

City of

Portsmouth,

New Hampshire



Portsmouth as an Eco-Municipality

Fiscal Year 2024

Annual Comprehensive Financial Report

July 1, 2023 - June 30, 2024

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CITY OF PORTSMOUTH, NEW HAMPSHIRE

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024



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City of Portsmouth, New Hampshire
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024

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Office of Finance and Administration



1 Junkins Avenue
Portsmouth, New Hampshire 03801

December 9, 2024

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, 2024.

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. 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 New Hampshire State statutes require an annual audit by independent certified public accountants. The City's audit firm is Clifton Larson Allen (CLA). 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, 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, 50 miles to the north, and Boston, Massachusetts, 49 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 routes U.S. 4, N.H. 16 and 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 elected Mayor and eight 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 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 one technique of accomplishing budgetary control; encumbered amounts are carried over at year-end. The City Manager, with the approval of the Council, may transfer any unencumbered appropriation balance or any portion thereof 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 (22,733), it is home to the third-largest number of companies in the state behind the considerably larger cities of Manchester (pop. 115,474) and Nashua (pop. 91,003).

The most recent data indicates unemployment rates have turned upward. The City’s unemployment rate had steadily declined since 2020 through and following recovery from the pandemic. Portsmouth shares the nationwide challenge of a labor shortage due to decreased childcare capacity and increased voluntary exiting from the workforce.

According to the NH Employment Security Office, the total average quarterly employment for the quarter ending March 31, 2024 for Portsmouth businesses was 34,160 compared to 33,973 for the quarter ending June 30, 2023, an increase of 187 jobs. During the reporting period July 2023 through March 2024, average weekly wages increased from \$1,597 to \$1,941.

As of June 30, 2024, Portsmouth’s unemployment rate was 2.1% vs. 1.7% posted for June 30, 2023.

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

Source: NH Economic & Labor market Information Bureau (NH ELMi)

The respective rates for the State of New Hampshire, New England, and the nation in June 2024 were 2.3%, 3.2%, and 4.3%. The following chart illustrates how Portsmouth’s unemployment rate, although increasing, remains below the state, region and national levels since 2018.

Annual Average Unemployment Rate (%) (source NH Economic & Labor Market Information Bureau)							
	2018	2019	2020	2021	2022	2023	2024
U.S.	4.2	3.7	11.2	5.9	3.6	3.5	4.3
New England	3.7	3.1	13.5	5.3	3.5	2.7	3.2
State of NH	2.7	2.5	9.1	2.9	2.0	1.7	2.3
Portsmouth	2.2	2.1	7.5	2.4	1.8	1.7	2.1
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 NH entity, is conveniently located off Interstate 95, just 50 miles from the major cities of Boston, Portland, and Manchester.

The City of Portsmouth provides municipal services to the Tradeport, and in FY 2024 it received \$8.0 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. Prior to COVID-19, PSM handled 232,930 passengers who transited through the airport in 2019 when two airlines were operating (Frontier Airlines and Allegiant Airlines). Following COVID-19 and Frontier's departure from Portsmouth, PSM saw 145,426 passengers in 2021 and 161,252 passengers in 2022. At the end of 2023, passenger counts through the airport terminal stabilized at 154,270. The first phase of terminal expansion, which added 12,000 square feet of passenger service space, jet bridge additions, and security and efficiency objectives, was completed in 2021. The second phase of the terminal expansion program is nearing completion, adding 5,200 square feet of an arrivals hall. Upgrades to 1950s era utilities and decongestion of the baggage claim meet and greet area were completed in November 2024.

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 represent a total replacement of the US Air Force refueling aircraft completed in 2023.

This 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 (PNSY)

The Portsmouth Naval Shipyard (PNSY) is located 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) 2023:

- Overall, the Shipyard had an economic impact of \$1,536,567,511 which is an increase of approximately \$79 million from the \$1,457,952,317 CY 2022 figure. The majority of this 5% increase resulted from increased civilian payroll and facilities contracts.
- The Shipyard employs 7,469 employees with a civilian payroll of \$716 million, the civilian payroll increased from \$663 million in CY 2022.
- The shipyard purchased \$160 million of goods and services, a decrease of \$36 million from CY 2022.
- Total contracted facility services purchased was \$626 million, an increase from \$559 million in CY 2022.

REAL ESTATE MARKET ACTIVITY

Commercial Real Estate

At the end of the second quarter of 2024, Colliers International, a commercial brokerage firm, reported that the average direct asking rate in the Portsmouth office submarket was \$24.29 modified gross, a year-over-year decline of 2.4% (\$0.61 PSF). Class A rents dropped by 3.3% (\$0.88 PSF), ending the quarter at \$25.55 modified gross, while Class B rents rose by 3.1% (\$0.67 PSF), finishing at \$22.46 modified gross.

Despite the overall drop in the direct asking rate, the average sublease asking rate climbed by 7.2% (\$1.63 PSF), largely driven by a 65.7% increase in available sublease space. Most of these spaces were listed at above average market rents, resulting in a 7.1% (\$1.61 PSF) rise in Class A sublease rents. Meanwhile, Class B sublease availability fell by more than half, leaving only one space in the market and causing a sharp 11.5% (\$2.35 PSF) decline in Class B sublease rents.

The average occupancy rate in the Portsmouth office submarket stood at 82.2% at the end of Q2 2024, down 5.4% from the previous year. All categories saw significant declines in occupancy, with Class B experiencing the largest drop at 7.1%, followed by Class A, which fell by 3.8%.

Despite rising vacancy rates, leasing activity remained strong in the 4,000 to 8,000 SF range, particularly in Class A spaces at Pease International Tradeport. Notable tenant movements during the first quarter included Cummings Lamont & McNamee leasing 7,283 SF at 1 New Hampshire Avenue, McFarland Johnson relocating to 273 Corporate Drive with a 5,900 SF lease, and Andover Health downsizing to 9,000 SF at 249 Corporate Drive. Additionally, Burano Home Collective (formerly Great Bay Home Ventures) leased 5,000 SF of Class B space at 15 Rye Street, and two tenants, HAVEN and the US General Services Administration, renewed their 3,830 SF leases at 30 International Drive. In downtown Portsmouth, Feet First Holdings, a franchisee of The Good Feet Store, moved its headquarters to 5,237 SF of Class A space at 145 Maplewood Avenue.

The Portsmouth submarket's industrial sector continues to be the tightest in New Hampshire, maintaining its status as a landlord's market. The occupancy rate softened slightly, declining by 1.0% year-over-year to 98.6%. Both the manufacturing and warehouse sectors saw minimal occupancy decreases of less than 1%, while the flex category loosened more significantly, falling by 4.8% year-over-year.

Unlike other southern New Hampshire industrial markets, such as Nashua, construction in Portsmouth has not impacted the occupancy rate. In Nashua, for example, two recent developments added nearly 700,000 SF of inventory, leading to a 6.2% drop in occupancy. In contrast, most new construction projects in Portsmouth are either pre-leased or developers are waiting to secure key tenants before moving forward. A prime example is the project at 100 New Hampshire Avenue, where pre-leasing to a distribution company allowed the development to proceed without adding new vacancies to the market once completed.

Even with consistently low vacancies, Portsmouth's direct asking rate, which had previously lagged the statewide average, surged by 40.8% (\$3.61 PSF) over the past year, ending Q2 2024 at \$12.46 NNN. This spike was largely driven by new space entering the market in the flex and warehouse categories.

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 decreased 7% to \$2,306 in 2024 due to added inventory. The current multi-family vacancy rate in Portsmouth of 1% continues to create challenges for people seeking housing.

In Portsmouth, single-family sales are flat year over year; while the median sales price is up 1% to \$800,000. On the condominium side, the monthly median sale price was up from 2023 by 13% at \$727,900. Overall demand remains strong and inventory low for all residential housing types. Housing inventory continues to be planned, approved, and developed.

COMMERCIAL DEVELOPMENT ACTIVITY

Several new development projects are in the permit approval queue and many previously approved projects are underway.

Two significant mixed-use projects are approved along the North Mill Pond. At 53 Green St, development firm Cathartes has proposed a five-story mixed use project with first floor commercial space and 48 residential units above and a 40-foot-wide community space adjacent to the proposed North Mill Pond Trail (1 Raynes Avenue). Just to the west of this development is a proposal by XXS Hotels and ProCon to construct a five-story, 128-room hotel adjacent to a new 68-unit apartment development of studios and one-bedroom units. Also, on the North Mill Pond at 105 Bartlett Street, a 152-unit apartment, three-story building development is set to break ground.

In that general vicinity, the Deer Street Associates' proposal for a large multi-lot mixed-use development that will include a hotel, office, bank, multi-family residences,

retail, and restaurant uses with on-site parking near the Foundry Place Public Parking Garage has been approved and construction is underway.

Other notable developments proposed or underway new include:

- 72 residential units are proposed and approved at 581 Lafayette Road; this development reserves 20% of the units for workforce housing.
- A 95-unit multi-family development at 2454 Lafayette Road, plus 5000 sq. ft. restaurant pad, and 21,897 sq. ft. of community space is under construction.
- 2 Russell Street is home to a proposal that includes three buildings; a four-story office building, and two five-story mixed-use buildings with commercial space on the first floor and residential above.

CREATIVE ECONOMY

Portsmouth's creative economy drives Portsmouth's 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 fuel 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 2024, the impact of a targeted marketing effort has seen steady albeit uneven visitor counts and spending preferences. Inflation and uncertainty about this year's political activity contributed to the disruption of what is normally steady growth in visitors and visitor spending. The weather was much more favorable than the 2023 summer season, supporting strong increases in the May and August time frame.

Portsmouth continues to attract media attention as an excellent destination location to enjoy a variety of activities. The City of Portsmouth was the subject in both online and traditional media as demonstrated in the following list of articles in Fiscal Year 2024:

- Wanderlust Magazine (July 25, 2024) <https://www.wanderlustmagazine.com/inspiration/best-time-to-visit-new-hampshire>
- Fortune, Top 10 Best Cities for Families (July 23, 2024) <https://fortune.com/well/article/best-places-for-families-2024>
- Newsday, Destinations That Hit Their Absolute Peak in Summer (June 28, 2024) <https://www.newsday.com/peak-summer-travel-p3jxn3q3>
- CBS, Take a Trip Back in Time (April 30, 2024) <https://www.cbsnews.com/boston/news/strawbery-banke-museum-portsmouth-nh-new-england-living-sponsored>
- WMUR, Sea-Level Rise Sensors (February 29, 2024) <https://www.wmur.com/article/unh-sensors-monitor-sea-level-rise-affecting-strawbery-banke-museum/60032275>
- WCVB-TV, Seaside City of Portsmouth is a Perfect Destination (March, 2024) <https://www.wcvb.com/article/the-seaside-city-of-portsmouth-nh-is-the-perfect-day-trip-destination-1711485091/60311043>
- Yankee/NewEngland.com, Best River Towns, Best Places to Live in New England (March, 2024) <https://newengland.com/travel/new-england/best-places-to-live>
- Travel + Leisure, 10 Best Places to Live on the East Coast (January, 2024) <https://www.travelandleisure.com/best-places-to-live-on-the-east-coast-7107398>
- Harvard Magazine, No Sleepy Coastal Town (December, 2023) <https://www.harvardmagazine.com/2024/01/h2-visiting-portsmouth-new-hampshire>
- House Beautiful, 4th Most Festive Christmas Town in the US (September, 2023) <https://wokq.com/portsmouth-new-hampshire-named-fourth-most-festive-christmas-town-in-u-s>
- Smithsonian Magazine, Best Historic Small Towns (July, 2023) <https://www.smithsonianmag.com/travel/the-15-best-small-towns-to-visit-in-2023-180982286/>
- World Atlas 8 Top-Rated Small Towns in NH (December, 2023)

<https://www.worldatlas.com/cities/8-top-rated-small-towns-in-new-hampshire.html>

- TheTravel.com 10 Cozy Towns in NH to Retire To (November, 2023)
<https://www.thetravel.com/cozy-towns-to-retire-to-in-new-hampshire>

MAJOR CITY ACCOMPLISHMENTS & INITIATIVES

January 1, 2023, marked the start of the City's year-long 400th anniversary, conducted by the nonprofit 501(c)3 Portsmouth, NH 400th, Inc. (PNH400) with oversight by the City Manager. The goal of PNH400 was to give the community an inclusive opportunity to tell the stories that are important to them, through programs, events, exhibits and legacy projects. PNH400 celebrates the diverse and animated social, political, intellectual, cultural, economic, and spiritual history of Portsmouth, from before its settlement in 1623 to the present.

A key intention was for the PNH400 team to engage the next generation in exploring what the City's 2023 legacy might be and deciding how they might steward Portsmouth and its history beyond 2023. Key initiatives included:

- Legacy Projects: *A History of Portsmouth NH in 101 Objects*, the *Portsmouth Time Machine* illustrated history for grade 3 and up, a commemorative book, the sculpture "Endeavor" as the first in a maritime-themed sculpture garden in Bohenko Gateway Park and an Oral History Project conducted by Portsmouth High School students.
- Signature Events: designed to reflect the goals of PNH400: authentic, diverse,

inclusive, accessible, sustainable, pride in the community, engaged with future generations and fun. These included the Grand 400th Parade, street.life!400, One Community - 400 Years - One Dinner, a Little Italy Carnival and a Community Picnic.

- Community Partner Events: PNH400 partnered with arts organizations, galleries, and individual artists, to encourage them to create new programs or weave the themes and goals of the 400th into existing programs. These included anything from a lecture or tour to a full-scale event or program series.

CITYWIDE AWARDS

Department of Public Works

- The Arbor Day Foundation awarded the City of Portsmouth's Department of Public Works with its 26th Tree City USA designation. For Arbor Day 2023, in conjunction with the Portsmouth NH 400th, the Parks and Greenery Division planted "400 Trees for the 400th" -- 200 trees distributed to residents and Portsmouth Rotary awarded \$30,000 in celebration of their 100th anniversary for planting 100 of the trees and for playground accessibility.
- The Arbor Day Foundation awarded the City of Portsmouth's Department of Public Works' Parks and Greenery group its 6th *Tree Growth Award* due to its high levels of education, partnerships, planning and management, as well as tree planting and maintenance.

CITY ACCOMPLISHMENTS

Portsmouth 400th Anniversary, 1623-2023

Portsmouth NH 400th, Inc. (PNH400), an independent nonprofit organization, managed the City’s commemorative events, programs, and projects with support from the City. The success of PNH400 can be measured by the commissioning and installation of the Legacy Sculpture “Endeavor,” hosting a national sea level rise symposium, conducting several signature events, exhibits, programs, and projects. In addition, the group published four commemorative books, contributed 18,000 volunteer hours, raised \$1 million in sponsorship, facilitated 1,000-time capsule contributions, and orchestrated one incredible year of celebration. PNH400 published the 400x400 photo book and History Lights Our Way commemorative book in May 2024. For details, visit: portsmouthnh400.org.

Economic Development

The Economic and Community Development Department collaborates with the Seacoast Economic Development Stakeholders to share best practices when engaging employers specifically around the issues of employee attraction and retention. The Department deployed NH Business and Economic Affairs funds and partnered with SOHO Creative (a Portsmouth business) to create an employer toolkit video series now available to employers across the Seacoast. For details, visit: sohocreativestudio.com/employer-toolkit.

Arts, Culture and History

Cultural Plan/Arts & Cultural Commission

- In FY24, the Blue Ribbon Committee on Arts and Nonprofits focused on updating the 2002 Cultural Plan and presented the 2023 Cultural Plan as guidance for the newly established Arts & Cultural Commission. For details, visit: portsnh.co/artsculture.
- This Committee also managed the City’s participation in the Americans For the Arts “Arts & Economic Prosperity 6” survey that found that in Greater Portsmouth the arts contributed \$70.2 million in spending – excluding admissions fees – to the local economy, a number that is significantly higher than other communities our size. For details, visit: portsnh.co/artsculture.

Public Art Review Committee (PARC)

The Public Art Review Committee (PARC) advises the City Council on private donations, proposed projects in the public realm, and commissions to fulfill the Percent-for-Art ordinance. In January 2024, PARC launched an initiative to commission a signature work of art on Peirce Island in connection with the Peirce Island Wastewater Treatment Facility upgrade project under the terms of that ordinance. PARC launched a Request for Proposals for a signature Percent-for-Art piece on Peirce Island in connection with the Peirce Island Wastewater Treatment Facility upgrade project and the City Council accepted their recommendation to award a contract to DiBari Associates of Miami, Florida. For details, visit: portsnh.co/PARC.

Blue Ribbon Committee on Historical Archives

The City, several organizations, and individuals own and store important historical records, some of which must be maintained by law. The

City and those organizations do not have adequate facilities to properly store and preserve them. Chaired by City Councilor Vincent Lombardi, the Committee includes representatives from the Portsmouth Public Library, Strawberry Banke Museum, Portsmouth Athenaeum, Portsmouth Historical Society and other archive professionals and collectors. Their 2024 end-of-year report requested Capital Improvement Plan (CIP) funding to assess the collective archives, and the committee continued work on the agreements to structure a public-private partnership. For details, visit: portsnh.co/historicalarchives.

South Meeting House

The City helped complete the relocation of Portsmouth Public Media TV, a nonprofit tenant public access television organization to a studio space at the Fox Run Mall in Newington, and conducted a Request for Proposals process to determine the best use of the space. In August 2024, the City Council approved an agreement with Chinburg Properties and Portsmouth Music and Arts Center to rehabilitate the property.

