	24,566,730
Health and human Services	565,256	674,704	650,045	745,703	772,738	755,861	682,650	1,002,507	1,065,451	1,528,431
Culture and recreation	4,095,642	4,331,428	4,291,601	4,679,018	4,460,453	3,688,659	4,772,772	6,072,448	6,475,975	7,171,899
Community development	1,115,661	1,278,188	1,356,490	1,129,752	686,920	988,745	627,514	969,508	598,863	1,652,807
Interest	3,213,394	3,157,534	3,840,248	4,042,650	4,328,783	4,038,815	3,767,100	2,950,393	262,063	3,622,786
Total governmental activities expenses	102,495,305	112,225,731	117,957,282	123,778,676	127,153,117	134,221,386	127,194,038	140,166,623	149,699,829	161,936,670
Business-type activities:										
Water services	7,701,340	7,906,621	8,006,293	8,196,446	8,710,090	9,325,133	8,986,385	10,298,220	10,448,479	11,135,868
Sewer services	9,656,429	10,534,561	10,764,490	12,134,267	12,518,334	16,636,378	17,924,650	19,859,398	19,755,624	21,103,674
Total business-type activities expenses	17,357,769	18,441,182	18,770,783	20,330,713	21,228,424	25,961,511	26,911,035	30,157,618	30,204,103	32,239,542
Total primary government expenses	\$ 119,853,074	\$ 130,666,913	\$ 136,728,065	\$ 144,109,389	\$ 148,381,541	\$ 160,182,897	\$ 154,105,073	\$ 170,324,241	\$ 179,903,932	\$ 194,176,212
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 8,468,071	\$ 9,118,467	\$ 9,238,699	\$ 10,174,313	\$ 9,443,267	\$ 10,459,791	\$ 9,853,149	\$ 10,728,289	\$ 11,947,359	\$ 13,039,495
Public safety	1,023,934	1,447,285	1,019,331	1,328,213	1,332,301	1,297,300	1,632,381	1,509,488	1,984,099	2,080,666
Education	439,435	521,698	586,097	615,001	427,586	463,641	1,362,520	938,201	1,032,710	1,013,423
Public Works	6,666,633	6,978,104	8,287,756	8,622,961	7,770,516	7,656,924	9,982,426	9,916,200	9,834,169	10,530,318
Health and Human Services	101,805	90,178	46,827	119,184	79,383	61,271	170,322	122,206	124,193	118,180
Culture and Recreation	1,047,332	1,046,097	1,037,737	1,013,455	689,334	192,581	870,160	1,208,983	1,368,298	1,586,748
Total charges for services	17,747,210	19,201,829	20,216,447	21,873,127	19,742,387	20,131,508	23,870,958	24,423,367	26,290,828	28,368,830
Operating grants and contributions	11,176,877	12,057,678	12,821,591	11,289,587	12,250,781	13,464,292	12,125,989	20,998,285	18,061,989	22,233,668
Capital grants and contributions	3,113,261	3,630,406	4,384,314	3,582,619	3,197,243	2,545,693	3,296,703	10,582,666	5,191,293	2,718,689
Total governmental activities program revenues	32,037,348	34,889,913	37,422,352	36,745,333	35,190,411	36,141,493	39,293,650	56,004,318	49,544,110	53,321,187
Business-type activities:										
Charges for services										
Water services	9,225,357	9,029,792	9,469,785	9,242,222	9,359,610	9,685,950	9,767,614	10,445,004	10,190,383	11,349,372
Sewer services	14,244,796	14,602,295	15,434,863	15,787,895	16,241,573	16,761,718	17,261,587	18,456,364	18,973,888	19,955,359
Total charges for services	23,470,153	23,632,087	24,904,648	25,030,117	25,601,183	26,447,668	27,029,201	28,901,368	29,164,271	31,304,731
Operating grants and contributions									39,470	847,105
Capital grants and contributions										
Total business-type activities program revenues	24,346,952	25,029,205	26,939,919	28,060,243	33,231,789	32,147,676	32,360,316	33,632,648	33,316,946	33,614,194
Total primary government program revenues	\$ 56,384,308	\$ 59,919,118	\$ 64,362,271	\$ 64,805,576	\$ 68,422,200	\$ 68,289,169	\$ 71,653,966	\$ 89,636,966	\$ 82,861,056	\$ 86,935,381
Net (Expenses) Revenue										
Governmental activities	\$ (70,457,957)	\$ (77,335,818)	\$ (80,534,930)	\$ (87,033,343)	\$ (91,962,706)	\$ (98,079,893)	\$ (87,900,388)	\$ (84,162,305)	\$ (100,155,719)	\$ (108,615,483)
Business-type activities	6,989,183	6,588,023	8,169,136	7,729,530	12,003,365	6,186,165	5,449,281	3,475,030	3,112,843	1,374,652
Total primary government net expense	\$ (63,468,774)	\$ (70,747,795)	\$ (72,365,794)	\$ (79,303,813)	\$ (79,959,341)	\$ (91,893,728)	\$ (82,451,107)	\$ (80,687,275)	\$ (97,042,876)	\$ (107,240,831)
General Revenues and Other Changes in Net Assets/Position										
Governmental activities:										
Property taxes	\$ 77,272,916	\$ 78,955,625	\$ 81,811,278	\$ 84,827,646	\$ 88,733,646	\$ 89,201,149	\$ 97,948,515	\$ 99,370,967	\$ 101,821,565	\$ 109,131,894
Interest on taxes	208,972	168,675	88,770	104,157	164,713	191,444	168,752	147,262	145,957	150,455
Grants and contributions not restricted to specific programs	1,032,133	1,111,547	1,109,504	1,122,057	1,329,583	1,318,163	1,639,197	1,938,850	2,080,659	2,232,998
Special Assessment	-	1,870,839	-	-	-	-	-	-	-	-
Investment income (loss)	473,465	1,219,261	1,548,840	1,834,402	1,563,074	3,095,785	(1,152,365)	3,087,456	4,757,076	4,520,457
Other revenues	2,061,211	1,493,503	3,115,350	1,751,891	2,393,837	3,348,347	4,522,726	937,751	485,189	837,476
Permanent fund contributions	27,198	12,980	865	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	260,067	397,806	277,707	311,993	451,789	619,043	486,628
Total governmental activities	81,075,895	84,832,430	87,674,607	89,900,220	94,582,659	97,432,595	103,438,818	105,934,075	109,909,489	117,359,908
Business-type activities:										
Investment income	98,047	270,077	602,424	1,107,618	1,063,655	421,908	159,049	1,305,380	1,813,169	1,935,035
Other revenues	196,666	331,554	355,849	408,236	470,944	455,897	616,261	(13,388)	-	-
Special item-loss on disposal	-	-	-	(260,067)	(397,806)	(277,707)	(311,993)	(451,789)	(619,043)	(486,628)
Transfers in (out)	-	-	-	-	-	-	-	-	-	-
Total business-type activities	294,713	601,631	958,273	1,255,787	(553,391)	600,098	463,317	840,203	1,194,126	1,448,407
Total primary government	\$ 81,370,608	\$ 85,434,061	\$ 88,632,880	\$ 91,156,007	\$ 94,029,268	\$ 98,032,693	\$ 103,902,135	\$ 106,774,278	\$ 111,103,615	\$ 118,808,315
Change in Net Assets/Position										
Governmental activities	\$ 10,617,938	\$ 7,496,612	\$ 7,139,677	\$ 2,866,877	\$ 2,619,953	\$ (647,298)	\$ 15,538,430	\$ 21,771,770	\$ 9,753,770	\$ 8,744,425
Business-type activities	7,283,896	7,189,654	9,127,409	8,985,317	11,449,974	6,786,263	5,912,598	4,315,233	4,306,969	2,823,059
Total primary government	\$ 17,901,834	\$ 14,686,266	\$ 16,267,086	\$ 11,852,194	\$ 14,069,927	\$ 6,138,965	\$ 21,451,028	\$ 26,087,003	\$ 14,060,739	\$ 11,567,484

Notes:

⁽¹⁾As restated in conformity with GASB Statement 75.