Sister & Friendship Cities

The City welcomed visitors from its Friendship Cities Santarcangelo, Italy and Portsmouth, UK; revived the Blue Ribbon Committee on Sister Cities to sustain these relationships and evaluate new requests and participated in the Sister Cities International US-Japan Hajimari (“Origins”) project with a recap of Portsmouth’s Sister City partnership with Nichinan, Japan. In June, a delegation including Superintendent of Schools Zach McLaughlin, Portsmouth High School Principal Stephen Chinosi and Portsmouth High School students and teachers visited Nichinan and

Portsmouth’s Sister School. Delegations from schools in Nichinan and Santarcangelo visited Portsmouth in October 2024. For details, visit: portsnh.co/sistercities.

Historic Cemetery Committee

The Committee completed the cleaning of 400 headstones “for the 400th”, made Hall Cemetery on South Street more accessible, and organized a re-interment ceremony for historical remains in North Cemetery. FY24 preservation work on the North Cemetery wall facing North Mill Pond, funded in part through a [\\$20,000 NH State Library “Moose Plate” grant](#), included rebuilding the collapsed stone retaining wall. Work was completed in June 2024. For more information, visit: portsnh.co/cemeterycte.

Informational Signage Projects

Projects completed in FY24 included a kiosk in Bohenko Park detailing the history of the USS Albacore, the historic waterfront and the waterfront environment, South Mill Pond signage on the clean-up efforts, and CSO discharge improvements and trail signs at Peirce Island.

Planning & Sustainability

Portsmouth Energy Advisory Committee (PEAC)

PEAC launched the Portsmouth Community Power (PCP) initiative in June 2023 after joining the Community Power Coalition of NH (CPCNH) and gaining Public Utility Commission approval of the Aggregation Plan. In August 2024 PEAC joined four other neighboring Community Power towns in a friendly Green Power Challenge to see which community can secure the most “opt-up” customers (by percentage) to help reduce the carbon footprint of energy consumption. PCP allows

all Portsmouth Eversource customers to take advantage of CPCNH preferred rates and more renewable sources of electricity. Ultimately, PCP will allow Portsmouth to initiate and launch collaborative alternative power projects. For details, visit: portsnh.co/peac.

Community Housing

Department initiatives included a collaborative review of available sites for housing with the Land Use Committee, Portsmouth Housing Authority, and other stakeholders, the addition of a Housing Navigator in the Planning & Sustainability Department, a community-wide Portsmouth Listens dialogue to gain greater understanding of needs and opportunities, and the formation of a Housing Blue Ribbon Committee. For details, visit: portsnh.co/housingcte.

Joint Land Use Study (JLUS)

The City collaborated with the JLUS coordinator, Southern Maine Planning, and other NH-side partners (Rockingham County Planning and Strafford County Planning) to secure federal funds for initiatives to ameliorate the impact of the Portsmouth Naval Shipyard workforce on housing and transportation similar to those currently being piloted in Kittery.

Managed Growth

In FY24, the Planning and Sustainability Department worked with the City's Planning Board, Zoning Board of Adjustment, Historic District Commission, Technical Advisory Committee, Conservation Commission, other City Departments, property owners, and developers to manage growth in the City according to the City's Master Plan. Major projects included:

- 1169 Sagamore Avenue

- 3400 Lafayette Road
- 3454 Lafayette Road
- 83 Peverly Hill Road
- 93 Pleasant Street
- 70 Maplewood Avenue
- 1400 Lafayette Road
- 38 Deer Street
- 105 Bartlett Avenue
- 53 Green Street
- 1 Raynes Avenue
- 815 Lafayette Road
- 2 Russell Street
- 80 Constitution Avenue
- 111 State Street
- 581 Lafayette Road
- 686 Maplewood Avenue
- 165 Deer Street
- 64 Vaughan Street

Health

Lead Testing

The City of Portsmouth Health and Water Departments secured funding for 100 free kits for homeowners to test their drinking water and paint for the presence of lead. To date, 55 residents have requested kits and 27 have sent in samples. Results were all "no detect" for the presence of lead.

In February, the City launched a project to complete a Lead Service Line inventory, due to the Environmental Protection Agency by October 16, 2024. By mid-September, the Department of Public Works (DPW) had identified all but 622 of the 8,382 total services. No lead service lines had been found to date. 92% of lines are copper. The 139 galvanized lines identified must be replaced within 10 years. While the City Water System has no lead pipes and tests regularly, as required, to confirm there are no detectable levels of lead in drinking water, older homes

may have lead pipes or pipe connections that used lead solder.

Older housing stock is also at risk for contamination by lead paint which was not banned until 1978. The Inspection Department is taking steps to reinforce its program to inspect rental properties for the presence of lead paint.

Community Health Needs Assessment

Many residents are disproportionately impacted by events such as disease outbreaks and disasters, the loss of standards of care, climate change, and other challenges. To assess and address those needs, the Health Department led the creation of a City of Portsmouth Community Health Profile, Community Health Needs Assessment, and a Community Health Improvement Plan to identify ways the City can increase the community's overall health, wellness, and resiliency for all Portsmouth residents.

The Plan offers a statistical profile of Portsmouth residents and, wherever possible, compares each measure to Rockingham County, the State of New Hampshire, and the US. This profile is a snapshot in time of the social determinants of health – the conditions in which people are born, grow, work, live, and age – and the wider set of forces and systems shaping the conditions of daily life. The statistics in this report also point out areas of concern where health needs suggest remedial action.

Emergency Shelter

The City Council has allocated ARPA funds for furnishings to outfit, if needed, emergency shelter accommodations. For more information, visit: portsnh.co/arpa.

Permitting Process

In collaboration with Public Works and Inspection, the Department created online permitting processes for several programs, including the Fats, Oils & Grease and Temporary Event Permits.

Communications & Community Engagement

City Newsletter

The City Newsletter is published every Monday and includes upcoming meetings, events, and initiatives Citywide. For all the ways the City engages with the community, visit: portsnh.co/connect.

Smart911 Snow Policy

The City declares snow alerts via text, voicemail, and email. Through an ongoing awareness campaign, the City encourages all residents to sign up for the Smart911 messaging system to assist them in staying informed of snow-related emergencies. Snow parking information is also available via the City's Snow Phone. For details, visit: portsnh.co/snowimpacts.

FlashVote

The City of Portsmouth works with FlashVote to engage the community and gather valuable input from residents to inform our decisions with statistically relevant surveys and to increase resident engagement in the public process. Surveys have included: Community Priorities, Downtown Parking, Climate Action, and Communications Preferences. For details, visit: portsnh.co/flashvote.

Communications Working Group

Staff formed an inter-departmental working group that meets regularly to discuss communications challenges and best practices, to share ideas, and create initiatives

to promote communication internally and externally to foster engagement.

Department of Public Works

Asset Management Project

This ongoing cross-functional initiative will complete an inventory of all City infrastructure assets (pipes, facilities, data collection and monitoring, streets, and sidewalks, etc.). This crucial work prioritizes the need and builds lifecycle cost analysis into the maintenance and replacement schedules.

Water/Wastewater/Stormwater

- *Water* - The Water Department produces quarterly and annual reports on the supply and quality of drinking water (as measured by constant data collection) in the Pease and Portsmouth Water Systems, implements evolving Water, Wastewater, and Stormwater Master Plans, and co-chairs the Safe Water Advisory Group (SWAG). In quarterly meetings since 2020, SWAG has reviewed and communicated the latest science on the health and environmental effects of PFAS, monitored federal and State level legislative changes, and informed the public on any anticipated policy changes that could impact the City. For the most recent Drinking Water Status Report, visit: <https://portsnh.co/watersupply>.
- *Little Bay Water Main Project* - Phase 1 of the project replaced the valves on both sides of the Bay and tapped the existing water main to allow for future connection of a third water line.

- *Municipal Separate Storm Sewer Systems (MS4) Compliance* - Water/Wastewater/Stormwater separation projects completed include:
 - Islington Street Phase 2
 - Sagamore Avenue
 - Union-Middle Street
 - Market Street
- *Mechanic Street Pumping Station* - The City developed a Pump Station Master Plan to perform limited upgrades in FY24 to the station which is the largest in the City. Pump failures and flooding events required temporary pump installation and repairs in 2023 that underscored the need for a comprehensive replacement and upgrade program. The City has contracted with the team of AECOM and Underwood Engineers to complete a feasibility study for a full facility replacement starting in 2025. For more information, visit: <https://portsnh.co/pumpstations>.
- *Marjorie Street Pumping Station* - A Public Preconstruction Meeting was held on April 23, 2024 on-site at the pumping station at the end of Marjorie Street to discuss building a small new wastewater pumping station to provide services within the Marjorie Street and Sylvester Street area. Construction was planned for September to December 2024. For more information, visit: portsnh.co/2024marjoriepump.
- *Per- and Polyfluoroalkyl Substances (PFAS)* - In March of 2023, the EPA issued a proposed rule that would further limit acceptable levels of two Perfluoroalkyl Substances (PFAS) in drinking water nationally and will require public water systems to monitor for these chemicals, notify the public and reduce PFAS

contamination if levels exceed the proposed regulatory standards. The City has followed DES guidance for the past nine years and continues to comply with all standards regulating levels of PFAS in both the Portsmouth Regional and Pease International Tradeport Drinking Water Systems. Until the new April 10, 2024 EPA rule is finalized, and its requirements go into effect, Portsmouth, along with all community water suppliers in New Hampshire, must continue to comply with the PFAS maximum contaminant levels (MCLs) established by the DES in 2019 for four PFAS compounds. The City of Portsmouth maintains a multi-pronged approach that includes sampling its drinking water for PFAS, reducing exposure to PFAS, ensuring information is shared with the public and studying the latest science. The Pease water system also has advanced filtering that removes the PFAS compounds.

- *Think Blue Public Outreach and Engagement*
 - Produced YouTube videos and postcards detailing proper yard and pet waste disposal, reducing salt de-icing, and fertilizer applications.
 - Hosted Household Hazardous Waste Day in spring and fall, attracting over 300 residents of Portsmouth, Newington and Greenland to bring their qualifying items for proper disposal.
 - Hosted Sustainability Fair demonstrations of low-flow toilets and rebate program.
 - Continued collaboration with Strawberry Banke Museum’s “Water Has a Memory” exhibit that includes

water, wastewater, and stormwater infrastructure information along with Think Blue outreach tips. For details, visit: strawberrybanke.org/water-has-a-memory.

- *Collins Well #2* - Collins Well #2 was drilled and constructed and the City’s consultant and DES are now evaluating the pumping as part of the permitting process. Final design of the infrastructure will occur with the Portsmouth and Collins wells to ensure PFAS compliance.
- *Greenland Well Treatment Pilot* - Ahead of modifications in the EPA limits for PFAS, the City began evaluating treatment options for the Greenland well.
- *Bellamy Reservoir Protection* In FY24, the City acquired conservation easements totaling 179 acres, through the combined efforts of the City, Southeast Land Trust (seltnh.org) and the Town of Madbury. The City received approximately \$487,000 in grant funds for these easements from the New Hampshire Groundwater and Drinking Water Trust Fund and approximately \$14,500 from the Great Bay Resource Protection Partnership. The City also pursued a plan to acquire a 45-acre parcel near the surface water intake with additional funding from State and federal grants.
- *Water Management* - The combined Portsmouth/Pease water system pumped an average of 3.7 million gallons per day. This amount is below historical demands thanks to water efficiency efforts, including rebates and diligent management of the City’s water distribution system and the correction of leaks in the service pipelines. Groundwater levels in most of the City’s water sources

ended 2023 as high as they have been in the last twenty years. This is due to the precipitation received and to Operations' optimization of the use of surface water versus groundwater. Cutting back on groundwater withdrawals allowed well levels to be maintained in a sustainable manner and provided more water availability for the system to meet peak demand.

- *Fats, Oils, and Grease (FOG) Program* - FOG have negative impacts on wastewater collection and treatment systems. The City continues its effort to mitigate those impacts and has established an Industrial Pretreatment Coordinator (IPP) role to oversee pretreatment and manage the City's FOG program. Following outreach, site visits, and inspections, the City has received applications from all facilities that require permits. For more information, visit: portsnh.co/fogprogram.
- *DPW Water Service Lines Inventory* - In November 2023, the EPA issued a Lead and Copper Rule Improvement requirement that all water suppliers complete an inventory of all water service lines – the pipes that deliver drinking water from the public water mains into abutting properties – by October 16, 2024. The Water Division is completing its inspection of all 8,400 water customer service lines where they enter residential and commercial buildings to determine the material type. The City water supply sources do not contain measurable quantities of lead as determined by regularly scheduled lead testing in accordance with federal and State requirements. However, this metal may exist in components of household

plumbing systems and water service lines. For more information, visit: portsnh.co/servicelineinventory.

- *Additional Capital Projects*

- Route 1 Bypass-Coakley Road Intersection Project

- The City received approval from the New Hampshire Department of Transportation (NHDOT) on its \$1.2 million Congestion Mitigation and Air Quality (CMAQ) project plan for the Route 1 Bypass-Coakley Road-Cottage Street-Borthwick Avenue intersection. The goal of the project is to reduce traffic congestion and the associated exhaust pollution while improving traffic flow in this area. In FY24, the City completed construction of a multi-use path along Borthwick Avenue as part of the project. The connector road and other work are planned for FY25. For more information, visit: portsnh.co/Bypass-Coakley-Cottage.

- Road Paving

- The City initiated a Pavement Condition Management Program in 1993, surveying 25% of Portsmouth's total 104.2-mile, City road network conditions are evaluated, and budget requirements are analyzed, resulting in the development of road-paving programs. The report generated provides recommended funding to maintain street conditions at current levels. The Department completed the following road projects in FY24: Nixon, Little Harbor, Court, Banfield, Mirona, Pannaway, and portions of Coolidge, Taft and Grant. For detailed information on road paving and

sidewalk projects, visit: portsnh.co/engineeringprojects.

- Pierce Island Road Resiliency Project
In FY24, the project to raise Pierce Island Road to provide consistent access to the Pierce Island Wastewater Treatment Facility (WWTF), a critical municipal service, 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. The City moved forward on this project in Spring 2024, suspended work during the summer season when demand on the road is high due to the outdoor pool and boat launch ramp, and completed the project in September.
- Interstate 95 Sound Barriers
NHDOT awarded the Portsmouth soundwall project to Northeast Earth Mechanics, LLC and the contract was approved by Governor and Executive Council. For more information, visit: portsnh.co/soundbarriers.

Facilities

City Hall

Improvements included the refreshing of the lobby, Portsmouth Room and hallways, roof, HVAC, and brick façade.

Outdoor Pool

This project includes improvements to the aquatics, mechanical systems, and pool structure. It is divided into two phases, with active outside construction scheduled during the off-season so as not to interrupt the

operation of the outdoor pool which is open June-August. The construction of a new pump house and chemical building to house the pool's mechanical systems and piping was completed in phase 1. The reconstruction of the entire pool, including a new liner, perimeter gutter and new deck surrounding the entire pool started in September 2024. For more information, visit: portsnh.co/24outdoorpool.

Indoor Pool

Completed new deck drains and painting.

Hanover Garage

Completed the second year of the City's three-year \$6.3 million upgrade to the Hanover Parking Garage to extend its useful life. The work in FY24 focused on Levels 2 and 3 as well as the Hanover Street Main Entry/Exit. The new entry/exit will include new control equipment, a revised sign package, and a redesign of traffic patterns to reduce exit times and increase pedestrian safety. For more information, visit: <https://portsnh.co/HanoverGarage>.

DPW Facility

Completed a project to replace the fuel tank station servicing all municipal vehicles.

British Telephone Box

Refurbished this 1973 gift to Portsmouth in-house and repositioned it at Portsmouth Historical Society.

Bridges

- *Bartlett Street Railroad Bridge* - In FY24, the City received a Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grant of \$460,000 to perform preliminary engineering and development

of specifications and cost estimates to replace the Bartlett Street bridge near the intersection of Bartlett and Cate Street. That work continues in FY25.

- *Maplewood Avenue Bridge* - This project includes repairs to the culvert and other safety upgrades. Work started in the summer of 2024 and will continue into spring of 2025. For more information, visit: portsnh.co/maplewoodbridge.

Parking & Transportation

ParkMobile

The ParkMobile smartphone app is the City's primary source of parking transactions, through an ongoing campaign of promotion and incentives. The app is less expensive to operate and maintain than physical meter systems and provides convenience and flexibility to the end user. It supports the Portsmouth Resident Parking Discount Program which gives residents discounted rates for on street and parking lot inventory operated by the City. For details, visit: portsnh.co/parking.

Signs and Lines

The Transportation Engineering Business Unit now includes "Signs & Lines," formerly in the DPW Highway Department. The Parking Enterprise Fund revenues now pay for this service, reducing resident property tax burden.

Parking & Traffic Safety Committee (PTSC)

PTSC seeks to improve pedestrian and vehicular safety and traffic flow, consistent with the City's Bicycle and Pedestrian Plan. The Parking Division also collects and provides data on parking and traffic to PTSC to recommend adjustments to benefit users and

optimize revenues from City parking resources.

Parking Utilization Study

The 10-year Parking Utilization Study, begun in FY24, sought to update and modernize the governing principles adopted in 2012. This study is taking a holistic approach to supporting the Planning & Sustainability Department in its mid- and long-term planning for transportation needs. The revised parking principles were accepted by the City Council in February 2024 and a work group continues to refine the study for action by the City Council in January 2025. For more information, visit: portsnh.co/2023parkingneeds.

Recreation

- Skatepark

Opened new 20,000 square foot skatepark with lights and parking area. The site is also the City's main access point to the NH Seacoast Greenway. The skatepark has been heralded as one of the top parks in New England. For details, visit: portsnh.co/skatepark.

- Summer Camp Expansion

Expanded summer camp capacities to accommodate up 80 children per week for Camp Funstuff and 30 children per week for Sports Camp. 730 children were cared for between both programs in Summer 2024.

- Community Picnic

Hosted the Community Picnic for hundreds of residents at Prescott Park, continuing the tradition started by *Portsmouth NH 400* in 2023. The Recreation Department now hosts this annual event – free for residents – that includes food, entertainment, games, and more. This

collaborative event is produced with Prescott Park Arts Festival and other City Departments.

- South Mill Pond Playground Improvement Project
In November 2023, the City contracted with [SLR International Corporation \(SLR\)](#), to renovate and improve South Mill Pond Playground. SLR is known for constructing playground designs that meet and exceed the latest Americans with Disabilities Act and Universal Design standards. For more information, visit: portsnh.co/southmill25.
- Community Campus
Acquired by the City in 2023, DPW assisted with relocating the Recreation Department staff and the Robert J. Lister Academy from Sherburne School to the Campus and contracted with JSA Architects to evaluate and improve the use of tenant space.

Information Technology (IT)

Information Technology (IT) Infrastructure

- Upgraded aging computers across departments and implemented a new standard for remote work.
- Increased internet and Municipal Area Network (MAN) capacity to improve performance, and reliability, and to support our transition to cloud-based applications.

Cybersecurity

- In response to feedback from the Cybersecurity & Infrastructure Security Agency (CISA), work was done to physically secure network equipment in multiple locations across the city including City Hall, the three Fire Stations, and the Hanover Parking Garage.

- Implemented quarterly cybersecurity training and monthly phishing tests showing consistent improvement in identifying suspicious emails.
- Implemented automatic patching for Windows Updates and Software Updates, creating a more secure environment by eliminating potential security risks to software the City uses.

Financial Software

- The Request for Proposals was posted in June 2024 for replacement of the financial and human resources software. This proposal involved input from many individuals to capture the most critical functions to include in a new system which will be cloud-based and allow for increased efficiency and consolidation of many disparate functions. A firm will be selected in early 2025.

Emergency Management

- Completed the City's Hazard Mitigation Plan, had the Plan approved by the Federal Emergency Management Agency, reviewed by NH Homeland Security and Emergency Management (HSEM), and adopted by the City Council.
- Completed a review and update of the Local Emergency Management Plan by all City Departments, had the plan approved by NH HSEM and adopted by the City Council.

Fire Department

- Purchased, trained, and placed into service 50 new Self-Contained Breathing Apparatus. These were purchased with \$185,000 in Capital Funds, \$96,000 in Webber Funds and an Assistance to Firefighters Grant of \$333,295. The apparatus provides Portsmouth

Firefighters with the most up-to-date equipment for entering an Immediately Dangerous to Life and Health Environment and the technological upgrades to allow for improved communication and accountability tracking capabilities, all of which provide increased safety for crews.

FY25 CITY INITIATIVES

Human Resources

Municipal Equality Index Improvement

The Municipal Equality Index (MEI), from the Human Rights Campaign, examines the inclusivity of municipal laws, policies, and services for LGBTQ+ people who live and work in each city. Municipalities are rated based on non-discrimination laws, the organization as an employer, municipal services, law enforcement, and leadership on LGBTQ+ equality. Portsmouth had a rating of 68 in 2020. Through the efforts of the Human Resources Director collaborating with individual departments, our 2024 rating is 96 out of 100.

Diversity, Equity, and Inclusion Working Group

The City published a Diversity Equity and Inclusion (DEI) Values Statement in FY25 and reignited the internal DEI working group with representatives from across all departments. The group meets quarterly with a task-oriented focus on communications, events, and training.

Criterion Applicant Tracking System

Human Resources and IT worked diligently on migrating our Applicant Tracking Software (ATS) from CivicHR to Criterion. CivicHR was purchased by Criterion in 2023. The new ATS will provide a more streamlined process for interviewing and tracking candidates.

Statistical Highlights

- Q1 of FY25: 64 Interviews held
- Q1 of FY25: 65 New Hires for School and City
- Q1 of FY25: 65 Orientations
- Q1 of FY25: 98 Background Checks
- Q1 of FY25: 13,828 Job Board Views

Planning & Sustainability

Climate Action Plan

The Climate Action Plan integrates climate adaptation planning into the City's local planning and regulatory framework, to advance the City's objectives as an Eco-Municipality, and empower and encourage residents, businesses, visitors, and City staff to take action to reduce and adapt to the impacts of climate change. On August 19, 2024, the Portsmouth City Council voted to adopt *Portsmouth's Climate Future: A Roadmap to Net Zero Emissions and Climate Resilience* as the City's Climate Action Plan and commit to the goals and strategies set forth within this document. For more information, visit: portsnh.co/climatefuture.

Land Conservation

In partnership with the Southeast Land Trust, the City has committed to providing up to \$1 Million to securing a conservation easement of 94 acres of open space on Elwyn Road. Using the City's Conservation fund, this project seeks to protect one of the largest undeveloped properties in the City. For more information, visit: portsnh.co/concomm.

Seacoast Greenway

The City has been awarded \$850,000 through the Transportation, Housing and Urban Development, and Related Agencies Fiscal Year 2024 Appropriations Bill to construct two trailhead facilities in Portsmouth to access the

NH Seacoast Greenway. This funding is intended to close existing gaps in popular multi-use paths, ensuring the safety of trail users. For more information, visit: portsnh.co/greenway.

Market Square Master Plan

In FY24, the City selected consultants and a committee to capture the community's vision for Market Square and begin planning for upgrades to this vibrant core of Portsmouth.

Recreation

- The Community Campus Tenant Improvements project to help upgrade security, programming space, and IT infrastructure at the Community Campus started in Fall 2024. This \$2.5 million project is fully funded by ARPA and CDFA grant funds. Completion is expected by the fall of 2025.
- Started collecting public input on the redesign of the South Mill Pond playground to create a universally accessible playground and site improvements at the popular recreation area. Completion is expected in 2026.
- Design has begun for the construction of the second turf field at the Recreation Athletic Field Complex. Project will include adding a softball diamond to the multi-use field, and the expansion of parking and lights. Completion is expected in the Fall of 2025.

Police Department

Computer Aided Dispatch/Records Management System (CAD/RMS)

In FY24, the Department kicked off implementation of a new system with data migration anticipated to be complete in the second quarter of FY25. Once completed and

tested, staff will be trained. An advocacy group of over 100 City residents recently proposed a set of policy changes to the Police Commission to enhance Commission and Department transparency, accountability, performance, goodwill, and community confidence. The recommendation of data gathering/analysis from this effort informs the new CAD/RMS system. The first set of quarterly data is anticipated to be available at the end of FY25.

Rapid Response Access Point/Mobile Crisis Response Team

The Department will continue its partnerships on calls for service with a mental health component. The team has become a valuable resource in dealing with these types of calls. In FY25, the Department's Social Worker will further enhance these responses by deploying for mental health calls, as directed, and by adding a follow-up component.

The 30 x 30 Advancing Women in Policing Initiative

This initiative seeks to increase the representation and experiences of women in all ranks of policing. The stated goal, to reach a proportion of 30% women among sworn staff by 2030, is having positive results. The Department is currently at 9%, up from 7% in FY23.

Public Safety Training

Training events in FY25 include CRASE, ALICE, Fraud Awareness, Personal Safety, and Bank Safety.

Community Events

In FY25, the Department's efforts in Community Policing continue such popular initiatives as Coffee with a Cop, Shop with a Cop, National Walk to School Day, Senior Summer Picnic, National Night Out, Veterans Breakfast and Senior Thanksgiving Luncheon.

Reinstate the Downtown Business Association (DBA)

In the past, the DBA group consisted of downtown business owners and representatives from the Department. The group's goals were to identify areas and issues that benefit from a proactive police approach to address crimes business owners were experiencing or observing, identify where police could help by being more visible, and to strengthen community relations between the police and business owners. The group gave business owners a voice, and an opportunity to become more involved in solving downtown issues. Reconstituting this group in FY25 creates an opportunity to add City staff to the conversation, as needed.

IACP Trust Building Campaign

The Department joined the IACP Trust Building Campaign in late FY24. Although the Department is a top-tier accredited agency under the Commission on Accreditation for Law Enforcement Agencies (CALEA), there are many other resources and initiatives the Department reviews and adopts to improve the agency overall and the services it provides.

The International Association of Chief of Police (IACP) Trust Building Campaign is an initiative that touches on many items the Department currently has in place, but also includes new items the Department will adopt.

According to the IACP:

To join the campaign, police agencies must pledge to implement the outlined key policies and promising practices. These policies and practices represent six key focus areas that are essential to enhancing trust and collaboration between communities and police.

- Bias-Free Policing
- Use of Force
- Leadership and Culture
- Recruitment, Hiring, and Retention
- Victim Services
- Community Relations Agencies and organizations demonstrating a serious commitment to implementing the key action items in all six areas will become publicly recognized members of the Trust Building Campaign. For more in-depth information on each focus area go to: <https://www.theiacp.org/iacp-trust-building-campaign>.

Information Technology

Information Technology (IT) Infrastructure

Establishing and maintaining a hardware refresh cycle eliminates inefficiencies in procurement, unexpected downtime due to aging hardware, enhanced security, energy efficiency and improved user experience.

Cloud Migration will reduce capital expenditure on server hardware, allow for more predictable costs, improve energy efficiency, increase reliability, and allow IT to focus less on managing physical infrastructure and more on strategic initiatives.

Network modernization by moving from a hub and spoke network to independent internet connectivity starting with the most critical locations dovetails with the cloud migration. Allowing locations to connect directly to the internet without backhauling all traffic to city hall reduces single points of failure, increases network efficiency, and reduces complexity thus increasing security.

Cybersecurity

Continued investment in cybersecurity on multiple fronts to reduce vulnerabilities, increase training and awareness citywide, train IT Department staff and apply best practices.

Financial Software

In FY26, the implementation phase of the Finance and Human Resources Software project is anticipated. This will include mapping current functions to new processes in the new system, migration of data, data validation and employee training.

LONG-TERM FINANCIAL PLANNING

STATEWIDE EDUCATION PROPERTY TAX

The Statewide Education Property Tax (SWEPT) assessment process remains essentially the same for FY24. By way of background, each fall, the Department of Revenue Administration notifies each municipality of the amount it must raise through the SWEPT for the following school year. Historically, Portsmouth has raised tax revenue greater than the State determined per pupil cost of an adequate education (referred to as “excess SWEPT”) and has been able to retain this revenue to cover local education costs. Prior to FY06, Portsmouth was a “Donor” community, forced to raise an additional \$11,750,318 in SWEPT from

Portsmouth for the State to distribute to other “Receiver” communities.

Over the past several years, several legislative initiatives have been introduced that would require those communities that collect excess SWEPT to pay it over to the State to deposit in the general fund or educational trust fund. Those bills have not passed the Legislature, but it is anticipated that similar bills will be filed in the next legislative session. The City actively opposed these bills and has joined other former Donor communities (collectively “Coalition Communities 2.0” or “CC2”) to lobby against the return of a donor/receiver education funding model.

It is also significant to note that there are two pending lawsuits that challenge the constitutionality of SWEPT and the State’s “adequacy”, the per pupil cost of an adequate education. In the matter of *Contoocook Valley School District v. State of New Hampshire*, Docket No. 213-2019-CV-00069, a final decision is expected to be issued in 2025. The Petitioners allege that certain costs associated with educating students should be included as a part of adequacy and paid for by the State. If this argument is successful, the base adequacy per pupil could increase substantially and as a result, SWEPT could increase substantially. The Attorney General represents the State and supports the constitutionality of the current education funding formula.

The second lawsuit, *Steven Rand, et al v. The State of New Hampshire*, Docket No. 215-2022-CV-00167, is also pending in the Rockingham County Superior Court. In this lawsuit, the Petitioners challenge, in part, the constitutionality of the collection and distribution of SWEPT, specifically the

retention of excess SWEPT by some communities. As in the *Contoocook Valley matter*, the Attorney General’s Office represents the State and supports the constitutionality of the current method of collecting and distributing SWEPT, including the retention of excess SWEPT by some communities. CC2 hired an attorney to intervene in this matter who joined in the State’s arguments. A decision on this aspect of the *Rand* case is expected this fall after the final order in the *Contoocook Valley* matters is issued. Both decisions could face appeals to the New Hampshire Supreme Court. It is important to note that the Legislature is mindful these pending cases, and bills that prohibit the retention of excess SWEPT and increase per public adequacy will likely be introduced in the next session prior to the final resolution of any appeals. CC2 will continue to monitor these cases and any 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 legislation on education funding.

BOND RATING

In June 2024, the last time the City issued bonds, Standard & Poor’s Global Rating Group (S&P) affirmed the City’s AAA bond rating, citing:

- Robust local economy that benefits from the Boston-Cambridge-Newton metropolitan statistical area while capitalizing on tourism and ongoing economic development;
- Strong financial-management policies, practices under our Financial Management

Assessment (FMA) methodology – including its formal capital-improvement planning, financial forecasting, and a formal reserve policy – and very Institutional Framework score for New Hampshire municipalities;

- Maintenance of surplus operations as conservative revenue estimates outperform budgeted levels, allowing for the continued maintenance of very strong budgetary flexibility and liquidity; and
- Additional debt plans that, as the city works through the total authorization, we expect will not likely have a material effect on Portsmouth’s debt profile”.

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 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 an actuarial study and periodic review, which is transferred into this fund where 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 \$4,696,352, a net increase of \$135,253 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, 2024, 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 expenditures toward net debt service payments. 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 FY24, the amount of net annual debt remains within the policy limits at 7.66%.

GFOA CERTIFICATE OF ACHIEVEMENT

Certificate of Achievement ACFR

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, 2023.

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-one (31) awards for Fiscal Years ending June 30, 1988, 1989, and twenty-nine consecutive years from 1995 to 2023. The City believes that its current annual comprehensive financial report 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 Popular Annual Financial Report

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, 2023. This is the City's seventh consecutive award. To achieve this award, the government unit must produce a high-quality popular annual financial report 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, 2023 (FY24). This award marks the 18th consecutive year. 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

The Government Finance Officers Association implemented in Fiscal Year 2019 a new recognition, the GFOA Triple Crown. The Triple Crown recognizes governments who 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, and 2023.

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 Andrew Purgiel, Deputy Finance Director, and Abigail 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,



Nathan D. Lunney
Deputy City Manager - Finance &
Administration

City of Portsmouth, New Hampshire Citywide Organizational Chart



- City Boards and Commissions**
- [Arts & Cultural Commission](#)
 - [Audit Committee](#)
 - [Building Code Board of Appeals](#)
 - [Cable and Broadband Internet Commission](#)
 - [Cemetery Committee](#)
 - [Citizens Advisory Committee](#)
 - [Citywide Neighborhood Committee](#)
 - [Conservation Commission](#)
 - [Demolition Committee](#)
 - [Economic Development Commission](#)
 - [Energy Advisory Blue Ribbon Committee](#)
 - [Fee Schedule Study Committee](#)
 - [Governance Committee](#)
 - [Historic District Commission](#)
 - [Historical Archives, Blue Ribbon Task Force](#)
 - [Housing Authority](#)
 - [Legislative Subcommittee](#)
 - [Library Trustees, Board of](#)
 - [Parking and Traffic Safety Committee](#)
 - [Pease Development Authority \(PDA\)](#)
 - [Planning Board](#)
 - [Portsmouth Housing Endowment Fund Board](#)
 - [Prescott Park Master Plan Implementation Committee](#)
 - [Public Art Review Committee](#)
 - [Recreation Board](#)
 - [Rockingham Planning Commission](#)
 - [Safe Water Advisory Group](#)
 - [Rockingham Metropolitan Planning Organization \(MPO\)-Technical Advisory](#)
 - [Sister and Friendship Cities Blue Ribbon Committee](#)
 - [Site Review Technical Advisory Committee](#)
 - [Sustainable Practices Blue Ribbon Committee](#)
 - [Trees & Public Greenery Committee](#)
 - [Trustees of Trust Fund, Board of](#)
 - [Veterans Organization](#)
 - [Zoning Board of Adjustment](#)

City of Portsmouth, New Hampshire Directory of Officials

Directory of Officials

City Council

Deaglan McEachern, Mayor
JoAnna Kelley, Assistant Mayor

John Tabor
Kate Cook
Josh Denton

Rich Blalock
Andrew Bagley
Beth Moreau
Vincent Lombardi

Board of Education

Nancy Novelline Clayburgh, Chair
Brian French, Vice Chair
Patricia “Tish” Campbell
Christiana “Pip” Clews
Byron Matto
David “Leigh” Hudson
Kerry Nolte
Elizabeth “Liz” Barrett
Lisa Rapaport

Police Commission

Kate Coyle, Chair
Buzz Scherr
Francesca Marconi Fernald

Fire Commission

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

Principal Executive Officers

Karen Conard, City Manager
Suzanne Woodland, Deputy City Manager/Regulatory Counsel
Nathan Lunney, Deputy City Manager – Finance and Administration
Sean Clancy, Assistant City Manager for Economic and Community Development
Zach McLaughlin, Superintendent
Mark Newport, Police Chief
William McQuillen, Fire Chief
Patricia Ainsworth, Chief Information Officer
Kelli Barnaby, City Clerk
Peter Britz, Planning & Sustainability Director
Ellen Tully/Jodi Carnes, Welfare Director
Brian Goetz, Director of Water Resources/Deputy Public Works Director
Christine Friese, Library Director
Kelly Harper, Human Resources Director
Todd Henley, Recreation Director
Rosann Maurice-Lentz, Assessing Director
Kimberly McNamara, Health Officer
Susan Morrell, City Attorney
Andrew Purgiel, Deputy Finance Director
Peter Rice, Director of Public Works and Facilities
Amy Wentworth, Revenue Administrator
Shanti Wolph, Inspections 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, 2023

Christopher P. Morill

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, 2024, 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, 2024, 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.