City of Portsmouth, New Hampshire

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
All governmental funds⁽¹⁾										
Nonspendable	\$ 2,271,832	\$ 2,247,577	\$ 2,202,379	\$ 2,161,330	\$ 2,121,122	\$ 2,102,864	\$ 2,069,863	\$ 2,376,212	\$ 2,226,819	\$ 1,898,235
Restricted	31,096,850	37,783,517	39,515,897	36,764,757	22,958,279	24,782,152	22,390,936	27,388,032	37,439,291	28,608,916
Committed	30,930,948	29,694,220	28,243,458	26,692,031	29,680,844	28,243,725	32,903,002	38,047,228	34,348,613	34,724,956
Assigned	8,887,314	8,985,660	8,942,597	10,513,688	9,283,064	10,496,904	9,178,551	9,194,343	9,858,576	8,972,980
Unassigned	11,932,667	7,070,449	(4,041,649)	15,580,417	12,636,863	16,304,030	7,583,778	18,164,344	18,921,127	19,772,767
Total all governmental funds	<u>\$ 85,119,611</u>	<u>\$ 85,781,423</u>	<u>\$ 74,862,682</u>	<u>\$ 91,712,223</u>	<u>\$ 76,680,172</u>	<u>\$ 81,929,675</u>	<u>\$ 74,126,130</u>	<u>\$ 95,170,159</u>	<u>\$ 102,794,426</u>	<u>\$ 93,977,854</u>
General Fund										
Nonspendable ⁽¹⁾	\$ 610,160	\$ 567,160	\$ 524,160	\$ 480,160	\$ 443,160	\$ 430,160	\$ 385,160	\$ 339,760	\$ 296,760	\$ 264,760
Committed	27,956,594	26,964,585	25,642,234	22,665,499	21,917,043	21,324,259	23,464,101	27,665,287	23,415,383	23,711,255
Assigned	8,887,314	8,985,660	8,942,597	10,513,688	9,283,064	10,496,904	9,178,551	9,194,343	9,858,576	8,972,980
Unassigned	13,158,179	14,505,641	15,152,954	15,630,897	16,152,597	16,363,998	17,156,799	18,168,567	18,923,866	19,772,767
Total General Fund	<u>\$ 50,612,247</u>	<u>\$ 51,023,046</u>	<u>\$ 50,261,945</u>	<u>\$ 49,290,244</u>	<u>\$ 47,795,864</u>	<u>\$ 48,615,321</u>	<u>\$ 50,184,611</u>	<u>\$ 55,367,957</u>	<u>\$ 52,494,585</u>	<u>\$ 52,721,762</u>
All other governmental funds										
Nonspendable	\$ 1,661,672	\$ 1,680,417	\$ 1,678,219	\$ 1,681,170	\$ 1,677,962	\$ 1,672,704	\$ 1,684,703	\$ 2,036,452	\$ 1,930,059	\$ 1,633,475
Restricted	31,096,850	37,783,517	39,515,897	36,764,757	22,958,279	24,782,152	22,390,936	27,388,032	37,439,291	28,608,916
Committed	2,974,354	2,729,635	2,601,224	4,026,532	7,763,801	6,919,466	9,438,901	10,381,941	10,933,230	11,013,701
Unassigned	(1,225,512)	(7,435,192)	(19,194,603)	(50,480)	(3,515,734)	(59,968)	(9,573,021)	(4,223)	(2,739)	-
Total all other governmental funds	<u>\$ 34,507,364</u>	<u>\$ 34,758,377</u>	<u>\$ 24,600,737</u>	<u>\$ 42,421,979</u>	<u>\$ 28,884,308</u>	<u>\$ 33,314,354</u>	<u>\$ 23,941,519</u>	<u>\$ 39,802,202</u>	<u>\$ 50,299,841</u>	<u>\$ 41,256,092</u>

Notes:

⁽¹⁾ This nonspendable fund balance is for an advance to trustees of trusts for upgrades at Prescott Park.

City of Portsmouth, New Hampshire

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Real estate taxes	\$ 77,428,695	\$ 78,902,463	\$ 81,974,427	\$ 84,798,383	\$ 88,562,993	\$ 89,282,013	\$ 97,702,123	\$ 99,271,033	\$ 101,397,414	\$ 109,074,922
Licenses and permits	6,045,153	6,327,360	6,576,275	7,404,735	6,851,868	7,910,700	7,258,604	7,856,515	9,072,487	10,661,982
Intergovernmental	14,929,762	15,670,972	17,581,956	15,713,798	16,075,492	17,173,853	16,846,876	25,463,358	23,769,269	23,773,900
Charges for service	11,148,661	11,931,836	12,731,491	13,578,037	12,103,306	11,600,103	15,399,948	16,226,843	16,312,045	16,974,469
Investment income (loss)	473,465	1,219,261	1,548,840	1,834,400	1,565,136	3,095,783	(1,152,364)	3,087,456	4,757,076	4,520,457
Interest on taxes	208,972	168,675	88,770	104,157	164,713	191,444	168,752	147,262	145,957	150,456
Fines and costs	804,327	890,796	905,279	753,042	807,423	632,675	999,885	1,197,525	1,414,771	1,555,362
Contributions	287,408	1,141,640	734,318	280,465	702,314	155,244	215,011	414,558	348,168	2,172,483
Special Assessment	-	187,084	187,084	187,084	179,357	194,810	187,084	187,084	187,084	187,084
Other	1,696,903	411,561	617,788	655,473	1,151,909	2,343,737	3,161,922	1,918,301	1,648,185	1,920,208
Total revenues	113,023,346	116,851,648	122,946,228	125,309,574	128,164,511	132,580,362	140,787,841	155,769,935	159,052,456	170,991,323
Expenditures										
General government	7,556,377	10,450,462	8,945,562	10,545,576	10,174,548	9,643,095	12,481,663	11,448,644	13,256,129	13,556,640
Public safety	17,892,961	18,730,211	19,845,067	20,940,213	22,730,785	24,016,634	22,569,807	23,282,245	25,797,133	27,637,251
Education	48,242,046	49,875,849	51,966,015	54,058,715	53,337,106	55,831,993	59,334,909	63,089,857	67,496,078	72,443,397
Public works	9,777,531	10,480,446	11,054,124	13,512,993	12,382,192	11,471,196	13,611,854	15,057,304	15,248,723	16,856,404
Health and human services	589,457	658,401	635,743	743,721	745,845	712,966	717,815	1,001,118	1,075,476	1,537,486
Culture and recreation	3,802,522	3,719,880	3,873,945	4,395,664	3,893,519	3,355,535	4,472,867	4,973,170	5,582,703	6,021,707
Community development	817,479	1,026,946	1,171,019	1,102,132	528,343	970,091	642,558	961,925	615,730	1,185,252
Debt service										
Principal	8,610,407	9,452,877	9,805,540	10,262,905	11,504,117	11,245,000	11,817,000	11,383,400	10,455,500	11,005,300
Interest	2,983,390	3,190,755	3,874,129	4,049,128	4,375,337	3,954,853	3,792,854	4,221,581	4,566,447	5,149,419
Capital outlay ⁽¹⁾	13,524,700	17,922,741	30,405,286	21,336,460	18,361,212	16,640,988	23,098,142	13,571,252	27,713,572	31,635,597
Intergovernmental	5,100,513	5,203,357	5,629,133	5,503,199	5,561,364	5,667,030	5,677,887	5,546,962	5,583,241	5,826,070
Total expenditures	118,897,383	130,711,925	147,205,563	146,450,706	143,594,368	143,509,381	158,217,356	154,537,458	177,390,732	192,854,523
Excess of Revenues										
Over/(under) expenditures	(5,874,037)	(13,860,277)	(24,259,335)	(21,141,132)	(15,429,857)	(10,929,019)	(17,429,515)	1,232,477	(18,338,276)	(21,863,200)
Other Financing Sources (Uses)										
Issuance of bonds/loans	13,648,000	12,860,000	11,750,000	33,611,500	-	14,528,500	8,438,400	17,595,500	23,573,600	11,971,700
Issuance of refunding bond	3,040,500	-	-	-	-	5,773,500	9,430,000	-	-	-
Bond/BAN/refunding premium	1,958,633	1,662,089	1,590,594	4,119,106	-	2,348,815	2,695,576	1,764,263	1,769,900	588,300
Transfers in	2,716,667	4,218,271	2,231,502	2,785,784	4,622,413	3,058,908	5,096,744	4,248,180	6,693,832	7,407,195
Payment to refunded bond escrow agent	(3,436,502)	-	-	-	-	(6,750,000)	(11,250,000)	-	-	-
Transfers out	(2,716,667)	(4,218,271)	(2,231,502)	(2,525,717)	(4,224,607)	(2,781,201)	(4,784,751)	(3,796,391)	(6,074,789)	(6,920,567)
Total other financing sources (uses)	15,210,631	14,522,089	13,340,594	37,990,673	397,806	16,178,522	9,625,969	19,811,552	25,962,543	13,046,628
Net Change in Fund Balances	\$ 9,336,594	\$ 661,812	\$ (10,918,741)	\$ 16,849,541	\$ (15,032,051)	\$ 5,249,503	\$ (7,803,546)	\$ 21,044,029	\$ 7,624,267	\$ (8,816,572)

Debt Service as a percentage of non-capitalized expenditures ⁽²⁾ 11.07% 11.48% 11.68% 11.64% 12.62% 11.92% 11.64% 10.90% 9.86% 9.90%

⁽¹⁾ Certain Capital expenditures from various functions have been capitalized on the Statement of Net Assets/Position.

⁽²⁾ Capital Outlay Purchases from the Reconciliation of the Statement of Revenues Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities. are used to calculate this ratio.

City of Portsmouth, New Hampshire

Combined Enterprise Fund Revenue, Expenses, and Changes in Fund Net Position Last Ten Fiscal Years

Fiscal Year	Revenue					Expenses					Increase (Decrease)		
	Charges for Services	Licenses and Permits	Departmental	Other	Total	Operations & Maintenance	Depreciation	Interest Expense	Special item loss on Disposal	Total	Total Net Position	Adjustment	Total Net Position ⁽¹⁾
2025	\$ 29,227,058	\$ 1,595,386	\$ 482,287	\$ 4,244,498	\$ 35,549,229	\$ 20,724,593	\$ 7,586,524	\$ 4,415,053	\$ -	\$ 32,726,170	\$ 2,823,059	\$ 27,992,029	\$ 179,893,344
2024	27,216,714	1,448,355	499,202	5,965,844	35,130,115	20,959,545	7,738,097	2,125,504	-	30,823,146	4,306,969	-	149,078,256
2023	27,178,821	1,296,261	426,286	6,614,333	35,515,701	18,856,263	7,609,550	4,721,267	13,388	31,200,468	4,315,233	-	144,771,287
2022	25,353,300	1,223,538	409,913	6,148,875	33,135,626	15,706,938	7,250,213	4,265,877	-	27,223,028	5,912,598	-	140,456,054
2021	24,851,216	1,110,533	468,159	6,595,573	33,025,481	15,704,655	6,543,929	3,990,634	-	26,239,218	6,786,263	-	134,543,456
2020	23,808,307	1,285,215	497,587	9,175,279	34,766,388	13,383,457	4,606,859	3,635,914	1,690,184	23,316,414	11,449,974	-	127,757,193
2019	23,452,563	1,025,517	545,437	4,552,580	29,576,097	13,104,187	4,190,167	3,296,426	-	20,590,780	8,985,317	-	116,307,219
2018	23,534,582	911,770	458,296	2,993,544	27,898,192	12,009,200	3,823,387	2,938,196	-	18,770,783	9,127,409	-	107,321,902
2017	22,335,872	811,540	484,675	1,998,749	25,630,836	12,191,374	3,790,683	2,687,548	-	18,669,605	6,961,231	-	98,194,493
2016	22,283,052	751,904	435,197	1,171,512	24,641,665	10,947,720	3,457,903	2,952,146	-	17,357,769	7,283,896	-	91,233,262

Includes Water and Sewer Funds

Water Fund Revenue, Expenses, and Changes in Fund Net Position Last Ten Fiscal Years

Fiscal Year	Revenue					Expenses					Increase (Decrease)		
	Charges for Services	Licenses and Permits	Departmental	Other	Total	Operations & Maintenance	Depreciation	Interest Expense	Special item loss on Disposal	Total	Total Net Position	Adjustment	Total Net Position ⁽¹⁾
2025	\$ 9,796,666	\$ 1,314,127	\$ 238,579	\$ 1,796,375	\$ 13,145,747	\$ 7,500,293	\$ 2,487,597	\$ 1,147,978	-	\$ 11,135,868	\$ 2,009,879	\$ -	\$ 66,327,318
2024	8,731,082	1,233,597	225,704	1,488,543	11,678,926	7,756,489	2,599,553	92,437	-	10,448,479	1,230,447	-	64,317,439
2023	9,056,883	1,158,020	230,101	1,646,652	12,091,656	6,696,115	2,573,747	1,273,562	-	10,543,424	1,548,232	-	63,086,992
2022	8,445,746	1,071,703	207,715	760,110	10,485,274	5,686,148	2,202,290	1,097,947	-	8,986,385	1,498,889	-	61,538,760
2021	8,414,656	917,705	335,829	5,259,964	14,928,154	6,176,478	2,110,415	1,038,240	-	9,325,133	5,603,021	-	60,039,871
2020	8,284,662	785,192	279,682	7,260,946	16,610,482	5,568,125	2,056,796	1,085,169	-	8,710,090	7,900,392	-	54,436,850
2019	8,135,894	750,021	356,307	2,692,257	11,934,479	5,217,921	1,901,401	1,077,124	-	8,196,446	3,738,033	-	46,536,458
2018	8,470,217	717,598	281,970	1,626,217	11,096,002	5,264,987	1,701,629	1,039,677	-	8,006,293	3,089,709	-	42,798,425
2017	8,129,970	627,915	271,907	857,856	9,887,648	5,215,935	1,737,531	1,052,899	-	8,006,365	1,881,283	-	39,708,716
2016	8,409,115	538,471	277,771	584,481	9,809,838	4,728,684	1,577,929	1,394,727	-	7,701,340	2,108,498	-	37,827,433

Sewer Fund Revenue, Expenses, and Changes in Fund Net Position Last Ten Fiscal Years

Fiscal Year	Revenue					Expenses					Increase (Decrease)		
	Charges for Services	Licenses and Permits	Departmental	Other	Total	Operations & Maintenance	Depreciation	Interest Expense	Special item loss on Disposal	Total	Total Net Position	Adjustment	Total Net Position ⁽¹⁾
2025	\$ 19,430,392	\$ 281,259	\$ 243,708	\$ 2,448,123	\$ 22,403,482	\$ 13,224,300	\$ 5,098,927	\$ 3,267,075	\$ -	\$ 21,590,302	\$ 813,180	\$ 27,992,029	\$ 113,566,026
2024	18,485,632	214,758	273,498	4,477,301	23,451,189	13,203,056	5,138,544	2,033,067	-	20,374,667	3,076,522	-	84,760,817
2023	18,121,938	138,241	196,185	4,967,681	23,424,045	12,160,148	5,035,803	3,447,705	13,388	20,657,044	2,767,001	-	81,684,295
2022	16,907,554	151,835	202,198	5,388,765	22,650,352	10,020,790	5,047,923	3,167,930	-	18,236,643	4,413,709	-	78,917,294
2021	16,436,560	192,828	132,330	1,335,609	18,097,327	9,528,177	4,433,514	2,952,394	-	16,914,085	1,183,242	-	74,503,585
2020	15,523,645	500,023	217,905	1,914,333	18,155,906	7,815,332	2,550,063	2,550,745	1,690,184	14,606,324	3,549,582	-	73,320,343
2019	15,316,669	275,496	189,130	1,860,323	17,641,618	7,886,266	2,288,766	2,219,302	-	12,394,334	5,247,284	-	69,770,761
2018	15,064,365	194,172	176,326	1,367,327	16,802,190	6,744,213	2,121,758	1,898,519	-	10,764,490	6,037,700	-	64,523,477
2017	14,205,902	183,625	212,768	1,140,893	15,743,188	6,975,439	2,053,152	1,634,649	-	10,663,240	5,079,948	-	58,485,777
2016	13,873,937	213,433	157,426	587,031	14,831,827	6,219,036	1,879,974	1,557,419	-	9,656,429	5,175,398	-	53,405,829

Notes:

⁽¹⁾Restated in 2017 in conformity with GASB Statement 75.