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.

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

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.
- 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.

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

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.

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.

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

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 9, 2024, 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

Boston, Massachusetts
December 9, 2024

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, 2024. 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 \$307,959,730. This is an increase of \$14,060,739 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$102,794,426, an increase of \$7,624,267 in comparison with the prior year.
- As of the close of the current fiscal year, unassigned fund balance for the general fund was \$18,923,866, an increase of \$755,299 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 50-53 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 54-57 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 58-60 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 61-62 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 63 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)					
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$ 143,258	\$ 135,029	\$ 95,234	\$ 91,868	\$ 238,492	226,897
Capital assets (net)	<u>283,125</u>	<u>270,153</u>	<u>271,917</u>	<u>262,699</u>	<u>555,042</u>	<u>532,852</u>
Total assets	426,383	405,182	367,151	354,567	793,534	759,749
Deferred outflows of resources	<u>22,082</u>	<u>25,890</u>	<u>1,315</u>	<u>1,447</u>	<u>23,397</u>	<u>27,337</u>
Total assets and deferred outflows	<u>\$ 448,465</u>	<u>\$ 431,072</u>	<u>\$ 368,466</u>	<u>\$ 356,014</u>	<u>\$ 816,931</u>	<u>\$ 787,086</u>
Liabilities:						
Long-term liabilities	\$ 251,449	\$ 244,339	\$ 177,190	\$ 171,734	\$ 428,639	\$ 416,073
Other liabilities	<u>29,194</u>	<u>27,705</u>	<u>13,879</u>	<u>9,898</u>	<u>43,073</u>	<u>37,603</u>
Total liabilities	280,643	272,044	191,069	181,632	471,712	453,676
Deferred inflows of resources	8,940	9,900	28,319	29,611	37,259	39,511
Net position:						
Net investment in capital assets	171,558	163,203	122,487	114,949	294,045	278,152
Restricted	32,046	23,588	-	-	32,046	23,588
Unrestricted	<u>(44,722)</u>	<u>(37,663)</u>	<u>26,591</u>	<u>29,822</u>	<u>(18,131)</u>	<u>(7,841)</u>
Total net position	<u>158,882</u>	<u>149,128</u>	<u>149,078</u>	<u>144,771</u>	<u>307,960</u>	<u>293,899</u>
Total liabilities, deferred inflows and net position	<u>\$ 448,465</u>	<u>\$ 431,072</u>	<u>\$ 368,466</u>	<u>\$ 356,014</u>	<u>\$ 816,931</u>	<u>\$ 787,086</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 \$294,045,430, an increase of \$15,893,828 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 \$32,045,678 or 10% represents resources that are subject to external restrictions on how they may be used. The unrestricted net position of (\$18,131,378) 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		Business-Type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	\$ 26,290	\$ 24,423	\$ 29,164	\$ 28,901	\$ 55,454	\$ 53,324
Operating grants and contributions	18,061	20,998	40	-	18,101	20,998
Capital grants and contributions	5,191	10,583	4,113	4,731	9,304	15,314
General Revenues:						
Property taxes	101,822	99,371	-	-	101,822	99,371
Interest on taxes	146	147	-	-	146	147
Grants and contributions not restricted to specific programs	2,081	1,939	-	-	2,081	1,939
Investment income	4,757	3,087	1,813	1,305	6,570	4,392
Gain (loss) on sale of capital assets	-	-	-	(13)	-	(13)
Other	485	938	-	-	485	938
Total revenues	<u>158,833</u>	<u>161,486</u>	<u>35,130</u>	<u>34,924</u>	<u>193,963</u>	<u>196,410</u>
Expenses:						
General government	19,487	15,741	-	-	19,487	15,741
Public safety	26,452	24,021	-	-	26,452	24,021
Education	70,789	65,178	-	-	70,789	65,178
Public works	24,568	24,231	-	-	24,568	24,231
Health and human services	1,065	1,003	-	-	1,065	1,003
Culture and recreation	6,476	6,072	-	-	6,476	6,072
Community development	599	970	-	-	599	970
Interest on long-term debt	262	2,950	-	-	262	2,950
Water operations	-	-	10,448	10,298	10,448	10,298
Sewer operations	-	-	19,756	19,859	19,756	19,859
Total expenses	<u>149,698</u>	<u>140,166</u>	<u>30,204</u>	<u>30,157</u>	<u>179,902</u>	<u>170,323</u>
Change in net position before transfers	9,135	21,320	4,926	4,767	14,061	26,087
Transfers in (out)	<u>619</u>	<u>452</u>	<u>(619)</u>	<u>(452)</u>	<u>-</u>	<u>-</u>
Change in net position	9,754	21,772	4,307	4,315	14,061	26,087
Net position - beginning of year	<u>149,128</u>	<u>127,356</u>	<u>144,771</u>	<u>140,456</u>	<u>293,899</u>	<u>267,812</u>
Net position - end of year	<u>\$ 158,882</u>	<u>\$ 149,128</u>	<u>\$ 149,078</u>	<u>\$ 144,771</u>	<u>\$ 307,960</u>	<u>\$ 293,899</u>

Governmental Activities. Governmental activities for the year resulted a net position of \$158,881,474 which is an increase of \$9,753,770 from the prior year. Governmental activities realized the following significant transactions:

- Program expenses, largely the cost of salaries and benefits for staff, increased by \$9,533,206 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, decreased by \$6,460,208 over the prior year, the most significant change being the reduction of \$7,984,933 year over year in capital grants and contributions to Education due to the recognition in the prior year of all future state building aid grant revenue related to the middle school capital project.
- Property tax revenue increased by \$2,450,598 or 2.5% over the prior year primarily due to an increase of 6.1% in the tax rate on all classes of property.
- Investment income grew by \$1,669,620 over the prior year driven by rising interest rates.

Business-Type Activities. Business-type activities for the year resulted in a net position of \$149,078,256 which is an increase of \$4,306,969 from the prior year. The key elements of the changes are as follows:

- Program expenses increased by \$46,485 over the prior year reflecting savings from vacant positions that offset increases from cost-of-living adjustments to 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, decreased by \$353,923 over the prior year, the most significant change being the reduction by \$706,115 year over year of state aid grants to address water pollution.
- Investment income of business-type activities increased by \$507,789 over the prior year due to rising interest rates.
- Non-operating revenues net of expenses with capital contributions and transfers contributed the remaining \$3,221,297 to the 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 \$102,794,426, an increase of \$7,624,267 in comparison with the prior year.

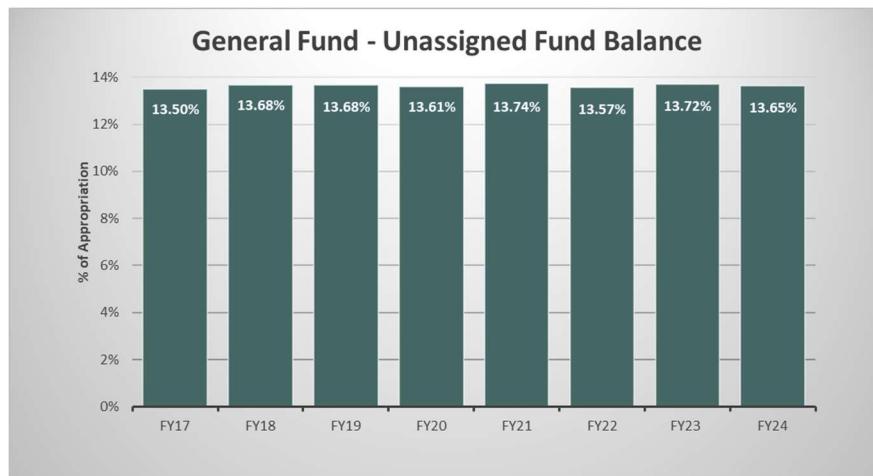
General Fund

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 \$18,923,866 or 13.65% of the final general fund budget. This is an increase of \$755,299 or 4.16% 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 \$52,494,585 or 37.9% of the final general fund budget. This is a decrease of \$2,873,372 or 5.19% from prior year. The key factors in this change are as follows:

- A decrease in fund balance of \$5,768,379 from the budgetary use of fund balance, including \$1,340,000 for supplemental appropriations for collective bargaining and contracted services of outside counsel;

- An increase in fund balance of \$1,937,249 from revenues exceeding final budget estimates, which was the net of property tax revenues falling \$2,740,476 short of budget due to adjustments for abatement liabilities, investment income exceeding budget by \$1,556,373 due to rising interest rates, and all other revenues exceeding budget by a total of \$3,121,352;
- A net increase of \$615,480 from remaining departmental appropriations;
- An increase of fund balance of \$40,510 from excess funding in the Leave at Termination Stabilization Account; and
- An decrease of fund balance of \$432,146 from expenditures exceeding appropriations in the Health Insurance Stabilization Account.
- Overall, General Fund revenues decreased \$537,363, primarily due to a decrease in intergovernmental revenues of \$4,714,908 for non-recurring state grants in the prior year.

At the end of the current fiscal year, total fund balance of other governmental funds was \$50,299,841, which is a net increase of \$10,497,639 or 26.37% from prior year. Key factors in this change are as follows:

Major Funds

Grants and Contributions was established as a major fund in FY22 due to the receipt of the American Rescue Plan Act-State and Local Fiscal Recovery Funds (ARPA-SLFRF) of \$12.88 million of which \$5.7 million remains as an unearned revenue liability at the end of the fiscal year. Overall, revenues in the fund increased \$2,348,111, primarily as a result of an increase in recognized revenues for the ARPA-SLFRF grant due to increased expenditures.

Non-major Funds

At the end of the current fiscal year, total fund balance of non-major governmental funds was \$44,588,034 which is a net increase of \$9,941,075 from the prior year. This change was primarily due to the issuance of bonds and related premiums of \$25.3 million.

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 \$4,306,969 to a total of \$149,078,256. The Water Fund increased by \$1,230,447 and the Sewer Fund increased by \$3,076,522 mainly attributed to utility rate increases of 4.5% for both 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 FY24 increased 4.5% over prior year. The first ten units (one unit equals 100 cubic feet or 748 gallons) of water consumed per month were billed at \$4.74

per unit; all units over ten units per month were billed at a rate of \$5.70 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 \$5.70 per unit, water consumed over 10 units up to 20 units were billed at \$10.76 per unit, and units over 20 units per month were billed at a rate of \$13.28 per unit.

Sewer, which is measured by water consumption, had a rate increase of 4.5% over prior year. The first ten units were billed at \$16.49 per unit; and all units over ten units per month were billed at a rate of \$18.14 per unit.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

There were two supplemental appropriations during FY24 resulting in the difference between the original budget and the final amended budget.

- \$890,000 for Collective Bargaining; and
- \$450,000 for Outside Counsel Expenditures.

The difference between the final amended and actual budget results is a positive variance of \$2,552,729 with revenues exceeding estimated budgets by \$1,937,249 and expenditures were less than the estimated budget by \$615,480. Significant variances include:

- Negative variance in Property Taxes of \$2,740,476 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 \$1,853,387 is mainly attributed to an excess of \$564,554 from estimated motor vehicle registrations, and \$1,261,420 in building, electrical, and plumbing permits resulting from renovations and new construction Citywide;
- Positive variance in Investment Income of \$1,556,373 is due to escalating interest rates;
- Positive variance in Fines and Costs of \$483,423 is mainly attributed to a surplus of parking violations;
- Positive variance in Other Revenues of \$319,385 is mainly attributed to \$126,345 from unanticipated revenues and \$192,537 from rentals and sale of surplus equipment and vehicles;
- Positive variance of \$650,808 in Operating Expenditures is comprised of emergency and shelter assistance in the Welfare Department of \$74,130, and surpluses in other City departments primarily the result of several vacancies; \$240,706 in the Police Department,

\$40,844 in the Fire Department, \$40,586 in the School Department, and \$254,542 from other General Government departments; and

- Non-operating expenditures resulting in a net negative variance of \$35,328 is mainly attributed to \$97,680 of excess in overlay and a less than estimated Rockingham County Tax assessment of \$50,689.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Total investment in capital assets for governmental and business-type activities at year-end amounted to \$555,042,205 (net of accumulated depreciation), an increase of \$22,189,882 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)								Amount Change	% Change
	Governmental Activities		Business-Type Activities		Totals					
	2024	2023	2024	2023	2024	2023				
Land	\$ 25,815	\$ 25,815	\$ 3,730	\$ 3,730	\$ 29,545	\$ 29,545	\$ -	0.00%		
Buildings and improvements	135,808	139,955	67,827	69,525	203,635	209,480	(5,845)	-2.79%		
Machinery and equipment	8,641	9,444	42,484	45,368	51,125	54,812	(3,687)	-6.73%		
Infrastructure	83,466	79,393	120,203	115,858	203,669	195,251	8,418	4.31%		
Construction in progress	29,395	15,547	37,674	28,218	67,069	43,765	23,304	53.25%		
Total Assets	<u>\$ 283,125</u>	<u>\$ 270,154</u>	<u>\$ 271,918</u>	<u>\$ 262,699</u>	<u>\$ 555,043</u>	<u>\$ 532,853</u>	<u>\$ 22,190</u>	<u>4.16%</u>		

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

- Governmental Activities construction in progress totaled \$29,395,526.
- Governmental Funds capitalization of depreciable assets and land totaled \$11,228,053 summarized as follow:
 - Greenland Road Skateboard Park;
 - Portsmouth High School turf field;
 - Marcy/Newcastle Street paving;
 - Bridge Street, Mirona Road, South Street, and Court Street paving;
 - Kearsarge/Atlantic Heights 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 \$37,673,483; Water Fund \$11,869,799 and Sewer Fund \$25,803,684.
- Water Fund capitalization of depreciable assets and land totaled \$214,067 summarized as follows:
 - Corporate Drive waterline;
 - Grafton Road – Pease Water Treatment Facility building improvements;
 - Madbury Water Treatment Plant circuit breaker;
 - Booster Tank Mixer; and
 - Various vehicles and equipment replacement.
- Sewer Fund capitalization of depreciable assets and land totaled \$7,305,473 summarized as follows:
 - Sagamore Avenue Sewer Extension;
 - Stormwater Master Plan;
 - 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 loans outstanding, including business-type activities (Water and Sewer Departments) was \$295,467,172 as shown in the table below, all of which was backed by the full faith and credit of the government.

State Revolving Fund Loan (SRF) 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>Activities</u>		<u>Activities</u>			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
General obligation bonds	\$ 116,062	\$ 102,944	\$ 86,278	\$ 75,280	\$ 202,340	\$ 178,224
State revolving fund loans	-	-	78,133	82,443	78,133	82,443
Unamortized premium	9,785	12,363	5,210	6,899	14,995	19,262
Total	\$ 125,847	\$ 115,307	\$ 169,621	\$ 164,622	\$ 295,468	\$ 279,929

The City of Portsmouth’s total debt increased by \$15,537,288 or 5.5% during the current fiscal year. The key factors in this net increase are:

- The issuance of general obligation bonds in June 2024 totaling \$40.7 million;
- Reductions of outstanding debt principal in the amount of \$20.9 million; and
- Net change in unamortized bond premiums in the amount of \$4.3 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, 2024, 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 \$10,017,304,588. The debt limit and outstanding debt are as follows:

Debt Limit Calculation						
Purpose	Percent of Allowable <u>Debt Limit</u>	Maximum <u>Debt Limit</u>	Bonds Outstanding including Unamortized Bond Premiums as of <u>June 30, 2024</u>	Authorized Unissued as of <u>June 30, 2024</u>	Total Gross Debt as of <u>June 30, 2024</u>	% of Legal Debt Service <u>Used</u>
Municipal	3.00%	\$ 300,519,138	\$ 87,915,897	\$ 22,856,000	\$ 110,771,897	37%
Landfill closure (1)	N/A	-	-	4,641,897	4,641,897	n/a
School	7.00%	701,211,321	37,930,825	-	37,930,825	5%
Water	10.00%	1,001,730,459	39,911,668	10,726,500	50,638,168	5%
Sewer (1)	N/A	-	129,708,782	11,880,500	141,589,282	n/a
Total		<u>\$ 2,003,460,918</u>	<u>\$ 295,467,172</u>	<u>\$ 50,104,897</u>	<u>\$ 345,572,069</u>	

(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, 2024, the City of Portsmouth's unemployment rate was 2.1%. During the same period, Portsmouth's rate remained lower by comparison to the State of New Hampshire, New England, and the Nation's unemployment average of 2.3%, 3.2% and 4.3%, respectively.

The budget and tax rate for the General Fund for FY25 have been approved by the Department of Revenue Administration. The tax rate has been set at \$11.18 per \$1,000 of assessed value. This is a marked decrease of \$4.95 from the prior year, but the year-over-year comparison must be framed against the change in property values this year. The City completed a five-year property revaluation that resulted in a total net valuation of \$10.08 billion, an increase of 53.2% over the prior year net valuation of \$6.58 billion.

On a budgetary basis, the final FY25 General Fund budget of \$144,861,347 represents an increase of \$6,237,972 or 4.50% from the prior year. This budget includes:

- Use of Committed Fund Balance of \$1,600,000 from debt service reserves and \$100,000 from abatement reserves;
- Use of Unassigned Fund Balance of \$1.0 million to offset taxes; and
- One-time use of American Rescue Plan Act (ARPA) funds under the revenue loss category totaling \$2.183 million.