City of Portsmouth, New Hampshire

General Government Tax Revenues by Source

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	Property Taxes	Payment in Lieu of Tax	Tax Interest & Penalties	Total
2025	\$ 108,755,416	\$ 319,506	\$ 150,456	\$ 109,225,378
2024	101,146,159	251,255	145,957	101,543,371
2023	99,075,297	195,737	147,262	99,418,296
2022	97,517,180	184,943	168,752	97,870,876
2021	89,075,575	206,438	191,444	89,473,457
2020	88,359,248	203,745	164,713	88,727,706
2019	84,620,658	177,725	104,157	84,902,540
2018	81,800,573	173,854	88,770	82,063,197
2017	80,717,918	168,577	168,675	81,055,170
2016	77,191,614	119,625	208,972	77,520,211

Data Source:

Finance Department Records

City of Portsmouth, New Hampshire

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Property Tax Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Balance at Fiscal Year End of Levy Year	Subsequent Tax Collections	Balance at End of Current Fiscal year	Total Collections to Date		Number of Parcels		
		Amount	% of Levy				Amount	% of Levy	in Levy	Liened	% Liened
2025	\$ 111,683,010	\$ 108,579,416	97.2%	3,103,594	-	\$ 3,103,594	108,579,416	97.2%	9,126	143	1.6%
2024	105,090,313	102,534,598	97.6%	2,555,715	1,112,935	1,442,780	103,647,533	98.6%	9,130	155	1.7%
2023	97,918,521	96,125,679	98.2%	1,792,842	1,792,839	3	97,918,518	100.0%	8,951	118	1.3%
2022	95,219,836	93,159,897	97.8%	2,059,939	2,059,939	-	95,219,836	100.0%	8,878	125	1.4%
2021	91,850,101	89,821,119	97.8%	2,028,982	2,028,982	-	91,850,101	100.0%	8,859	92	1.0%
2020	90,571,793	89,137,643	98.4%	1,434,150	1,434,150	-	90,571,793	100.0%	8,688	125	1.4%
2019	87,304,835	85,503,865	97.9%	1,800,970	1,800,970	-	87,304,835	100.0%	8,655	101	1.2%
2018	83,756,100	82,251,487	98.2%	1,504,613	1,504,613	-	83,756,100	100.0%	8,624	110	1.3%
2017	80,406,957	78,768,028	98.0%	1,638,929	1,638,929	-	80,406,957	100.0%	8,567	113	1.3%
2016	78,413,113	76,816,032	98.0%	1,597,081	1,597,081	-	78,413,113	100.0%	8,536	112	1.3%

Data Source:

Audited Internal Financial Statements, Property Tax Warrants and Reports of Tax Lien Executions

Tax liens are placed within 60 days after the end of the fiscal year.

City of Portsmouth, New Hampshire

Assessed and Estimated Full Value of Real Property

Last Ten Fiscal Years

Fiscal Year	Local Assessed Value ⁽¹⁾					Less Exemptions to Assessed Value ⁽¹⁾	Total Taxable Assessed Value ⁽¹⁾	Total Direct Tax Rate per \$1,000 of Assessed Value			Total Equalized Valuation ⁽²⁾	Ratio of Total Assessed Value to Total Estimated Full Value
	Current Use/ Conservation	Residential	Commercial/ Industrial	Utilities	Total Assessed Value			Total Taxable Assessed Value ⁽¹⁾	Tax Rate per \$1,000 of Assessed Value			
2025	\$ 40,239	\$ 6,312,359,200	\$ 3,556,797,707	\$ 268,081,651	\$ 10,137,278,797	\$ 58,686,760	10,078,592,037	\$ 10.60	\$ 10,657,151,131			95.1%
2024	44,572	3,838,670,400	2,589,931,228	182,777,732	6,611,423,932	34,278,800	6,577,145,132		15.28	10,118,760,813		65.3%
2023	52,266	3,772,620,400	2,562,033,428	189,888,485	6,524,594,579	31,397,800	6,493,196,779		14.35	9,336,287,605		69.9%
2022	57,801	3,708,945,500	2,524,388,137	192,443,479	6,425,834,917	27,193,900	6,398,641,017		14.14	8,166,077,195		78.7%
2021	58,305	3,656,301,000	2,490,947,009	183,462,251	6,330,768,565	29,178,600	6,301,589,965		13.80	7,194,930,723		88.0%
2020	59,114	3,563,876,900	2,436,618,949	171,160,012	6,171,714,975	19,874,499	6,151,840,476		13.96	6,784,387,454		91.0%
2019	57,811	3,184,983,200	2,213,485,956	189,760,510	5,588,287,477	20,613,200	5,567,674,277		14.85	6,139,020,401		91.0%
2018	60,090	3,111,438,500	2,152,216,919	250,037,813	5,513,753,322	45,409,300	5,468,344,022		14.35	5,800,517,168		95.1%
2017	56,064	2,579,500,900	2,026,331,316	212,424,771	4,818,313,051	46,608,500	4,771,704,551		15.95	5,713,043,888		84.3%
2016	57,856	2,538,551,208	2,016,983,163	219,583,616	4,775,175,843	47,333,200	4,727,842,643		15.71	5,166,602,923		92.4%

Data Sources:

⁽¹⁾ State MS-1 Report of Assessed Values

⁽²⁾ NH Department of Revenue Administration's annual Equalization Survey

City of Portsmouth, New Hampshire

Principal Taxpayers Current Year and Nine Years Ago

Taxpayer	Type of Business	FY 2025 Assessed Value	Rank	Percentage of Total Taxable Assessed Value	FY2016 Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Public Service Co of NH	Utility	\$ 177,019,041	1	1.76%	\$ 176,910,752	1	3.74%
Arbor View & The Pines LLC (formerly TGM Beechstone LLC)	Apartments	111,988,560	2	1.11%			
HCA Health Services of NH Inc.	Hospital	111,268,200	3	1.10%	81,727,300	2	1.73%
Cate Street Development	Mixed Use	96,670,500	4	0.96%			
Hanover Apartments LLC	Apartments	70,656,100	5	0.70%	31,616,600	5	0.67%
Northern Utilities	Utility	67,699,700	6	0.67%	24,014,172	7	0.51%
Inishmaan Assoc LTD Partnership	Apartments	52,466,200	7	0.52%			
Vaughan Street Hotel LLC	Hotel	41,730,500	8	0.41%			
2422 Lafayette Rd Assoc. LLC	Retail	38,993,200	9	0.39%	19,940,700	10	0.42%
Patriots Park Association	Apartments	37,993,900	10	0.38%			
Service Credit Union	Bank/Office Building				34,121,000	3	0.72%
Liberty Mutual Insurance	Office Building				33,834,300	4	0.72%
Harborside Assoc.	Hotel				24,877,400	6	0.53%
DPF 1600 Woodbury Ave LLC (formerly DSQ Holding LLC)	Retail				23,368,100	8	0.49%
Broomley Portsmouth LLC	Retail				22,384,800	9	0.47%
Total Principal Taxpayers		\$ 806,485,901		8.00%	\$ 472,795,124		10.00%
Total Net Assessed Taxable Value		<u>\$ 10,078,592,037</u>			<u>\$ 4,727,842,643</u>		

Data Source:
City of Portsmouth Assessing Department

City of Portsmouth, New Hampshire

Property Tax Rates per \$ 1,000 of Assessed Value

Direct and Overlapping Governments

Last Ten Fiscal Years

Fiscal Year	City Direct Rates						Overlapping Rate		Estimated Full Value Rate		
	City	Local School	State School ⁽¹⁾	Total School	Total Direct	County	Total				
2025	\$ 4.98	\$ 4.49	\$ 1.13	\$ 5.62	\$ 10.60	\$ 0.58	\$ 11.18	\$ 10.64			
2024	7.17	6.33	1.78	8.11	15.28	0.85	16.13	10.56			
2023	7.59	5.40	1.36	6.76	14.35	0.85	15.20	10.65			
2022	7.02	5.18	1.94	7.12	14.14	0.89	15.03	11.73			
2021	6.83	5.07	1.90	6.97	13.80	0.90	14.70	12.83			
2020	7.22	4.83	1.91	6.74	13.96	0.90	14.86	13.43			
2019	7.68	4.96	2.21	7.17	14.85	0.99	15.84	14.30			
2018	7.27	4.95	2.13	7.08	14.35	1.03	15.38	14.42			
2017	8.13	5.41	2.41	7.82	15.95	1.09	17.04	14.15			
2016	8.07	5.33	2.31	7.64	15.71	1.08	16.79	15.28			

Data Source:

NH State Department of Revenue Administration

Notes:

⁽¹⁾ The NH State Legislature revised Education funding in Fiscal Year 2000, establishing a State Education Property Tax. Although warranted by the state, the taxes are collected by the City and spent for local school purposes. This rate does not apply to utility assessments. Utilities are billed directly by the State of NH.

City of Portsmouth, New Hampshire

Utility Fund Net Budget, Billable Volumes and Rates

Last Ten Fiscal Years

Fiscal Year	Amount to be Raised by Rates ⁽¹⁾		Billable Volume Used for Setting Rates ⁽²⁾		Rates per HCF ⁽⁴⁾⁽⁵⁾		
	Water	Sewer	Water	Sewer ⁽³⁾	Water	Sewer	Combined
2025	\$9,798,123	\$20,314,957	1,669,057	1,100,387	\$ 5.02/6.04	\$ 17.32/19.05	\$ 22.34/25.09
2024	8,972,644	19,398,260	1,613,289	1,104,590	4.74/5.70	16.49/18.14	21.23/23.84
2023	8,417,077	18,197,169	1,579,537	1,082,825	4.54/5.46	15.78/17.36	20.32/22.82
2022	8,332,074	17,114,440	1,624,340	1,079,390	4.40/5.30	14.89/16.38	19.29/21.68
2021	7,638,428	16,335,509	1,530,214	1,111,400	4.32/5.20	14.32/15.75	18.64/20.95
2020	8,222,671	16,880,687	1,648,450	1,148,426	4.32/5.20	13.77/15.14	18.09/20.34
2019	8,069,988	16,633,110	1,656,322	1,176,180	4.23/5.10	13.24/14.56	17.47/19.66
2018	8,022,640	15,630,407	1,669,361	1,152,772	4.15/5.00	12.73/14.00	16.88/19.00
2017	8,021,380	14,710,029	1,688,000	1,125,000	4.15/5.00	12.24/13.47	16.39/18.47
2016	7,805,987	14,126,590	1,642,974	1,123,800	4.15/5.00	11.77/12.95	15.92/17.95

Data Source:

City of Portsmouth Budget and Budget Resolutions

Notes:

⁽¹⁾ Amount to be raised by rate equals the net cash requirement budget, i.e., appropriations less other revenue sources.

⁽²⁾ Billable Volume is the estimated billable water consumption in hundred cubic feet units (HCF).

⁽³⁾ Sewer charges are based on the amount of water consumed.

⁽⁴⁾ One hundred cubic feet (HCF) equals 748 gallons.

⁽⁵⁾ FY08 implementation of a 2 tier-inclining rate structure for both water and sewer.

First rate is for water consumption of 10 units or less. Second rate is for consumption over 10 units.

City of Portsmouth, New Hampshire

Portsmouth's Share of the Rockingham County Tax Apportionment

Last Ten Fiscal Years

(based on percentage of equalized value)

Tax Year	Total Equalized Values						Apportionment of County Tax Levy				
	Portsmouth Base Valuation for Debt Limits	Add: Equalization of PILOTS and RR Tax		Total Equalized Valuation	Portsmouth Rockingham		Fiscal Year	County Tax Levy	Portsmouth Share ⁽¹⁾	Portsmouth's Share \$ Change	Portsmouth's Share % Change
		Less: Equalization of State Shared Revenues			County	Portsmouth %					
2024	\$ 10,559,663,738	\$ 97,487,393	\$ 10,657,151,131	\$ 98,689,794,509	10.7986354%		2025	\$53,168,248	\$ 5,826,090	\$ 242,849	4.3%
2023	10,017,304,588	101,456,225	\$ 10,118,760,813	92,342,680,925	10.9578374%		2024	51,370,288	5,583,241	36,279	0.7%
2022	9,241,627,093	94,660,512	\$ 9,336,287,605	85,901,322,178	10.8686192%		2023	49,791,743	5,546,962	(130,924)	-2.3%
2021	8,082,803,530	83,273,665	\$ 8,166,077,195	73,301,969,899	11.1403243%		2022	49,791,743	5,677,886	10,856	0.2%
2020	7,119,904,456	75,026,267	\$ 7,194,930,723	63,095,343,828	11.4032673%		2021	49,457,963	5,667,030	105,665	1.9%
2019	6,714,405,427	69,982,027	\$ 6,784,387,454	59,209,498,814	11.4582754%		2020	50,297,338	5,561,365	58,166	1.1%
2018	6,073,124,791	65,895,610	\$ 6,139,020,401	55,521,693,803	11.0569761%		2019	49,130,196	5,503,199	(125,934)	-2.2%
2017	5,731,071,264	69,445,904	\$ 5,800,517,168	51,784,538,619	11.2012530%		2018	48,369,198	5,629,133	425,776	8.2%
2016	5,651,979,770	61,064,118	\$ 5,713,043,888	49,090,222,780	11.6378447%		2017	46,916,696	5,203,357	102,846	2.0%
2015	5,118,914,757	47,688,166	\$ 5,166,602,923	46,585,299,985	11.0906293%		2016	46,013,873	5,100,511	268,123	5.5%

Data Sources:

NH Department of Revenue Administration Equalization Surveys

County Tax Warrants

Adopted Rockingham County Budgets

⁽¹⁾Rockingham County uses the previous year's proportion percentage to calculate City's tax obligation.