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 6% over FY24 as follows:

WATER USER RATES	<u>FY24</u>	<u>FY25</u>
First Tier Rate (10 units or less)	\$4.74	\$5.02
Second Tier Rate (over 10 units)	\$5.70	\$6.04
IRRIGATION USER RATES	<u>FY24</u>	<u>FY25</u>
First Tier Rate (10 units or less)	\$5.70	\$6.04
Second Tier Rate (over 10 units)	\$10.76	\$11.41
Third Tier Rate (over 20 units)	\$13.28	\$14.08

The sewer rate increased by 5% over FY24 as follows:

SEWER USER RATES	<u>FY24</u>	<u>FY25</u>
First Tier Rate (10 units or less)	\$16.49	\$17.32
Second Tier Rate (over 10 units)	\$18.14	\$19.05

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, 2024

	Governmental Activities	Business-Type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Current:			
Cash and short-term investments	\$ 113,500,857	\$ 59,364,731	\$ 172,865,588
Investments	11,889,304	-	11,889,304
Receivables, net of allowance for uncollectibles:			
Property taxes	2,555,716	-	2,555,716
User fees	-	5,384,444	5,384,444
Departmental and other	1,356,816	-	1,356,816
Contributions	-	802,397	802,397
Intergovernmental	4,436,912	2,689,141	7,126,053
Special assessment	187,107	-	187,107
Loans and interest	19,830	-	19,830
Leases	223,601	-	223,601
Other assets	293,585	-	293,585
Inventory	65,547	318,397	383,944
	134,529,275	68,559,110	203,088,385
Total Current Assets			
Noncurrent:			
Receivables, Net of Allowance for Uncollectible Amounts:			
Property Taxes	351,645	-	351,645
Departmental and other	41,117	-	41,117
Contributions	-	29,117	29,117
Special Assessments	187,084	-	187,084
Loans and Interest	2,418,924	-	2,418,924
Intergovernmental	4,745,788	26,645,794	31,391,582
Leases	984,439	-	984,439
Capital Assets:			
Land and Construction in progress	55,209,750	41,403,699	96,613,449
Other capital assets, net of accumulated depreciation	227,915,239	230,513,517	458,428,756
	291,853,986	298,592,127	590,446,113
Total Noncurrent Assets			
Total Assets	426,383,261	367,151,237	793,534,498
Deferred Outflows of Resources			
Related to pension	20,247,119	1,263,047	21,510,166
Related to OPEB	1,834,529	52,023	1,886,552
	22,081,648	1,315,070	23,396,718
Total Deferred Outflows of Resources			
Total Assets and Deferred Outflows of Resources	\$ 448,464,909	\$ 368,466,307	\$ 816,931,216

(continued)

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

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Statement of Net Position

June 30, 2024

(continued)	Governmental Activities	Business-Type Activities	Total
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current:			
Accounts payable	7,272,008	3,889,329	11,161,337
Accrued liabilities	3,245,855	933,437	4,179,292
Notes payable	7,729,737	6,946,843	14,676,580
Deposits held in custody	-	39,667	39,667
Unearned revenue	5,720,166	212,733	5,932,899
Retainage payable	1,146,823	1,541,489	2,688,312
Tax refunds payable	2,493,618	-	2,493,618
Other current liabilities	1,585,766	315,418	1,901,184
Current portion of long-term liabilities			
Bonds and loans payable	12,525,773	11,909,875	24,435,648
Landfill liability	150,829	-	150,829
Accrued employee benefits	491,788	47,850	539,638
Total Current Liabilities	42,362,363	25,836,641	68,199,004
Noncurrent:			
Bonds and loans payable, net of current portion	113,320,949	157,710,575	271,031,524
Landfill liability	1,288,567	-	1,288,567
Accrued employee benefits, net of current portion	3,606,443	550,271	4,156,714
Total pension liability	103,768,242	6,523,622	110,291,864
Total OPEB Liability	16,296,615	448,086	16,744,701
Total Noncurrent Liabilities	238,280,816	165,232,554	403,513,370
Total Liabilities	280,643,179	191,069,195	471,712,374
Deferred Inflows of Resources			
Related to pension	1,358,801	117,681	1,476,482
Related to OPEB	6,338,270	209,146	6,547,416
Related to leases	1,243,185	-	1,243,185
Related to grants	-	27,992,029	27,992,029
Total Deferred Inflows of Resources	8,940,256	28,318,856	37,259,112
Net Position			
Net investment in capital assets	171,558,070	122,487,360	294,045,430
Restricted for:			
Public work improvements	4,527,359	-	4,527,359
Education	1,141,299	-	1,141,299
Public safety	669,684	-	669,684
Other purposes	14,838,335	-	14,838,335
Permanent funds:			
Nonexpendable	1,633,299	-	1,633,299
Expendable	9,235,702	-	9,235,702
Unrestricted (deficit)	(44,722,274)	26,590,896	(18,131,378)
Total Net Position	158,881,474	149,078,256	307,959,730
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 448,464,909	\$ 368,466,307	\$ 816,931,216

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, 2024

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses)/ Revenues
Governmental Activities					
General government	\$ 19,487,297	\$ 11,947,359	\$ 834,640	\$ -	\$ (6,705,298)
Public safety	26,452,472	1,984,099	1,622,695	-	(22,845,678)
Education	70,789,328	1,032,710	12,829,646	-	(56,926,972)
Public works	24,568,380	9,834,169	2,654,466	4,992,709	(7,087,036)
Health and human services	1,065,451	124,193	-	-	(941,258)
Culture and recreation	6,475,975	1,368,298	17,819	-	(5,089,858)
Community development	598,863	-	102,723	198,584	(297,556)
Interest on long-term debt	262,063	-	-	-	(262,063)
Total Governmental Activities	149,699,829	26,290,828	18,061,989	5,191,293	(100,155,719)
Business-Type Activities					
Water services	10,448,479	10,190,383	39,470	983,380	764,754
Sewer services	19,755,624	18,973,888	-	3,129,825	2,348,089
Total Business-Type Activities	30,204,103	29,164,271	39,470	4,113,205	3,112,843
Total	\$ 179,903,932	\$ 55,455,099	\$ 18,101,459	\$ 9,304,498	\$ (97,042,876)

(continued)

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, 2024

(continued)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Change in Net Position			
Net (expenses) revenues from previous page	\$ (100,155,719)	\$ 3,112,843	\$ (97,042,876)
General Revenues and Transfers			
Property taxes	101,821,565	-	101,821,565
Interest on taxes	145,957	-	145,957
Grants and contributions not restricted			
to specific programs	2,080,659	-	2,080,659
Investment income	4,757,076	1,813,169	6,570,245
Other revenues	485,189	-	485,189
Transfers in (out), net	619,043	(619,043)	-
Total General Revenues and Transfers	<u>109,909,489</u>	<u>1,194,126</u>	<u>111,103,615</u>
 Change in Net Position	 9,753,770	 4,306,969	 14,060,739
Net Position			
Beginning of Year	<u>149,127,704</u>	<u>144,771,287</u>	<u>293,898,991</u>
End of Year	<u>\$ 158,881,474</u>	<u>\$ 149,078,256</u>	<u>\$ 307,959,730</u>

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

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Governmental Funds

Balance Sheet

June 30, 2024

	<u>General</u>	<u>Grants and Contributions Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and short-term investments	\$ 56,234,534	\$ 11,671,885	\$ 45,594,438	\$ 113,500,857
Investments	-	-	11,889,304	11,889,304
Receivables:				
Property taxes	2,907,361	-	-	2,907,361
Departmental and other	1,236,303	41,117	120,513	1,397,933
Intergovernmental	5,486,763	149,613	3,546,324	9,182,700
Special Assessment	-	-	374,191	374,191
Loans and Interest	-	-	2,438,754	2,438,754
Leases	247,415	835,658	124,967	1,208,040
Due from other funds	3,294,487	-	-	3,294,487
Advances to other funds	296,760	-	-	296,760
Other assets	293,585	-	-	293,585
Inventory	-	-	65,547	65,547
Total Assets	\$ 69,997,208	\$ 12,698,273	\$ 64,154,038	\$ 146,849,519
Liabilities, Deferred Inflows of Resources and Fund Balances				
LIABILITIES				
Accounts payable	\$ 2,749,513	\$ 435,692	\$ 4,086,803	\$ 7,272,008
Accrued liabilities	2,824,710	-	76,218	2,900,928
Notes payable	48,737	-	7,681,000	7,729,737
Unearned revenue	-	5,674,895	45,271	5,720,166
Retainage payable	-	-	1,146,823	1,146,823
Tax refunds payable	2,493,618	-	-	2,493,618
Due to other funds	-	-	3,294,487	3,294,487
Advances from other funds	-	-	296,760	296,760
Other liabilities	1,585,766	-	-	1,585,766
Total Liabilities	9,702,344	6,110,587	16,627,362	32,440,293
Deferred Inflows of Resources				
Unavailable Revenue- taxes	1,298,912	-	-	1,298,912
Unavailable Revenue - ambulance fees	776,285	-	-	776,285
Unavailable Revenue - long term receivables	5,486,763	33,722	2,775,933	8,296,418
Lease related	238,319	842,157	162,709	1,243,185
Total Deferred Inflows of Resources	7,800,279	875,879	2,938,642	11,614,800
Fund Balances				
Nonspendable	296,760	-	1,930,059	2,226,819
Restricted	-	5,711,807	31,727,484	37,439,291
Committed	23,415,383	-	10,933,230	34,348,613
Assigned	9,858,576	-	-	9,858,576
Unassigned	18,923,866	-	(2,739)	18,921,127
Total Fund Balances	52,494,585	5,711,807	44,588,034	102,794,426
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 69,997,208	\$ 12,698,273	\$ 64,154,038	\$ 146,849,519

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, 2024

Total Governmental Fund Balances	\$ 102,794,426
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	283,124,989
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	10,371,615
• 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	20,247,119
Deferred inflows	(1,358,801)
• 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	1,834,529
Deferred inflows	(6,338,270)
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(344,927)
• 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	(125,846,722)
Estimated liability for landfill postclosure care costs	(1,439,396)
Accrued employee benefits	(4,098,231)
Total pension liability	(103,768,242)
Total OPEB liability	<u>(16,296,615)</u>
Net Position of Governmental Activities	\$ <u>158,881,474</u>

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

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2024

	General	Grants and Contributions Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 101,397,414	\$ -	\$ -	\$ 101,397,414
License and permits	9,072,487	-	-	9,072,487
Intergovernmental	10,142,268	6,352,348	7,274,653	23,769,269
Charges for services	6,253,523	188,473	9,870,049	16,312,045
Investment income	2,976,173	-	1,780,903	4,757,076
Interest on taxes	145,957	-	-	145,957
Fines and costs	1,389,423	3,508	21,840	1,414,771
Contributions	-	145,389	202,779	348,168
Special assessments	-	-	187,084	187,084
Other	621,856	395,927	630,402	1,648,185
	131,999,101	7,085,645	19,967,710	159,052,456
Total Revenues				
	131,999,101	7,085,645	19,967,710	159,052,456
Expenditures				
Current:				
General government	12,369,086	887,043	-	13,256,129
Public safety	24,482,096	117,281	1,197,756	25,797,133
Education	59,535,021	-	7,961,057	67,496,078
Public works	8,468,479	196,366	6,583,878	15,248,723
Health and human services	1,067,232	8,244	-	1,075,476
Culture and recreation	3,780,675	118,062	1,683,966	5,582,703
Community development	-	110,229	505,501	615,730
Debt service:				
Principal	8,962,000	-	1,493,500	10,455,500
Interest	3,527,461	-	1,038,986	4,566,447
Capital Outlay	1,546,743	5,559,155	20,607,674	27,713,572
Intergovernmental	5,583,241	-	-	5,583,241
	129,322,034	6,996,380	41,072,318	177,390,732
Total Expenditures				
	129,322,034	6,996,380	41,072,318	177,390,732
Excess (deficiency) of revenues over (under) expenditures	2,677,067	89,265	(21,104,608)	(18,338,276)
Other Financing Sources (Uses)				
Issuance of bonds	-	-	23,573,600	23,573,600
Premium from issuance of bonds	-	-	1,769,900	1,769,900
Transfers In	-	467,299	6,226,533	6,693,832
Transfer Out	(5,550,439)	-	(524,350)	(6,074,789)
	(5,550,439)	467,299	31,045,683	25,962,543
Total Other Financing Sources (Uses)				
	(5,550,439)	467,299	31,045,683	25,962,543
Net Change in Fund Balances	(2,873,372)	556,564	9,941,075	7,624,267
Fund Balances - Beginning of Year	55,367,957	5,155,243	34,646,959	95,170,159
Fund Balances - at End of Year	\$ 52,494,585	\$ 5,711,807	\$ 44,588,034	\$ 102,794,426

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, 2024

Net Change in Fund Balances - Total Governmental Funds	\$	7,624,267																																							
<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: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Capital Outlays</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">25,076,171</td> </tr> <tr> <td>Depreciation</td> <td></td> <td style="text-align: right;">(12,104,473)</td> </tr> </table> • 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. <table style="width: 100%; margin-left: 70px;"> <tr> <td style="width: 70%;"></td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(217,902)</td> </tr> </table> • 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: <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Issuance of bonds, including refunded bonds</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(23,573,600)</td> </tr> <tr> <td>Premium received on issuance of bonds and refunding bonds</td> <td></td> <td style="text-align: right;">(1,769,900)</td> </tr> <tr> <td>Repayments of debt</td> <td></td> <td style="text-align: right;">10,455,500</td> </tr> <tr> <td>Bond premium amortization</td> <td></td> <td style="text-align: right;">4,348,531</td> </tr> </table> • In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due. <table style="width: 100%; margin-left: 70px;"> <tr> <td style="width: 70%;"></td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(44,146)</td> </tr> </table> • 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. <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 70%;">Change in total pension liability</td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">3,080,189</td> </tr> <tr> <td>Change in pension related deferred outflows and inflows of resources</td> <td></td> <td style="text-align: right;">(4,571,046)</td> </tr> <tr> <td>Changes in total other post employment benefits liability</td> <td></td> <td style="text-align: right;">409,994</td> </tr> <tr> <td>Changes in OPEB related deferred outflows and inflows of resources</td> <td></td> <td style="text-align: right;">1,100,647</td> </tr> </table> • 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. <table style="width: 100%; margin-left: 70px;"> <tr> <td style="width: 70%;"></td> <td style="width: 10%;"></td> <td style="width: 20%; text-align: right;">(60,462)</td> </tr> </table> 			Capital Outlays		25,076,171	Depreciation		(12,104,473)			(217,902)	Issuance of bonds, including refunded bonds		(23,573,600)	Premium received on issuance of bonds and refunding bonds		(1,769,900)	Repayments of debt		10,455,500	Bond premium amortization		4,348,531			(44,146)	Change in total pension liability		3,080,189	Change in pension related deferred outflows and inflows of resources		(4,571,046)	Changes in total other post employment benefits liability		409,994	Changes in OPEB related deferred outflows and inflows of resources		1,100,647			(60,462)
Capital Outlays		25,076,171																																							
Depreciation		(12,104,473)																																							
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Change in pension related deferred outflows and inflows of resources		(4,571,046)																																							
Changes in total other post employment benefits liability		409,994																																							
Changes in OPEB related deferred outflows and inflows of resources		1,100,647																																							
		(60,462)																																							
Changes in Net Position of Governmental Activities	\$	<u>9,753,770</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, 2024

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Total
Assets and Deferred Outflows of Resources			
Assets			
Current:			
Cash and short-term investments	\$ 17,531,708	\$ 41,833,023	\$ 59,364,731
Receivables, net of allowance for uncollectibles:			
User fees	1,824,546	3,559,898	5,384,444
Contributions	794,336	8,061	802,397
Intergovernmental	24,825	2,664,316	2,689,141
Inventory	254,827	63,570	318,397
Total Current Assets	<u>20,430,242</u>	<u>48,128,868</u>	<u>68,559,110</u>
Noncurrent:			
Contributions receivables, net of current portion	21,000	8,117	29,117
Intergovernmental receivables, net of current portion	-	26,645,794	26,645,794
Land and construction in progress	13,649,549	27,754,150	41,403,699
Capital assets, net of accumulated depreciation	75,339,977	155,173,540	230,513,517
Total Noncurrent Assets	<u>89,010,526</u>	<u>209,581,601</u>	<u>298,592,127</u>
Total Assets	<u>109,440,768</u>	<u>257,710,469</u>	<u>367,151,237</u>
Deferred Outflows of Resources			
Related to pension	543,678	719,369	1,263,047
Related to OPEB	25,774	26,249	52,023
Total Deferred Outflows of Resources	<u>569,452</u>	<u>745,618</u>	<u>1,315,070</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 110,010,220</u>	<u>\$ 258,456,087</u>	<u>\$ 368,466,307</u>
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Current:			
Accounts payable	1,296,563	2,592,766	3,889,329
Accrued liabilities	213,417	720,020	933,437
Notes payable	-	6,946,843	6,946,843
Deposits held in custody	15,429	24,238	39,667
Unearned revenue	15,000	197,733	212,733
Retainage payable	500,713	1,040,776	1,541,489
Other current liabilities	246,433	68,985	315,418
Current portion of long-term liabilities:			
Bonds and loans payable	3,511,715	8,398,160	11,909,875
Accrued employee benefits	24,274	23,576	47,850
Total Current Liabilities	<u>5,823,544</u>	<u>20,013,097</u>	<u>25,836,641</u>
Noncurrent:			
Bonds and loans payable, net of current portion	36,399,953	121,310,622	157,710,575
Total pension liability	2,808,089	3,715,533	6,523,622
Total OPEB Liability	222,314	225,772	448,086
Accrued employee benefits, net of current portion	279,146	271,125	550,271
Total Noncurrent Liabilities	<u>39,709,502</u>	<u>125,523,052</u>	<u>165,232,554</u>
Total Liabilities	<u>45,533,046</u>	<u>145,536,149</u>	<u>191,069,195</u>
Deferred Inflows of Resources			
Related to pension	50,655	67,026	117,681
Related to OPEB	109,080	100,066	209,146
Related to grants	-	27,992,029	27,992,029
Total Deferred Inflows of Resources	<u>159,735</u>	<u>28,159,121</u>	<u>28,318,856</u>
Net Position			
Net Investment in Capital Assets	59,396,465	63,090,895	122,487,360
Unrestricted	4,920,974	21,669,922	26,590,896
Total Net Position	<u>64,317,439</u>	<u>84,760,817</u>	<u>149,078,256</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 110,010,220</u>	<u>\$ 258,456,087</u>	<u>\$ 368,466,307</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, 2024