City of Portsmouth, New Hampshire

Ratios of Long Term Debt Outstanding and Legal Debt Limits Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Issued Debt at June 30										
City Depts.	\$ 31,358,500	\$ 34,413,500	\$ 35,683,500	\$ 59,080,500	\$ 52,648,499	\$ 58,619,200	\$ 58,733,600	\$ 66,931,500	\$ 81,130,500	\$ 84,861,500
City-Unamortized Bond Premium	3,527,421	4,171,793	4,641,543	7,707,108	6,977,488	7,407,982	7,245,697	7,906,790	6,785,397	6,390,096
Landfill	671,332	458,427	245,522	32,617	-	-	-	-	-	-
School Dept.	50,397,607	50,962,635	51,850,000	52,014,500	46,975,000	43,311,300	37,999,300	36,012,500	34,931,600	32,167,000
School-Unamortized Bond Premium	3,926,897	3,773,863	3,750,262	3,848,033	3,348,330	3,879,238	4,598,712	4,456,462	2,999,225	2,462,353
Total Governmental Funds	<u>89,881,757</u>	<u>93,780,218</u>	<u>96,170,827</u>	<u>122,682,758</u>	<u>109,949,317</u>	<u>113,217,720</u>	<u>108,576,309</u>	<u>115,307,252</u>	<u>125,846,722</u>	<u>125,880,949</u>
Water Fund	29,724,796	29,832,268	30,674,740	30,644,612	28,104,684	31,716,156	35,514,028	32,341,500	37,891,000	41,228,200
Water-Unamortized Bond Premium	2,288,399	2,236,248	2,305,220	2,394,747	2,204,744	2,578,164	2,900,589	2,655,385	2,020,668	2,012,368
Sewer Fund	50,785,603	50,340,010	51,079,418	54,544,925	49,688,232	52,408,090	129,670,279	125,382,353	126,519,528	130,845,702
Sewer-Unamortized Bond Premium	2,567,959	2,664,321	2,951,701	3,695,439	3,430,885	3,818,690	4,328,402	4,243,390	3,189,254	2,930,635
Total Business-type Activities	<u>85,366,757</u>	<u>85,072,847</u>	<u>87,011,079</u>	<u>91,279,723</u>	<u>83,428,545</u>	<u>90,521,100</u>	<u>172,413,298</u>	<u>164,622,628</u>	<u>169,620,450</u>	<u>177,016,905</u>
Total Issued Debt at June 30	<u>175,248,514</u>	<u>178,853,065</u>	<u>183,181,906</u>	<u>213,962,480</u>	<u>193,377,862</u>	<u>203,738,820</u>	<u>280,989,607</u>	<u>279,929,880</u>	<u>295,467,172</u>	<u>302,897,854</u>
Authorized Unissued Debt June 30										
City Depts.	23,352,000	23,200,000	31,130,000	13,875,000	25,825,000	16,025,000	33,007,456	28,000,968	22,856,000	23,321,000
Landfill	4,641,897	4,641,897	4,641,897	4,641,897	4,641,897	4,641,897	4,641,897	4,641,897	4,641,897	4,641,897
School Dept.	5,025,000	5,000,000	5,000,000	2,000,000	2,000,000	500,000	-	-	-	-
Total Governmental Funds	<u>33,018,897</u>	<u>32,841,897</u>	<u>40,771,897</u>	<u>20,516,897</u>	<u>32,466,897</u>	<u>21,166,897</u>	<u>37,649,353</u>	<u>32,642,865</u>	<u>27,497,897</u>	<u>27,962,897</u>
Water Fund	-	-	-	-	4,623,000	1,450,000	8,150,000	10,300,000	10,726,500	11,476,500
Sewer Fund	75,000,000	75,000,000	81,900,000	81,900,000	89,045,000	86,300,000	8,966,957	14,100,000	11,880,500	41,073,500
Total Authorized Unissued Debt June 30	<u>108,018,897</u>	<u>107,841,897</u>	<u>122,671,897</u>	<u>102,416,897</u>	<u>126,134,897</u>	<u>108,916,897</u>	<u>54,766,310</u>	<u>57,042,865</u>	<u>50,104,897</u>	<u>80,512,897</u>
Gross Debt June 30										
City Depts.	58,237,921	61,785,293	71,455,043	80,662,608	85,450,987	82,052,182	98,986,753	102,839,258	110,771,897	114,572,596
Coakley Landfill	5,313,229	5,100,324	4,887,419	4,674,514	4,641,897	4,641,897	4,641,897	4,641,897	4,641,897	4,641,897
School Dept.	59,349,504	59,736,498	60,600,262	57,862,533	52,323,330	47,690,538	42,597,012	40,468,962	37,930,825	34,629,353
Total Governmental Funds	<u>122,900,654</u>	<u>126,622,115</u>	<u>136,942,724</u>	<u>143,199,655</u>	<u>142,416,214</u>	<u>134,384,617</u>	<u>146,225,662</u>	<u>147,950,117</u>	<u>153,344,619</u>	<u>153,843,846</u>
Water Fund	32,013,195	32,068,516	32,979,960	33,039,359	34,932,428	35,744,320	46,564,617	45,296,885	50,638,168	54,717,068
Sewer Fund	128,353,562	128,004,331	135,931,119	140,140,364	142,164,117	142,526,780	142,965,638	143,725,743	141,589,282	174,849,837
Total Gross Debt June 30	<u>\$ 283,267,411</u>	<u>\$ 286,694,962</u>	<u>\$ 305,853,803</u>	<u>\$ 316,379,377</u>	<u>\$ 319,512,759</u>	<u>\$ 312,655,717</u>	<u>\$ 335,755,917</u>	<u>\$ 336,972,745</u>	<u>\$ 345,572,069</u>	<u>\$ 383,410,751</u>
Base Value for Debt Limits ⁽¹⁾										
	\$ 5,118,914,757	\$ 5,651,979,770	\$ 5,731,071,264	\$ 6,073,124,791	\$ 6,714,405,427	\$ 7,119,904,456	\$ 8,082,803,530	\$ 9,241,627,093	\$ 10,017,304,588	\$ 10,559,663,738
Legal Debt Limits (% of Base Value)										
City - 3% ⁽²⁾	\$ 153,567,443	\$ 169,559,393	\$ 171,932,138	\$ 182,193,744	\$ 201,432,163	\$ 213,597,134	\$ 242,484,106	\$ 277,248,813	\$ 300,519,138	\$ 316,789,912
School - 7% ⁽²⁾	358,324,033	395,638,584	401,174,988	425,118,735	470,008,380	498,393,312	565,796,247	646,913,897	701,211,321	739,176,462
Water - 10% ⁽²⁾	511,891,476	565,197,977	573,107,126	607,312,479	671,440,543	711,990,446	808,280,353	924,162,709	1,001,730,459	1,055,966,374
Debt Against Legal Debt Limits										
City Depts.	\$ 58,237,921	\$ 61,785,293	\$ 71,455,043	\$ 80,662,608	\$ 85,450,987	\$ 82,052,182	\$ 98,986,753	\$ 102,839,258	\$ 110,771,897	\$ 114,572,596
School Dept.	59,349,504	59,736,498	60,600,262	57,862,533	52,323,330	47,690,538	42,597,012	40,468,962	37,930,825	34,629,353
Water Fund	32,013,195	32,068,516	32,979,960	33,039,359	34,932,428	35,744,320	46,564,617	45,296,885	50,638,168	54,717,068
Exempt from Legal Debt Limits ⁽³⁾	133,666,791	133,104,655	140,818,538	144,814,878	146,806,014	147,168,677	147,607,755	148,367,640	146,231,179	179,491,734
Total Debt at June 30	<u>\$ 283,267,411</u>	<u>\$ 286,694,962</u>	<u>\$ 305,853,803</u>	<u>\$ 316,379,377</u>	<u>\$ 319,512,759</u>	<u>\$ 312,655,717</u>	<u>\$ 335,755,917</u>	<u>\$ 336,972,745</u>	<u>\$ 345,572,069</u>	<u>\$ 383,410,751</u>
Unused Capacity of Legal Debt Limits										
City Depts.	\$ 95,329,522	\$ 107,774,100	\$ 100,477,095	\$ 101,531,136	\$ 115,981,176	\$ 131,544,952	\$ 143,497,353	\$ 174,409,555	\$ 189,747,241	\$ 202,217,316
School Dept.	298,974,529	335,902,086	340,574,726	367,256,202	417,685,050	450,702,774	523,199,235	606,444,935	663,380,496	704,547,109
Water Fund	479,878,281	533,129,461	540,127,166	574,273,120	636,508,115	676,246,126	761,715,736	878,865,824	951,092,291	1,001,249,306
% of Legal Debt Limits Used										
City Depts.	37.9%	36.4%	41.6%	44.3%	42.4%	38.4%	40.8%	37.1%	36.9%	36.2%
School Dept.	16.6%	15.1%	15.1%	13.6%	11.1%	9.6%	7.5%	6.3%	5.4%	4.7%
Water Fund	6.3%	5.7%	5.8%	5.4%	5.2%	5.0%	5.8%	4.9%	5.1%	5.2%

Data Source
Audited Financial Statements

Notes:

⁽¹⁾ Base Value for Debt Limits computed by the NH Department of Revenue Administration.

⁽²⁾ Legal debt limit percentage rates set by NH State statute.

⁽³⁾ Debt exempt from Debt limits consists of Landfills and Sewer debt.

City of Portsmouth, New Hampshire

Ratios of Outstanding Debt by Debt Type

Last Ten Fiscal Years

Governmental Activities - General Obligation Debt and State Revolving Loans

Fiscal Year	City Departments	School Department	Total Debt	Debt per Capita	% of Debt to Personal Income
2025	\$ 91,251,596	\$ 34,629,353	125,880,949	\$ 5,488	6.5%
2024	87,915,897	37,930,825	125,846,722	5,536	8.2%
2023	74,838,290	40,468,962	115,307,252	5,176	9.4%
2022	65,979,297	42,597,012	108,576,309	4,879	9.1%
2021	66,027,182	47,190,538	113,217,720	5,021	9.4%
2020	59,625,987	50,323,330	109,949,317	4,951	9.8%
2019	66,820,225	55,862,533	122,682,758	5,535	11.6%
2018	40,570,565	55,600,262	96,170,827	4,392	9.2%
2017	39,043,720	54,736,498	93,780,218	4,357	9.5%
2016	35,557,253	54,324,504	89,881,757	4,181	9.3%

Business-Type Activities - General Obligation Debt and State Revolving Loans

Fiscal Year	Water Fund	Sewer Fund	Total Debt	Debt per capita	% of Debt to Personal Income
2025	\$ 43,240,568	\$ 133,776,337	\$ 177,016,905	\$ 7,717	9.2%
2024	39,911,668	129,708,782	169,620,450	7,461	11.0%
2023	34,996,885	129,625,743	164,622,628	7,390	13.4%
2022	38,414,617	133,998,681	172,413,298	7,748	14.5%
2021	34,294,320	56,226,780	90,521,100	4,015	7.5%
2020	30,309,428	53,119,117	83,428,545	3,757	7.5%
2019	33,039,359	58,240,364	91,279,723	4,118	8.6%
2018	32,979,960	54,031,119	87,011,079	3,973	8.3%
2017	32,068,516	53,004,331	85,072,847	3,952	8.6%
2016	32,013,195	53,353,562	85,366,757	3,971	8.8%

Total Debt

Fiscal Year	Primary Government	Debt per capita	% of Debt to Personal Income
2025	\$ 302,897,854	13,205	15.7%
2024	295,467,172	12,997	19.1%
2023	279,929,880	12,566	22.9%
2022	280,989,607	12,628	23.7%
2021	203,738,820	9,036	16.9%
2020	193,377,862	8,708	17.3%
2019	213,962,480	9,653	20.2%
2018	183,181,906	8,365	17.5%
2017	178,853,065	8,309	18.2%
2016	175,248,514	8,153	18.1%

Data Source:

Finance Department Records

City of Portsmouth, New Hampshire

Direct and Overlapping Governmental Activities Debt **As of June 30, 2025**

End of Fiscal Year	Net General Obligation Debt Outstanding⁽¹⁾	Percentage Applicable to Portsmouth⁽²⁾	Amount Applicable to Portsmouth
Rockingham County	\$23,571,891	10.7986354%	\$ 2,545,443
		Subtotal, Overlapping Debt	<u>2,545,443</u>
City of Portsmouth Direct Debt			<u>125,880,949</u>
Total Direct Debt and Overlapping Debt			<u><u>\$ 128,426,392</u></u>

Data Sources:

⁽¹⁾ NH Department of Revenue Administration. City of Portsmouth's equalized valuation as a percentage of the total equalized valuation of Rockingham County.