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
Operating Revenues			
Charges for services	\$ 8,731,082	\$ 18,485,632	\$ 27,216,714
License and permits	1,233,597	214,758	1,448,355
Departmental revenue	225,704	273,498	499,202
	<u>10,190,383</u>	<u>18,973,888</u>	<u>29,164,271</u>
Operating Expenses			
Personnel services	3,720,436	4,776,295	8,496,731
Non-personnel services	4,036,053	7,807,718	11,843,771
Depreciation	2,599,553	5,138,544	7,738,097
	<u>10,356,042</u>	<u>17,722,557</u>	<u>28,078,599</u>
Operating Income	(165,659)	1,251,331	1,085,672
Nonoperating Revenues (Expenses)			
Intergovernmental	39,470	-	39,470
Investment income	465,693	1,347,476	1,813,169
Bond premium amortization	1,055,217	1,446,735	2,501,952
Interest expense	(1,147,654)	(3,479,802)	(4,627,456)
	<u>412,726</u>	<u>(685,591)</u>	<u>(272,865)</u>
Total Nonoperating Revenues (Expenses), net	<u>412,726</u>	<u>(685,591)</u>	<u>(272,865)</u>
Income Before Contributions and Transfers	<u>247,067</u>	<u>565,740</u>	<u>812,807</u>
Capital contributions	983,380	3,129,825	4,113,205
Transfers out	-	(619,043)	(619,043)
	<u>983,380</u>	<u>2,510,782</u>	<u>3,494,162</u>
Total Contributions and Transfers	<u>983,380</u>	<u>2,510,782</u>	<u>3,494,162</u>
Change in Net Position	1,230,447	3,076,522	4,306,969
Net Position, at Beginning of Year	<u>63,086,992</u>	<u>81,684,295</u>	<u>144,771,287</u>
Net Position, at End of Year	<u>\$ 64,317,439</u>	<u>\$ 84,760,817</u>	<u>\$ 149,078,256</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, 2024

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Total
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 10,127,521	\$ 18,813,836	\$ 28,941,357
Payments to employees for salaries and related benefits	(3,661,304)	(4,691,110)	(8,352,414)
Payments to suppliers for goods and services	(2,664,984)	(7,151,275)	(9,816,259)
	3,801,233	6,971,451	10,772,684
Net Cash Provided by Operating Activities			
Cash Flows from Noncapital Financing Activities			
Transfers to other funds	-	(619,044)	(619,044)
	-	(619,044)	(619,044)
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(6,736,411)	(10,219,870)	(16,956,281)
Proceeds from general obligation bonds	8,429,500	8,741,900	17,171,400
Principal payments on bonds and loans	(2,880,000)	(12,097,304)	(14,977,304)
Revolving loan drawdowns	-	6,946,843	6,946,843
Bond premium	420,499	392,602	813,101
Intergovernmental revenues	14,645	-	14,645
Capital contributions	822,962	2,895,324	3,718,286
Interest expense	(1,147,654)	(3,479,802)	(4,627,456)
	(1,076,459)	(6,820,307)	(7,896,766)
Net Cash Used for Capital and Related Financing Activities			
Cash Flow From Investing Activities			
Investment Income	465,693	1,347,476	1,813,169
	465,693	1,347,476	1,813,169
Net Change in Cash and Short-Term Investments	3,190,467	879,576	4,070,043
Cash and Short-Term Investments, Beginning of Year	14,341,241	40,953,447	55,294,688
Cash and Short-Term Investments, End of Year	\$ 17,531,708	\$ 41,833,023	\$ 59,364,731
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	\$ (165,659)	\$ 1,251,331	\$ 1,085,672
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	2,599,553	5,138,544	7,738,097
Changes in assets, liabilities, and deferred outflows/inflows			
User fee receivable	(57,336)	(142,467)	(199,803)
Inventory	(5,526)	(17,585)	(23,111)
Deferred outflows	52,813	79,678	132,491
Accounts payable	741,117	40,652	781,769
Accrued liabilities	(10,107)	79,632	69,525
Accrued employee benefits	69,239	5,553	74,792
Total pension liability	194,083	233,955	428,038
Total OPEB Liability	(18,131)	(26,701)	(44,832)
Deferred inflows	21,870	32,210	54,080
Retainage	299,091	227,664	526,755
Other liabilities	80,226	68,985	149,211
	3,966,892	5,720,120	9,687,012
Total Adjustments			
Net Cash Provided (Used) by Operating Activities	\$ 3,801,233	\$ 6,971,451	\$ 10,772,684

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, 2024

Assets	Private Purpose Trust Funds	Custodial Funds
Cash and short-term investments	\$ 348,353	\$ 816,215
Investments:		
Fixed income mutual funds	2,939,952	-
Equity mutual funds	9,845,033	-
Other assets	8,291	-
	13,141,629	816,215
Total Assets		
Net Position		
Restricted for:		
Individuals, coalitions, and other governments	\$ <u>13,141,629</u>	\$ <u>816,215</u>

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

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024

	Private Purpose Trust Funds	Custodial Funds
Additions		
Property taxes collected for Rockingham County	\$ -	\$ 5,583,241
Fees collected for State of New Hampshire	-	1,564,975
Investment income	1,871,843	-
Contributions	85,714	955,951
	<u>1,957,557</u>	<u>8,104,167</u>
Total Additions		
Deductions		
Payments of taxes to Rockingham County	-	5,583,241
Payments of fees to State of New Hampshire	-	1,564,975
Payments to beneficiaries	224,684	905,479
	<u>224,684</u>	<u>8,053,695</u>
Total Deductions		
Change in Net Position	1,732,873	50,472
Net Position		
Beginning of year	<u>11,408,756</u>	<u>765,743</u>
End of year	<u>\$ 13,141,629</u>	<u>\$ 816,215</u>

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

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Notes to Financial Statements
June 30, 2024

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 2024, it was determined that no entities met the component units requirements of GASB 14 (as amended).

B. 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.

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.

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Notes to Financial Statements
June 30, 2024

C. 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.

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 funds:

- 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 *Grants and Contributions Fund* is used to account for funds of the City designated for special purposes.

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.

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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.

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.

D. *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.

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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.

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.

E. 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.

F. 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).

CITY OF PORTSMOUTH, NEW HAMPSHIRE
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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.

G. 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.

H. 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

I. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits depending on their date of hire. All vested sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

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J. Long-Term Liabilities

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

K. 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.

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.

L. 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 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.

M. 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.

CITY OF PORTSMOUTH, NEW HAMPSHIRE
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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.

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.

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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.

B. Deficit Fund Equity

The City's Debt Service Fund had an unassigned fund balance deficit of \$2,739 at June 30, 2024. This deficit will be funded through special assessments not yet due.

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, 2024, \$129,007 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.

CITY OF PORTSMOUTH, NEW HAMPSHIRE
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B. Investment Summary

The following is a summary of the City’s investments as of June 30, 2024:

Investment Type	Amount
Fixed income mutual funds	\$ 5,684,895
Equity mutual funds	18,989,394
Total	\$ 24,674,289

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.

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, 2024, \$5,684,895 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, 2024, \$5,684,895 of the City’s investments were held in bond mutual funds, with average effective duration of 4.16 years.

CITY OF PORTSMOUTH, NEW HAMPSHIRE
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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, 2024, 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).

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.

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Notes to Financial Statements
June 30, 2024

The City has the following fair value measurements as of June 30, 2024:

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	\$ 5,684,895	\$ 5,684,895	\$ -	\$ -
Equity mutual funds	18,989,394	18,989,394	-	-
Total	\$ 24,674,289	\$ 24,674,289	\$ -	\$ -

4. Property Taxes Receivable

Property taxes were committed in November and were due in two installments, on December 28, 2023 and June 5, 2024. Taxes unpaid by December 29, 2023 and June 6, 2024 accrued interest at 8% until August 30, 2024. A tax lien was recorded on all properties with taxes unpaid as of August 31, 2024, at which time interest began accruing at 14%.

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, 2024 by levy year consist of the following:

Property Taxes:	
2024	\$ 2,555,716
Unredeemed Taxes:	
2023	180,418
2022	56,956
Prior Years	<u>114,271</u>
Total	\$ <u>2,907,361</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.

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User fees receivable and related allowance for doubtful accounts at June 30, 2024 consist of the following:

	Water Fund	Sewer Fund	Total
Billed user fees	\$ 906,085	\$ 1,805,388	\$ 2,711,473
Unbilled at year end	990,879	1,759,726	2,750,605
Less: Allowance for doubtful accounts	(72,418)	(5,216)	(77,634)
Net Amount	\$ 1,824,546	\$ 3,559,898	\$ 5,384,444

6. Departmental and Other Receivables

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

	Ambulance	Police Detail	Other	Total
Gross receivable	\$ 1,075,678	\$ 356,389	\$ 323,992	\$ 1,756,059
Less: Allowance for doubtful accounts	(299,393)	(58,733)	-	(358,126)
Net Amount	\$ 776,285	\$ 297,656	\$ 323,992	\$ 1,397,933

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, 2024 are due as follows:

	Water Fund	Sewer Fund	Total
Less than one year	\$ 794,336	8,061	\$ 802,397
One to five years	21,000	8,117	29,117
Total	\$ 815,336	\$ 16,178	\$ 831,514

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Notes to Financial Statements
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8. Intergovernmental Receivables

This balance represents reimbursements requested from federal and state agencies for expenditures incurred in fiscal year 2024, as well as state grants for school building and wastewater capital improvements.

9. Leases Receivable

At June 30, 2024, 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. The incremental borrowing rate is 3.25%.

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 23, 2018, and terminates on September 30, 2023. Monthly payments of \$1,820 to the City commenced on October 1, 2018, and were due on or before the 10th 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 3.25%. On August 1, 2024, the lease was amended for an additional 5 years ending June 30, 2029, with an additional renewal option of 5 years.

In fiscal year 2022, the City took over five leases from the Foundation for Seacoast Health known collectively as the "Community Campus". The five leases include contracts with the Krempels Center, Seacoast Community School, Seacoast Outright, Child Advocacy Center of Rockingham County, and Southern NH Services, Inc. The incremental borrowing rate is 3.50%.

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Notes to Financial Statements
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The future minimum lease receipts to be received are as follows:

	Governmental Activities		
	Principal	Interest	Total
2025	\$ 223,601	\$ 35,018	\$ 258,619
2026	101,888	30,485	132,373
2027	105,249	27,124	132,373
2028	108,721	23,652	132,373
2026	112,308	20,066	132,374
2030-2035	450,316	50,413	500,729
2036 and thereafter	105,957	11,268	117,225
Total minimum lease payments	\$ <u>1,208,040</u>	\$ <u>198,026</u>	\$ <u>1,406,066</u>

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, 2024, interfund receivable and payable accounts were as follows:

Fund	Due from Other Funds	Due to Other Funds
Governmental Funds:		
General Fund	\$ 3,294,487	\$ -
Nonmajor Governmental Funds:		
Special Revenue Funds:		
School lunch	-	1,181,449
School categorial revenues	-	1,694,183
Police grants	-	416,093
Debt service fund	-	2,762
Total	\$ <u>3,294,487</u>	\$ <u>3,294,487</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.

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The composition of advances to/from other funds (amounts considered to be long-term) as of June 30, 2024 is as follows:

Fund	Advances to Other Funds	Advances from Other Funds
Governmental Funds:		
General Fund	\$ 296,760	\$ -
Nonmajor Governmental Funds:		
Special Revenue Funds:		
City trust	-	296,760
Total	<u>\$ 296,760</u>	<u>\$ 296,760</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 2024:

Governmental Funds:	Transfers In	Transfers Out
General Fund	\$ -	\$ 5,550,439
Grants and Contributions Fund	467,299	-
Nonmajor Governmental Funds:		
Special Revenue Funds:		
School lunch	7,300	-
School categorical revenues	1,040,514	-
Prescott park	530,654	-
Parking and transportation	-	160,000
Housing subsidy	2,350	-
Conservation	737	-
Stormwater	668,088	135,000
Swimming pool	200,000	-
Community campus	511,443	-
City trust	150,000	23,000
Capital Project Funds:		
Vehicle/equipment replacement	1,147,000	-
Building and infrastructure	602,834	-
Technology equipment	1,365,613	-
Permanent Funds:		
City trust	-	206,350
Subtotal Nonmajor Funds	6,226,533	524,350
Business-Type Funds:		
Sewer Fund	-	619,043
Grand Total	<u>\$ 6,693,832</u>	<u>\$ 6,693,832</u>

CITY OF PORTSMOUTH, NEW HAMPSHIRE
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The majority of the transfers out of the General Fund represent the City's practice of funding capital with current year revenues, including a \$1,365,613 transfer into the technology equipment fund, a \$1,147,000 transfer into vehicle/equipment replacement fund, and a \$602,834 transfer into the building and infrastructure fund. A transfer of \$1,040,514 to the school categorical revenues fund represents school department appropriations transferred for special education expenses. The transfer of \$668,088 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.

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
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11. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, being depreciated:				
Buildings	\$ 205,368	\$ 591	-	\$ 205,959
Improvements	1,257	-	-	1,257
Infrastructure	118,858	9,059	-	127,917
Machinery and equipment	<u>28,613</u>	<u>1,578</u>	<u>(18)</u>	<u>30,173</u>
Total capital assets, being depreciated	354,096	11,228	(18)	365,306
Less accumulated depreciation for:				
Buildings	(65,434)	(4,721)	-	(70,155)
Improvements	(1,236)	(17)	-	(1,253)
Infrastructure	(39,465)	(4,986)	-	(44,451)
Machinery and equipment	<u>(19,169)</u>	<u>(2,381)</u>	<u>18</u>	<u>(21,532)</u>
Total accumulated depreciation	<u>(125,304)</u>	<u>(12,105)</u>	<u>18</u>	<u>(137,391)</u>
Capital assets, being depreciated, net	228,792	(877)	-	227,915
Capital assets, not being depreciated:				
Land	25,815	-	-	25,815
Construction in progress	<u>15,547</u>	<u>17,815</u>	<u>(3,967)</u>	<u>29,395</u>
Total capital assets, not being depreciated	<u>41,362</u>	<u>17,815</u>	<u>(3,967)</u>	<u>55,210</u>
Governmental activities capital assets, net	<u>\$ 270,154</u>	<u>\$ 16,938</u>	<u>\$ (3,967)</u>	<u>\$ 283,125</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, being depreciated				
Buildings	\$ 87,415	\$ 28	-	\$ 87,443
Improvements	4	-	-	4
Infrastructure	145,941	6,934	-	152,875
Machinery and Equipment	<u>68,051</u>	<u>557</u>	<u>(47)</u>	<u>68,561</u>
Total capital assets, being depreciated	301,411	7,519	(47)	308,883
Less Accumulated depreciation for:				
Buildings	(17,894)	(1,726)	-	(19,620)
Infrastructure	(30,083)	(2,589)	-	(32,672)
Machinery and Equipment	<u>(22,683)</u>	<u>(3,423)</u>	<u>29</u>	<u>(26,077)</u>
Total accumulated depreciation	<u>(70,660)</u>	<u>(7,738)</u>	<u>29</u>	<u>(78,369)</u>
Capital assets, being depreciated, net	230,751	(219)	(18)	230,514
Capital Assets, not being depreciated:				
Land	3,730	-	-	3,730
Construction in progress	<u>28,218</u>	<u>14,317</u>	<u>(4,861)</u>	<u>37,674</u>
Total capital assets, not being depreciated	<u>31,948</u>	<u>14,317</u>	<u>(4,861)</u>	<u>41,404</u>
Business-type activities capital assets, net	<u>\$ 262,699</u>	<u>\$ 14,098</u>	<u>\$ (4,879)</u>	<u>\$ 271,918</u>

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Notes to Financial Statements
June 30, 2024

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

Governmental Activities:	
General Government	\$ 721,184
Public Safety	1,138,157
Education	2,504,730
Public works	7,179,902
Culture and recreation	<u>560,500</u>
Total governmental activities	<u>\$ 12,104,473</u>
Business-Type Activities	
Water	\$ 2,599,553
Sewer	<u>5,138,544</u>
Total business-type activities	<u>\$ 7,738,097</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 and a reserve for insurance claims 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, 2024

16. Notes Payable

The City had notes payable during the year ended June 30, 2024. The notes will be permanently funded upon completion of the projects. The following summarizes activity in notes payable for the year ended June 30, 2024:

	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance
<u>State Revolving Loan</u>					
Sagamore Avenue Sewer Extension	2.00%	\$ 4,400,000	\$ 6,396,838	\$ (4,400,000)	\$ 6,396,838
Pease WWTF Extension and Upgrade	2.00%	92,578	550,005	(92,578)	550,005
<u>Taxable BAN</u>					
Community Campus	4.50%	8,283,832	-	(8,283,832)	-
Community Campus	4.25%	-	7,681,000	-	7,681,000
Subtotal		12,776,410	14,627,843	(12,776,410)	14,627,843
Premium of BANS		77,454	48,737	(77,454)	48,737
Total		\$ 12,853,864	\$ 14,676,580	\$ (12,853,864)	\$ 14,676,580

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 \$116,062,100, related to governmental activities. The City has general obligation bonds from public offerings and notes from direct borrowings related to business-type activities totaling \$86,277,900 and \$78,132,627, respectively, related to business-type activities. General obligation bonds and state revolving loans outstanding at June 30, 2024 are as follows:

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Notes to Financial Statements
June 30, 2024

Governmental Activities	Original <u>Issue</u>	Serial Maturity <u>Through</u>	Interest <u>Rate (%)</u>	Amount Outstanding as of <u>6/30/2024</u>
Middle School Renovations or Construction	\$ 3,300,000	6/1/34	2.87	\$ 1,650,000
FY15 Facilities, Street and Sidewalks Capital Improvements	3,475,000	6/15/25	2.10	345,000
School Facility Improvements	750,000	6/15/25	2.10	75,000
Refunding 2005	3,335,000	8/1/25	2.09	635,000
Refunding 2009	708,500	1/15/29	1.57	348,500
Commerce Way Betterment District	1,524,710	6/15/26	1.87	350,000
FY16 Streets and Sidewalks Improvements	6,100,000	6/15/26	1.87	1,220,000
Refunding Fire Station 2 Land and Construction 2008	2,332,000	6/15/28	1.87	905,000
Little Harbour Elementary School Facility Improvements	5,000,000	6/15/36	1.87	3,000,000
FY16 School Facilities	500,000	6/15/26	1.87	100,000
FY17 Streets, Sidewalks and Facilities Improvements	6,850,000	6/15/27	2.24	2,055,000
Fire Station 3 Improvements	610,000	6/15/27	2.24	180,000
Elementary School Facility Improvements	5,000,000	6/15/37	2.24	3,250,000
Streets, Sidewalk and Facility	6,200,000	6/15/28	2.69	2,480,000
FY18 Elementary School Facilities	5,000,000	6/15/38	2.69	3,500,000
High School Athletic Field Lighting	550,000	6/15/28	2.69	220,000
Fire Station I	278,000	6/15/29	2.33	125,000
McDonough Street Improvements	680,000	6/15/29	2.33	330,000
Islington St Streetscape	2,122,000	6/15/29	2.33	1,045,000
Citywide Bridge Improvements	297,500	6/15/29	2.33	145,000
Market Street Gateway	1,442,500	6/15/29	2.33	715,000
FY18 Elementary School Facilities	4,508,500	6/15/39	2.33	3,370,000
FY18 School Facility Improvements	426,000	6/15/29	2.33	200,000
Foundry Place Parking Facility II	13,469,000	6/15/37	2.33	10,735,000
Foundry Place Parking Facility IV	2,736,000	6/15/39	2.33	2,260,000
Foundry Place Parking Facility I	5,849,000	6/15/36	2.33	4,565,000
Foundry Place Parking Facility III	1,095,000	6/15/39	2.33	905,000
Multi-Purpose Recreation Fields	2,605,600	4/1/41	1.47	2,210,000
Cate Street Connector	1,374,300	4/1/41	1.47	1,170,000
Senior Center Construction	1,889,900	4/1/41	1.47	1,610,000
City Hall Electrical Upgrades	547,200	4/1/41	1.47	455,000
Police Facility Upgrades	364,000	4/1/41	1.47	305,000
Citywide Bridge Improvements	1,101,000	4/1/41	1.47	935,000
Bi-Annual Street Paving	1,833,000	4/1/41	1.47	1,550,000
North Mill Pond Multi Use Path	425,600	4/1/31	1.47	290,000
Maplewood Ave Bridge Improvements	454,800	4/1/41	1.47	380,000
Longmeadow Road Extension	364,000	4/1/41	1.47	305,000
Bi-Annual Sidewalk Improvements	364,000	4/1/41	1.47	305,000
Citywide Facility Improvements	917,300	4/1/41	1.47	770,000
Refunding 2010 - Middle School	5,773,500	4/1/30	1.47	3,840,000
Elementary School Facility Improvements	1,833,000	4/1/41	1.47	1,550,000
School Facilities Improvements	454,800	4/1/41	1.47	380,000
Refunding Middle School	9,430,000	12/1/31	1.99	7,615,000
Islington Street	1,518,500	6/15/42	3.10	1,360,000
Union Street Reconstruction	925,800	6/15/42	3.10	825,000
Banfield Road Pedestrian Access	459,800	6/15/42	3.10	410,000
Ladder #2 Truck	1,188,500	6/15/32	3.10	950,000
Willard Ave Reconstruction	1,111,500	6/15/42	3.10	995,000
Pease Tradeport Street Rehabilitation	694,000	6/15/42	3.10	625,000
Police Station Upgrades	368,000	6/15/42	3.10	330,000
Prescott Park Master Plan	694,000	6/15/42	3.10	625,000
Elementary School Upgrades	1,018,500	6/15/42	3.10	910,000
School Facilities	459,800	6/15/42	3.10	410,000

(Continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Notes to Financial Statements
June 30, 2024

(Continued)				Amount
Governmental Activities	Original	Serial	Interest	Outstanding
	<u>Issue</u>	<u>Maturity</u>	<u>Rate (%)</u>	<u>as of</u>
		<u>Through</u>		<u>6/30/2024</u>
Pease Tradeport Street Rehabilitation	680,750	6/15/43	3.43	645,000
Police Station Upgrades	362,750	6/15/43	3.43	340,000
Street Paving Management and Rehabilitation	3,639,000	6/15/43	3.43	3,455,000
City Fuel Station Upgrades	910,500	6/15/43	3.43	860,000
Citywide Sidewalk Reconstruction	728,500	6/15/43	3.43	690,000
Greenland Rd Recreation Facility - Skatepark	1,642,250	6/15/43	3.43	1,555,000
Police Facility Feasibility and Design	180,250	6/15/43	3.43	170,000
Citywide Facility Improvements	910,500	6/15/43	3.43	860,000
School Facilities	1,454,500	6/15/43	3.43	1,380,000
Elementary School Upgrades	1,363,000	6/15/43	3.43	1,295,000
Hanover Parking Facility Upgrade 1	1,811,250	6/15/42	3.43	1,710,000
Hanover Parking Facility Upgrade 2	3,912,250	6/15/43	3.43	3,710,000
Street, Sidewalk and Facility Improvement Maplewood Avenue	412,400	6/15/34	3.74	412,400
Street and Sidewalk Improvement Pool	1,860,900	6/15/44	3.74	1,860,900
Borthwick Avenue Bike Path	288,400	6/15/44	3.74	288,400
Outdoor Pool 2	1,395,500	6/15/44	3.74	1,395,500
Islington Street	2,326,000	6/15/44	3.74	2,326,000
Citywide Sidewalk Reconstruction Program	744,400	6/15/44	3.74	744,400
Pease Tradeport Street Rehabilitation	2,977,200	6/15/44	3.74	2,977,200
Outdoor Pool	1,860,900	6/15/44	3.74	1,860,900
Street and Sidewalk Improvement Bridge	744,400	6/15/44	3.74	744,400
Greenland Road Recreation Center	1,008,000	6/15/44	3.74	1,008,000
Street Paving, Management and Rehabilitation	3,721,800	6/15/44	3.74	3,721,800
Citywide Facilities Capital Improvement	465,200	6/15/44	3.74	465,200
Bartlett Street Utilities Upgrades and Streetscape	744,300	6/15/44	3.74	744,300
Union Street	651,500	6/15/54	3.74	651,500
Street and Sidewalk Improvement Maplewood Avenue	930,500	6/15/44	3.74	930,500
Police Facility and Feasibility Design	279,100	6/15/44	3.74	279,100
Edmond Avenue	46,000	6/15/34	3.74	46,000
Street, Sidewalk and Facility Improvement Pool	930,500	6/15/44	3.74	930,500
School Facilities Capital Improvement	511,900	6/15/44	3.74	511,900
Fit-Up of Community Campus Space for RJ Lister Academy	1,674,700	6/15/44	3.74	1,674,700
Total Governmental Funds				\$ <u>116,062,100</u>

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Notes to Financial Statements
June 30, 2024

Business-Type Activities	Original Issue	Serial Maturity Through	Interest Rate (%)	Amount Outstanding as of 6/30/2024
<u>Water:</u>				
Madbury WTP Design	\$ 1,958,128	6/1/28	2.49	\$ 400,000
Madbury WWTP Upgrades	5,000,000	6/1/32	2.72	2,000,000
Hobb's Hill Water Tank	3,500,000	6/1/34	2.87	1,750,000
Greenland Well and Water Line	4,800,000	6/15/35	2.99	2,640,000
Refunding Madbury Treatment Plant Upgrades	7,921,500	1/15/29	1.57	3,946,500
Water System Pressure and Storage or State 2 Disinfection	4,100,000	6/15/36	1.87	2,460,000
FY17 Water Line Replacement and Storage Improvements	2,250,000	6/15/37	2.24	1,445,000
FY18 Water Line Replacement	2,500,000	6/15/38	2.69	1,750,000
Water Line Replacement	600,000	6/15/28	2.69	240,000
FY18 Water System Pressure and Storage	1,981,400	6/15/39	2.33	1,480,000
FY18 Water Line Replacement	426,000	6/15/29	2.33	200,000
FY21 New Groundwater Source	454,800	4/1/41	1.47	380,000
FY21 Madbury Well	687,000	4/1/41	1.47	580,000
FY21 Islington Street Phase 1B	1,514,000	4/1/41	1.47	1,275,000
FY21 Water Transmission Main Replacement II	547,200	4/1/41	1.47	455,000
FY21 Maplewood Ave Area Construction	1,994,900	4/1/41	1.47	935,000
FY21 Pleasant Street Water Main	699,400	4/1/41	1.47	595,000
FY21 Annual Waterline Replacement	917,300	4/1/41	1.47	770,000
FY21 Water Transmission Main Replacement I	228,400	4/1/41	1.47	185,000
FY22 Islington Phase 2	2,128,900	6/15/42	3.10	1,910,000
FY22 Reservoir Management	552,800	6/15/42	3.10	495,000
FY22 Annual Waterline Replacement	925,800	6/15/42	3.10	825,000
FY22 Willard Ave Reconstruction	1,664,000	6/15/42	3.10	1,495,000
FY22 Union Street Reconstruction	1,387,900	6/15/42	3.10	1,250,000
Annual Waterline Replacement	963,500	6/15/54	3.74	963,500
Water Transmission Main Replacement	2,791,500	6/15/44	3.74	2,791,500
Islington Street Water	818,600	6/15/54	3.74	818,600
Greenland Well PFAS Treatment	2,410,900	6/15/54	3.74	2,410,900
Bartlett Street Utilities Upgrades and Streetscape-Water	770,500	6/15/54	3.74	770,500
Union Street	674,500	6/15/54	3.74	674,500

(Continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Notes to Financial Statements
June 30, 2024

(Continued)

Business-Type Activities	Original Issue	Serial Maturity Through	Interest Rate (%)	Amount Outstanding as of 6/30/2024
Sewer:				
Water Pollution Control - Sewer Projects Phase 2	8,898,110	12/1/24	1.87	444,905
Lower Court Street Utilities Upgrade	688,562	7/1/27	2.38	137,713
Phase III Sewer	5,508,137	12/1/27	2.38	1,101,627
Rye Line Pump Station	1,069,714	11/1/29	2.58	320,914
201 Facility Study Plan Updates	1,000,000	1/1/30	2.58	300,000
Bartlett Street Area Sewer Extension	5,290,233	1/1/31	2.62	1,851,581
WWTP Engineering Plant	8,000,000	9/15/31	2.31	3,200,000
Sewer Lincoln 3C Separation	5,595,874	6/1/33	3.35	2,518,143
Sewer Lincoln 3C	3,929,000	6/15/33	2.38	1,755,000
Pease WWTP	3,500,000	6/1/34	2.87	1,750,000
Peirce Island WWTP	10,000,000	6/1/34	2.87	5,000,000
Pease Waste Water Treatment Plant	1,000,000	6/15/35	2.99	550,000
Lafayette Road Pumping Station Upgrades - Madbury WTP	4,000,000	6/15/36	1.87	2,000,000
FY17 Pumping Station Replacement	2,500,000	6/15/37	2.24	1,625,000
FY17 Sewer Line and Pumping Station Replacement	900,000	6/15/27	2.24	270,000
FY17 Sewer Line and Pump Station	1,800,000	6/15/28	2.69	720,000
FY17 Sewer Line Replacement	3,000,000	6/15/38	2.69	2,100,000
FY18 Pease Wastewater Treatment Plant	6,490,000	6/15/39	2.33	4,865,000
FY18 Consent Decree Mitigation	340,100	6/15/29	2.33	165,000
FY18 Annual Sewer Line Replacement	426,000	6/15/29	2.33	200,000
FY18 Street Reconstruction	595,000	6/15/29	2.33	290,000
Peirce Island Wastewater Treatment Facility	76,724,200	4/1/51	1.47	69,057,744
FY21 Annual Sewer line Replacement	917,300	4/1/41	1.47	770,000
FY21 Pleasant Street Sewer	621,000	4/1/41	1.47	515,000
FY21 Mechanic Street Pump Station Sewer Force Main	3,302,700	4/1/41	1.47	2,805,000
FY21 Islington Phase 1B	1,514,000	4/1/41	1.47	1,275,000
FY21 Maplewood Ave Area Construction	1,994,900	4/1/41	1.47	760,000
Refunding Pease Island Waste Water Treatment Plant	1,260,000	12/1/31	1.99	1,020,000
FY22 Islington Street Phase 2	2,128,900	6/15/42	3.10	1,910,000
FY22 Annual Union Street Reconstruction	1,018,500	6/15/42	3.10	910,000
FY22 Willard Ave Sewer Separation	2,775,500	6/15/42	3.10	2,495,000
FY22 Mechanic St Pumping Station	1,849,500	6/15/42	3.10	1,660,000
FY22 Annual Sewer line Replacement	459,800	6/15/42	3.10	410,000
Peirce Island Wastewater Treatment Plant	926,050	6/15/43	3.43	875,000
FY23 Annual Sewer Line Replacement	472,450	6/15/53	3.43	455,000
Service for Sagamore Ave Sewer Extension	271,250	6/15/43	3.43	255,000
Main for Sagamore Ave Area Sewer Extension	1,127,000	6/15/53	3.43	1,085,000
Main for Sagamore Ave Sewer Extension	372,750	6/15/53	3.43	355,000
Long Tenn Control Related Projects	289,000	6/15/54	3.74	289,000
Pumping Station Upgrades	1,468,200	6/15/54	3.74	1,468,200
Islington 2c Sewer	2,023,200	6/15/54	3.74	2,023,200
Union Street	674,500	6/15/54	3.74	674,500
Marjorie Pumping Station	930,500	6/15/44	3.74	930,500
Pease Wastewater Treatment Facility Non SRF	529,700	6/15/54	3.74	529,700
Woodbury Avenue Sewer Separation	241,000	6/15/54	3.74	241,000
Annual Sewer Line Replacement	963,500	6/15/54	3.74	963,500
Sewer Service for Sagamore Avenue Sewer Extension	351,500	6/15/54	3.74	351,500
Bartlett Street Utilities Upgrades and Streetscape Sewer	770,500	6/15/54	3.74	770,500
Fleet Street Utilities Upgrades/Streetscape	500,300	6/15/54	3.74	500,300
Total Business-Type Activities				\$ 164,410,527

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Notes to Financial Statements
June 30, 2024

C. Future Debt Service

The annual payments to retire all general obligation bonds and state revolving loans outstanding as of June 30, 2024 are as follows:

<u>Year Ending June 30,</u>	Governmental Activities	
	General Obligation Bonds (Public Offerings)	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 11,005,300	\$ 4,799,111
2026	10,610,800	4,309,426
2027	9,505,000	3,826,161
2028	8,809,500	3,385,886
2029	7,952,000	2,976,261
2030 - 2034	32,918,500	10,115,355
2035 - 2039	23,757,500	4,536,437
2040 - 2044	11,503,500	1,143,117
Total	\$ 116,062,100	\$ 35,091,754

<u>Year Ending June 30,</u>	Business-Type Activities					
	General Obligation Bonds (Public Offerings)		State Revolving Loans (Direct Borrowing)		Total	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 6,809,700	\$ 3,315,690	\$ 4,310,226	\$ 1,636,250	\$ 11,119,926	\$ 4,951,940
2026	6,784,200	3,026,253	3,865,320	1,540,137	10,649,520	4,566,390
2027	6,680,000	2,728,493	3,865,320	1,452,343	10,545,320	4,180,836
2028	6,565,500	2,454,418	3,865,320	1,364,549	10,430,820	3,818,967
2029	6,298,000	2,181,168	3,455,485	1,276,756	9,753,485	3,457,924
2030 - 2034	25,461,500	7,606,651	15,290,155	5,273,424	40,751,655	12,880,075
2035 - 2039	15,692,500	3,717,613	12,788,471	3,836,541	28,480,971	7,554,154
2040 - 2044	7,206,500	1,612,902	12,788,471	2,557,694	19,994,971	4,170,596
2045 - 2049	2,425,000	769,969	12,788,471	1,278,847	15,213,471	2,048,816
2050 - 2054	2,355,000	277,200	5,115,388	153,462	7,470,388	430,662
Total	\$ 86,277,900	\$ 27,690,357	78,132,627	\$ 20,370,003	164,410,527	\$ 48,060,360