City of Portsmouth, New Hampshire

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Governmental Activities				Business Type Activities				Primary Government			
Fiscal Year	General Obligation Bonds	Debt per Capita	% of Debt to Estimated Actual Value	Fiscal Year	General Obligation Bonds	Debt per Capita	% of Debt to Estimated Actual Value	Fiscal Year	General Obligation Bonds	Debt per Capita	% of Debt to Estimated Actual Value
2025	\$ 125,880,949	5,488	1.2%	2025	\$ 96,694,503	4,215	0.9%	2025	\$ 222,575,452	9,703	2.1%
2024	125,846,722	5,536	1.2%	2024	91,487,824	4,024	0.9%	2024	217,334,546	9,560	2.1%
2023	115,307,252	5,176	1.2%	2023	82,179,775	3,689	0.9%	2023	197,487,027	8,865	2.1%
2022	108,576,309	4,879	1.3%	2022	85,362,091	3,836	1.0%	2022	193,938,400	8,716	2.4%
2021	113,217,720	5,021	1.6%	2021	75,166,354	3,334	1.0%	2021	188,384,074	8,355	2.6%
2020	109,949,317	4,951	1.6%	2020	65,597,129	2,954	1.0%	2020	175,546,446	7,905	2.6%
2019	122,650,141	5,533	2.0%	2019	70,650,185	3,187	1.2%	2019	193,300,325	8,721	3.1%
2018	95,925,305	4,381	1.7%	2018	63,583,421	2,904	1.1%	2018	159,508,726	7,284	2.7%
2017	93,321,791	4,336	1.6%	2017	58,847,067	2,734	1.0%	2017	152,168,858	7,070	2.7%
2016	89,210,425	4,150	1.7%	2016	56,342,856	2,621	1.1%	2016	145,553,281	6,771	2.8%

Data Source:

Finance Department Records

City of Portsmouth, New Hampshire

Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Income	Unemployment Rates ⁽²⁾		
				City of Portsmouth	State of NH	US
2025	22,938 ⁽¹⁾	\$ 1,931,723,670	\$ 84,215 ⁽³⁾	2.7%	3.1%	4.1%
2024	22,733 ⁽¹⁾	\$ 1,544,116,292	\$ 67,924 ⁽³⁾	2.1%	2.4%	3.6%
2023	22,277 ⁽¹⁾	1,224,499,859	54,967 ⁽³⁾	1.7%	1.7%	3.5%
2022	22,252 ⁽¹⁾	1,187,010,688	53,344 ⁽³⁾	1.8%	2.0%	3.6%
2021	22,548 ⁽¹⁾	1,202,800,512	53,344 ⁽³⁾	2.4%	2.9%	5.9%
2020	22,206 ⁽¹⁾	1,118,094,306	50,351 ⁽³⁾	7.5%	9.1%	11.2%
2019	22,166 ⁽¹⁾	1,060,332,776	47,836 ⁽³⁾	2.0%	2.5%	3.7%
2018	21,898 ⁽¹⁾	1,047,512,728	47,836 ⁽³⁾	2.2%	2.7%	4.0%
2017	21,524 ⁽¹⁾	984,615,380	45,745 ⁽³⁾	2.0%	2.9%	4.4%
2016	21,496 ⁽¹⁾	968,652,752	45,062 ⁽³⁾	1.9%	2.8%	4.9%

Data Sources:

⁽¹⁾NH Office of Strategic Initiatives State Data Center population estimates (formerly the NH Office of Energy and Planning)

⁽²⁾ NH Employment Security ELMI Data as of June 30.

⁽³⁾ U.S. Census Bureau-American Community Survey 5-Year Estimates.

* Prior year population numbers are subject to change per the New Hampshire Department of Business and Economic Affairs

City of Portsmouth, New Hampshire

Principal Employers

Current Year and Nine Years Ago

Employer	Type of Business	2025			2016		
		Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
US Dept of State Consular Center	Passport/Visa services	1,400	1	4.10 %	1,633	1	5.01 %
Lonza Biologics	Biotechnology	1,376	2	4.03	879	4	2.70
HCA Hospital	Hospital	1,340	3	3.92	1,100	2	3.38
Liberty Mutual	Insurance	1,090	4	3.19	1,015	3	3.12
City of Portsmouth (FT)	Municipal services	853	5	2.50	697	5	2.14
Sprague Energy	Utility	672	6	1.97			
Bottomline technologies	Software	502	7	1.47	454	6	1.39
Service Credit Union	Banking	378	8	1.11	287	9	0.88
Amadeus (Newmarket)	Software	383	9	1.12			
Epredia/ThermoFischer	Biotechnology	274	10	0.80			
Highliner Foods	Seafood processor				324	8	0.99
John Hancock	Finance				400	7	1.23
Newmarket International	Software				283	10	0.87
Total Principal Employers		8,268		24.20 %	7,072		21.71 %
Total City Employment ⁽¹⁾		<u><u>34,167</u></u>			<u><u>32,579</u></u>		

Data Source:

NH Employment Security-NH Community Profiles

Notes

⁽¹⁾ NH Economic and Labor Market Information Bureau - Employment and Wages Covered (QCEW)
calendar year annual average ending during fiscal year.

City of Portsmouth, New Hampshire

Operating Indicators by Function

Last Ten Fiscal Years

Function ⁽¹⁾	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Taxable property parcels assessed	8,536	8,601	8,625	8,815	8,857	8,859	8,949	8,950	9,053	9,117
Registered Voters	17,069	17,939	18,127	19,416	21,563	21,563	17,429	17,673	16,009	16,967
Votes Cast:										
Municipal Election	4,673		5,050		5,813		6,099		5,745	
State Primary		3,525		5,181	-	6,218		3,902		4,552
State General Election		13,556		11,338	-	14,771		11,772	355 (3)	
Presidential Primary					9,168				7,550	
Presidential General			13,556			14,771				14,730
Building Permits	3,086	3,259	3,123	2,873	2,634	4,228	4,353	5,649	5,319	4,999
Estimated construction value	\$126,249,200	\$134,395,844	\$211,585,486	\$157,936,179	\$ 134,866,113	\$ 212,826,565	\$ 144,822,449	\$ 171,553,531	\$ 256,979,823	\$ 496,430,207
Public Safety										
Police										
Service Calls	34,107	43,594	47,673	47,371	34,286	37,767	38,634	45,282	42,998	38,967
Number of Arrests	1,063	1,103	1,428	1,075	822	826	1,008	1,639	917	926
Traffic Activity:										
Number of MV Stops										
Summons/Citation	343	2,022	1,223	912	552	560	485	442	325	252
Written Warning	3,339	4,662	3,708	3,590	1,526	1,325	1,385	2,348	1,425	918
Verbal Warning or No Action	4,414	4,833	5,165	5,964	3,775	4,310	6,521	5,261	5,701	6,171
Total MV Stops	8,096	11,517	10,096	10,466	5,853	6,195	8,391	8,051	7,451	7,341
Accidents	678	663	684	609	510	419	533	554	505	489
DWI arrests	55	100	76	80	46	66	84	153	92	108
Fire and EMS										
Fire Rescue	2,670	2,845	2,851	2,755	2,201	2,547	2,647	2,923	3,306	2,643
Ambulance	3,452	3,576	3,654	3,448	3,235	3,331	3,548	3,728	3,794	3,786
Education ⁽²⁾										
High School Fall Enrollment	1,110	1,117	1,076	1,131	1,129	1,105	1,049	1,031	1,024	1,015
Public Works										
Parking Enforcement										
Parking violations (Tickets written)	48,268	43,997	54,422	51,873	40,589	34,863	35,573	42,507	49,006	55,000
Streets resurfaced (miles)	3.80	2.10	11.95	2.80	2.80	3.70	7.30	2.85	4.94	2.00
Human Services - General Assistance										
Number of applicants	348	303	353	526	469	263	65	117	93	328
Culture and Recreation										
Public Library										
Circulation of materials	413,734	411,840	413,120	435,022	297,500	232,498	330,792	328,163	360,079	364,137
Annual visits	352,962	378,351	346,121	325,580	238,937	126,101	108,132	157,681	178,685	184,413
Water System:										
Water main breaks	29	21	25	19	24	15	16	13	14	25
Daily average production (millions of gallons)	4.6	3.9	4.4	4.0	4.0	3.9	3.8	3.8	3.7	4.1
Peak daily production (millions of gallons)	6.3	6.1	6.0	6.8	6.5	3.2	6.4	6.2	5.5	6.3
Precipitation (inches)			36.2	47.8	39.82	33.80	45.02	44.92	50.60	30.43
Sewage System:										
Daily average treatment - Peirce Island (millions of gallons)	3.8	4.1	3.7	4.7	4.0	3.5	4.1	4.2	4.8	3.5
Daily average treatment - Pease WWTF (millions of gallons)	0.5	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.6

Data Source:

⁽¹⁾ Various City departments

⁽²⁾ NH Department of Education

⁽³⁾ Special State Rep. Ward 1 Only

City of Portsmouth, New Hampshire

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of vehicles	30	30	30	31	30	33	35	35	38	38
Fire and Rescue										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of vehicles	19	19	19	20	20	19	19	19	20	21
Number of boats	1	1	1	2	2	2	2	2	2	2
Education										
High School Buildings	1	1	1	1	1	1	1	1	1	1
Middle School Buildings	1	1	1	1	1	1	1	1	1	1
Elementary School Buildings	3	3	3	3	3	3	3	3	3	3
Public Works										
Miles of streets	105	105	105	105	105	105	105	105	105	105
Number of bridges	15	15	15	15	15	15	15	15	15	15
Culture and Recreation:										
Libraries	1	1	1	1	1	1	1	1	1	14
Community centers	2	3	3	3	3	3	3	4	4	4
Number of boat dock facilities	2	2	2	2	2	2	2	2	2	2
Swimming pools	3	3	3	3	3	3	3	3	3	3
Tennis courts	10	10	10	10	10	6	6	6	6	10
Water system:										
Miles of water mains	174	174	190	189	190	190	190	191	192	192
Number of service connections	8,096	8,100	8,200	8,261	9,800	8,541	8,626	8,661	8,717	8,832
Storage capacity in gallons (millions of gallons)	10	10	10	11	11	11	11	11	11	11
Maximum daily capacity of plant (millions of gallons)	4.5	4.5	4.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Number of fire hydrants	1,034	1,036	1,040	1,028	1,040	1,035	1,035	1,035	1,226	1,062
Sewage System:										
Miles of sanitary sewers	106	106	106	112	112	107	107	107	107	107
Number of treatment plants	2	2	2	2	2	2	2	2	2	2
Number of service connections	6,427	6,475	6,459	6,495	6,495	6,717	6,751	6,792	6,813	6,949
Maximum daily capacity of treatment (millions of gallons)	25.3	25.3	25.3	25.3	25.3	25.3	25.3	25.3	25.3	25.3

Data Source:

Various city departments

City of Portsmouth, New Hampshire

City Government Employees by Function - Full Time Employees Last Ten Fiscal Years

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Executive	2.0	2.0	2.0	3.0	3.0	3.0	3.8	4.8	4.6	4.6
Human Resources	3.0	3.0	3.0	2.0	4.0	4.0	4.0	4.0	4.0	4.0
City Clerk	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Legal	5.4	5.4	5.4	5.6	6.6	6.6	6.6	6.6	8.1	8.1
Information Technology	-	-	-	1.0	1.0	1.0	1.0	6.0	8.0	8.0
Economic & Community Development*	-	-	-	-	-	-	-	1.0	1.0	1.0
Finance	20.0	22.1	22.3	24.2	24.3	22.3	23.3	22.3	23.3	22.9
Planning & Sustainability**	8.5	8.5	8.5	8.6	8.5	7.5	6.8	7.3	7.8	8.8
Inspection	5.1	5.1	5.1	5.1	5.1	5.1	7.0	8.0	8.4	8.4
Health	1.5	1.5	1.5	1.5	2.5	2.5	3.0	4.0	4.0	4.0
Total General Government	48.4	50.4	50.7	54.0	58.0	55.0	58.6	67.1	72.3	72.8
Public Safety										
Police - Sworn Officers:										
General Fund Funded	60.2	62.2	64.2	64.2	66.2	66.2	66.2	69.2	69.2	69.2
Grant Funded	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Dispatch	11.0	11.0	11.0	11.0	11.0	10.0	9.0	9.0	10.0	10.0
Police - Non-sworn employees:										
General Fund Funded	9.0	11.0	12.0	12.0	14.0	14.0	14.0	14.0	14.0	14.0
Grant Funded										
Total Police Department	82.0	86.0	89.0	89.0	93.0	92.0	91.0	94.0	95.0	95.0
Fire and Rescue	61.0	61.0	61.0	61.0	65.0	65.0	65.0	65.0	65.0	65.0
Fire Clerical	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Public Safety	144.0	148.0	151.0	151.0	159.0	158.0	157.0	160.0	161.0	161.0
Education										
General Fund Funded										
Administrators	13.7	13.7	13.7	14.7	15.4	14.6	14.6	15.6	15.6	15.6
Teachers	243.5	245.4	249.0	254.4	257.5	257.1	254.0	258.4	259.1	263.3
Clerical	20.9	20.9	20.9	20.9	21.1	21.1	20.2	20.2	20.2	20.2
Paraprofessional/Tutors	44.0	43.2	48.8	50.0	46.4	47.1	46.3	48.3	49.3	46.1
School custodians	25.9	25.9	25.9	26.0	26.0	26.0	26.0	26.0	26.0	26.0
Security	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-	-
Technicians	7.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
System maintenance	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0
Total General Fund Funded	360.0	361.1	371.3	379.0	380.3	379.9	374.1	381.5	383.2	384.2
Grant and other Funding	88.0	87.9	88.9	83.7	85.9	85.9	85.9	90.5	88.9	88.2
Total Education	448.0	449.0	460.2	462.7	466.3	465.8	460.0	472.0	472.1	472.4
Public Works										
General Fund functions	54.2	55.9	56.8	54.0	52.9	53.6	53.9	54.9	54.7	53.7
Parking Fund	15.8	16.2	17.2	25.5	25.3	24.1	26.3	27.3	30.2	31.2
Community Campus	-	-	-	-	-	-	1.0	1.0	1.0	1.0
Prescott Park	-	1.2	1.4	2.2	2.2	2.2	2.2	3.2	3.2	3.2
Stormwater	-	-	-	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Water	26.9	26.5	25.8	27.7	29.0	29.2	29.5	29.7	32.8	32.5
Sewer	28.7	30.0	32.7	32.3	34.6	34.8	35.5	37.2	37.8	37.5
Total Public Works	125.5	129.7	133.9	146.7	148.8	148.8	153.2	158.2	164.5	164.1
Culture and Recreation										
Recreation	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	6.0	6.0
Indoor Pool Fund	-	-	-	-	-	-	1.0	1.0	2.0	2.0
Senior Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Library	15.0	15.0	16.0	16.0	16.0	16.0	17.0	16.0	16.0	16.0
Total Culture and Recreation	20.0	20.0	21.0	21.0	21.0	21.0	24.0	23.0	25.0	25.0
Human Services										
Welfare	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Human Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Community Development										
Community Development	2.3	1.6	1.2	1.1	1.0	1.0	1.0	1.0	2.0	2.0
UDAG	1.2	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-
Total Community Development	3.5	2.6	2.2	2.1	2.0	2.0	2.0	1.0	2.0	2.0
Total All Functions	790.3	800.7	820.0	838.4	856.0	851.5	855.7	882.3	897.8	898.3
Total General Fund Positions	625.7	634.6	650.0	658.2	670.4	666.7	667.5	686.5	695.1	695.7
Percent of Total										
General Government	6.1%	6.3%	6.2%	6.4%	6.8%	6.5%	6.8%	7.6%	8.0%	8.1%
Public Safety	18.2%	18.5%	18.4%	18.0%	18.6%	18.6%	18.3%	18.1%	17.9%	17.9%
Education	56.7%	56.1%	56.1%	55.2%	54.5%	54.7%	53.7%	53.5%	52.6%	52.6%
Public Works	15.9%	16.2%	16.3%	17.5%	17.4%	17.5%	17.9%	17.9%	18.3%	18.3%
Culture and Recreation	2.5%	2.5%	2.6%	2.5%	2.5%	2.5%	2.8%	2.6%	2.8%	2.8%
Human Services	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Community Development	0.4%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.1%	0.2%	0.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source:

Funded Full Time Positions as of the close of the fiscal year.

* Economic Development Department is now called the Economic & Community Development Department

** Planning Department is now called the Planning & Sustainability Department