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Notes to Financial Statements
June 30, 2024

D. Bond Authorizations/Unissued

Bond authorizations not yet issued or rescinded as of June 30, 2024 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	900,000
2022 Community Campus	7,681,000
2022 Downtown Aerial Utilities Undergrounding	2,500,000
2022 Fire Apparatus	800,000
2023 Streets, sidewalks, and facilities	3,700,000
2023 Foundry Place Parking Offices	1,250,000
Subtotal governmental	<u>27,497,897</u>
Business-type Activities:	
2021 Water storage tanks painting	850,000
2022 Water SRF	4,300,000
2023 Other Water projects	1,350,000
2024 Other Water projects	4,226,500
2020 Sewer consent mitigation	4,400,000
2022 Sewer Pease WWTF	1,500,000
2022 Other Sewer projects	3,780,500
2024 Sewer Fleet Street	2,200,000
Subtotal business-type	<u>22,607,000</u>
Total Bond Authorizations / Unissued	\$ <u>50,104,897</u>

E. Changes in Long-Term Liabilities

During the year ended June 30, 2024, 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)	\$ 102,944	\$ 23,574	\$ (10,456)	\$ 116,062	\$ (11,005)	\$ 105,057
Unamortized premium	12,363	1,770	(4,348)	9,785	(1,521)	8,264
Subtotal bonds and loans payable	115,307	25,344	(14,804)	125,847	(12,526)	113,321
Total Pension Liability	106,848	-	(3,080)	103,768	-	103,768
Total OPEB liability	16,707	292	(702)	16,297	-	16,297
Landfill closure	1,440	-	-	1,440	(151)	1,289
Accrued employee benefits	4,038	208	(148)	4,098	(492)	3,606
Totals Governmental Activities	<u>\$ 244,340</u>	<u>\$ 25,844</u>	<u>\$ (18,734)</u>	<u>\$ 251,450</u>	<u>\$ (13,169)</u>	<u>\$ 238,281</u>

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Notes to Financial Statements
June 30, 2024

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
Business-Type Activities:						
General obligation bond (public offerings)	\$ 75,281	\$ 17,171	\$ (6,174)	\$ 86,278	\$ (6,810)	\$ 79,468
State revolving loans (direct borrowing)	82,443	-	(4,310)	78,133	(4,310)	73,823
Unamortized premium	6,899	813	(2,502)	5,210	(790)	4,420
Subtotal bonds and loans payable	164,623	17,984	(12,986)	169,621	(11,910)	157,711
Total Pension Liability	6,095	428	-	6,523	-	6,523
Total OPEB liability	493	10	(55)	448	-	448
Accrued employee benefits	523	75	-	598	(48)	550
Totals Business-Type Activities	<u>\$ 171,734</u>	<u>\$ 18,497</u>	<u>\$ (13,041)</u>	<u>\$ 177,190</u>	<u>\$ (11,958)</u>	<u>\$ 165,232</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, 2024 represents the remaining estimated postclosure maintenance costs. These amounts are based on what it would cost to perform all postclosure care in 2024. 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 five 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, one related to future grant 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
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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, 2024:

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
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The following types of fund balances are reported at June 30, 2024:

	General	Grants and- Contributions Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Advance to Other Funds	\$ 296,760	\$ -	\$ 296,760	\$ 593,520
City Trust	-	-	1,629,062	1,629,062
Library Trust	-	-	4,237	4,237
Sub-total - Nonspendable	<u>296,760</u>	<u>-</u>	<u>1,930,059</u>	<u>2,226,819</u>
Restricted:				
General government	-	541,588	-	541,588
Public works	-	4,527,360	-	4,527,360
Bonded projects and capital contributions	-	-	17,875,487	17,875,487
Community development	-	211,263	1,175,140	1,386,403
Education	-	-	1,060,890	1,060,890
School lunch	-	-	48,897	48,897
Police and fire	-	375,148	294,535	669,683
Recreation	-	56,448	609,642	666,090
Community campus	-	-	135,107	135,107
Trusts for education and recreation	-	-	1,292,084	1,292,084
Expendable permanent funds (City Trust)	-	-	9,235,702	9,235,702
Sub-Total - Restricted	<u>-</u>	<u>5,711,807</u>	<u>31,727,484</u>	<u>37,439,291</u>
Committed:				
Debt service	9,831,519	-	-	9,831,519
Health insurance	7,179,017	-	-	7,179,017
Tax appraisal	3,469,544	-	-	3,469,544
Compensated absences	780,039	-	-	780,039
Coakley landfill	619,645	-	-	619,645
Future Statewide Property Tax Coalition Fund	535,619	-	-	535,619
Subsequent year's expenditures	1,000,000	-	-	1,000,000
Parking and transportation	-	-	5,588,309	5,588,309
Portwalk Place services and repairs	-	-	100,000	100,000
Conservation	-	-	1,192,685	1,192,685
Stormwater	-	-	686,990	686,990
Recreation	-	-	174,176	174,176
Other capital project funds	-	-	3,191,070	3,191,070
Sub-Total - Committed	<u>23,415,383</u>	<u>-</u>	<u>10,933,230</u>	<u>34,348,613</u>
Assigned:				
Capital	6,365,702	-	-	6,365,702
Contingency	579,124	-	-	579,124
General government	1,160,649	-	-	1,160,649
Public safety	324,511	-	-	324,511
Education	700,595	-	-	700,595
Public works	596,261	-	-	596,261
Health	10,779	-	-	10,779
Culture and recreation	22,485	-	-	22,485
Other purposes	98,470	-	-	98,470
Sub-Total - Assigned	<u>9,858,576</u>	<u>-</u>	<u>-</u>	<u>9,858,576</u>
Unassigned	<u>18,923,866</u>	<u>-</u>	<u>(2,739)</u>	<u>18,921,127</u>
Total Fund Balance	<u>\$ 52,494,585</u>	<u>\$ 5,711,807</u>	<u>\$ 44,588,034</u>	<u>\$ 102,794,426</u>

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Notes to Financial Statements
June 30, 2024

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, 2022, using a measurement date of June 30, 2023.

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
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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, 2024 was \$11,847,201 (exclusive of a \$849,158 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, 2024, the City reported a liability of \$110,291,864 for its proportionate share of the total pension liability. The total pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the total pension liability was determined by an actuarial valuation as of June 30, 2022. 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
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At the June 30, 2023 measurement date, the City's proportion was 1.97%.

For the year ended June 30, 2024, the City recognized pension expense of \$14,274,129. 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	\$ 12,312,536	\$ -
Changes in proportion and differences between employer contributions and share of contributions	1,881,598	1,432,157
Differences between expected and actual experience	2,818,201	44,325
Differences between projected and actual investment earnings	1,595,007	-
Changes of assumptions	2,902,824	-
	\$ 21,510,166	\$ 1,476,482

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:	
2025	\$ (2,009,412)
2026	(5,772,569)
2027	16,039,167
2028	(536,038)
	\$ 7,721,148

CITY OF PORTSMOUTH, NEW HAMPSHIRE
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F. Actuarial Assumptions and Other Inputs

The collective total pension liability as of June 30, 2023, which was based on a roll-forward of the June 30, 2022 valuation was determined using the following actuarial assumptions:

Price inflation	2.00%
Wage inflation	2.75 % (2.25% for teachers)
Salary increases	5.4% 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-2019.

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of the most recent actuarial experience study, which was for the period July 1, 2015 – June 30, 2019.

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
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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	30.00 %	5.40%
Global Ex-US equity	20.00	5.65%
Total public equities	50.00	
Real estate equity	10.00	4.00%
Private equity	10.00	6.65%
Total private market equity	20.00	
Private debt	5.00	5.05%
Core US fixed income	25.00	2.15%
Inflation	-	2.50%
Total	<u>100.00 %</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
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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	Current Discount Rate	1% Increase
5.75%	6.75%	7.75%
\$ <u>149,652,707</u>	\$ <u>110,291,864</u>	\$ <u>76,660,431</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
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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
Total	797

Actuarial Assumptions and Other Inputs

The total OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2024, which was rolled back to the measurement date of June 30, 2024. 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	4.21% as of June 30, 2024; 4.13% as of July 1, 2023
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, 2024.

CITY OF PORTSMOUTH, NEW HAMPSHIRE
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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 4.21%. 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 \$10,114,629 was measured as of June 30, 2024 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	\$ 9,813,127
Changes for the year:	
Service cost	543,122
Interest	416,745
Difference between expected and actual experience	(994,394)
Changes of assumptions	872,596
Benefit payments	(536,567)
Net Changes	<u>301,502</u>
Balance, end of year	<u>\$ 10,114,629</u>

CITY OF PORTSMOUTH, NEW HAMPSHIRE
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Changes in assumptions reflect a change in the discount rate from 4.13% in 2023 to 4.21% in 2024.

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:

1% Decrease	Current Discount Rate (4.21%)	1% Increase
\$10,884,077	\$10,114,629	\$9,400,786

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:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$9,173,068	\$10,114,629	\$11,196,596

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

For the year ended June 30, 2024, the City recognized an OPEB expense of \$(328,220). At June 30, 2024, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 4,403,732
Changes of assumptions	1,161,666	2,143,684
Total	\$ 1,161,666	\$ 6,547,416

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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>		
2025	\$	(1,288,081)
2026		(1,189,098)
2027		(1,079,925)
2028		(603,365)
2029		(603,368)
Thereafter		<u>(621,913)</u>
Total	\$	<u>(5,385,750)</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

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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.

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, 2023, was \$6,630,072, representing 1.94%.

For the year ended June 30, 2024, the City recognized an OPEB expense related to the NHRS Medical Subsidy of \$105,046. At June 30, 2024, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Contribution subsequent to the measurement date	\$ 716,917	\$ -
Net difference between projected and actual OPEB investment earnings	7,969	-
Total	<u>\$ 724,886</u>	<u>\$ -</u>

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, 2025.

CITY OF PORTSMOUTH, NEW HAMPSHIRE
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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>	
2025	\$ (836,888)
2026	(915,729)
2027	1,959,278
2028	<u>(198,692)</u>
Total	\$ <u><u>7,969</u></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:

<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1%</u> <u>Increase</u>
\$7,200,912	\$6,630,072	\$6,132,034

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, 2024:

	<u>Total</u> <u>OPEB</u> <u>Liability</u>	<u>Total</u> <u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Total</u> <u>Deferred</u> <u>Inflows of</u> <u>Resources</u>	<u>Total</u> <u>OPEB</u> <u>Expense</u>
City OPEB Plan	\$ 10,114,629	\$ 1,161,666	\$ 6,547,416	\$ (328,220)
Proportionate share of NHRS Medical Subsidy Plan	<u>6,630,072</u>	<u>724,886</u>	<u>-</u>	<u>105,046</u>
	\$ <u><u>16,744,701</u></u>	\$ <u><u>1,886,552</u></u>	\$ <u><u>6,547,416</u></u>	\$ <u><u>(223,174)</u></u>

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Notes to Financial Statements

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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 Renew 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.

It is anticipated that the City will incur increased attorney fees in the next calendar year as outside counsel prepares for trial. If there is a judgment against the City, the damages could be in the millions of dollars.

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, 2024

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. 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. 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 would be assessed against the City. However, it is believed that the overwhelming majority of remediation expenses occurred in the past during times of heavy construction at the site and that future costs will be of significantly lower amounts.

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. There are ongoing performance obligations that remain under the Consent Decree relative to the City's Supplemental Compliance Plan for addressing its combined sewer overflows. Work is ongoing, but the majority of the Peirce Island Wastewater Treatment Facility commitments have been met.

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Notes to Financial Statements
June 30, 2024

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.

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. The case has been remanded and litigation is likely to continue for some years. In the eminent domain matter, the Court upheld the decision of the Superior Court and the matter is before the New Hampshire Board of Tax and Land Appeals (BTLA) for a 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 damages and instead awarded the amount the City argued was due in damages approximately \$200,000. The landowner has exercised his statutory right to have the Superior Court hear the matter de novo. Consequently, both the Sewer Line Case and the Eminent Domain Case are pending in the Superior Court. The cases were initially consolidated for trial, but as of September 4, 2024, a court order has now separated the two cases for trial purposes. No trial dates have been set.

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Notes to Financial Statements
June 30, 2024

SoBow Square, LLC v. City – In the downtown of the City of Portsmouth there is a building owned by the United States Government called the McIntyre Federal Building (McIntyre). The Federal Government has removed its operations entirely from the McIntyre Building. Years ago it had been anticipated that it would be conveyed to the City of Portsmouth for no consideration pursuant to Federal legislation and then more recently under the so-called Federal Monument Program. In connection with that process, the City of Portsmouth entered a Development Agreement dated August 29, 2019, with SoBow Square, LLC under which it was contemplated that after acquisition of the property by the City through the National Monument Program, it would then be the subject of a Ground Lease to SoBow Square, LLC and a major redevelopment. The City and SoBow Square, LLC were thus development partners for the project. When progress under the Development Agreement was not proceeding in a manner sought by SoBow Square, LLC that entity brought suit against the City of Portsmouth for breach of contract by complaint dated March 11, 2020. SoBow Square, LLC indicated in writing that its lawsuit was seeking in the “tens of millions” of dollars.

With the case pending in court, the parties engaged in serious settlement discussions for more than a year. However, when these discussions were not fruitful on, November 18, 2021 the Portsmouth City Council voted to terminate the Development Agreement. The lawsuit for breach of contract was resolved with a settlement agreement in April of 2022. Pursuant to the Settlement Agreement, the City agreed to pay SoBow Square a total of \$2-million. The Agreement also required the parties to continue to work in good faith to pursue the development of the McIntyre property through the National Monument Program.

At the end of March, 2023, the parties were at an impasse. The GSA declined to grant an additional extension for the parties to continue to work toward an agreement for submission to the National Monument Program.

On April 11, 2023, the City sued SoBow Square for breach of contract for failing to act in good faith as required by the Settlement Agreement. Hours later, SoBow Square filed suit against the City for breach of contract. Those matters have been consolidated in the State’s Business Court. The matters were scheduled for trial on September 3, 2024, which was continued to March of 2025. However, in June of 2024, the parties engaged in Mediation that led to an Agreement to Stay the proceedings and a possible resolution of the litigation.

The City is hopeful that this resolution will be fully realized by the end of 2024, which will be at no cost to the City. If the matter is not resolved and the litigation is resumed, it is anticipated that the City will incur increased attorney fees in the next calendar year as outside counsel prepares for trial in this matter. If there is a judgment against the City, the damages could be in the millions of dollars.

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Notes to Financial Statements
June 30, 2024

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 \$9,858,576 in encumbrances that will be honored in the next fiscal year.

25. Subsequent Events

The City has evaluated subsequent events though December 9, 2024, the date the financial statements were available to be issued and determined that any subsequent events that would have required disclosure have been considered in the preparation of these financial statements.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Required Supplementary Information

General Fund

Schedule of Revenues and Other Sources

And Expenditures and Other Uses – Budget and Actual

For the Year Ended June 30, 2024

(Unaudited)

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues and Other Sources:				
Property taxes	\$ 105,164,357	\$ 105,164,357	\$ 102,423,881	\$ (2,740,476)
License and permits	7,219,100	7,219,100	9,072,487	1,853,387
Intergovernmental	9,865,373	9,865,373	10,142,268	276,895
Charges for services	6,124,000	6,124,000	6,253,523	129,523
Investment income	1,419,800	1,419,800	2,976,173	1,556,373
Interest on taxes	170,000	170,000	145,957	(24,043)
Fines and costs	906,000	906,000	1,389,423	483,423
Other revenues	237,036	237,036	556,421	319,385
Other financing sources:				
Transfers in	1,749,330	1,749,330	1,749,330	-
Bond premiums	-	-	82,782	82,782
Use of fund balance:				
To reduce taxes	4,428,379	4,428,379	4,428,379	-
For collective bargaining	-	890,000	890,000	-
For outside counsel	-	450,000	450,000	-
Total Revenues and Other Sources	137,283,375	138,623,375	140,560,624	1,937,249
Expenditures and Other Uses:				
Current:				
General administrative	10,249,575	10,257,126	10,101,124	156,002
Other general administrative	2,577,970	1,970,251	1,959,423	10,828
Public works	7,781,410	7,781,410	7,748,638	32,772
Community services	4,399,418	4,399,418	4,325,288	74,130
Regulatory services	2,217,898	2,255,066	2,204,088	50,978
Emergency management	18,080	18,080	14,118	3,962
Police department	13,392,993	13,959,993	13,719,287	240,706
Fire department	10,460,307	11,243,307	11,202,463	40,844
School department	60,577,961	60,680,961	60,640,375	40,586
Non-operating	25,607,763	26,057,763	26,093,091	(35,328)
Total Expenditures and Other Uses	137,283,375	138,623,375	138,007,895	615,480
Excess of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ 2,552,729	\$ 2,552,729

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Required Supplementary Information

Schedule of Proportionate Share
Of the Total Pension Liability
(Unaudited)

New Hampshire Retirement System						
Fiscal Year	Measurement Date	Proportion of the Total Pension Liability	Proportionate Share of the Total Pension Liability	Covered Payroll	Proportionate Share of the Total Pension Liability as a percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
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%
June 30, 2015	June 30, 2014	1.84%	\$ 68,991,223	\$ 45,393,514	151.98%	66.32%

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.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Required Supplementary Information

Schedule of Pension Contributions

(Unaudited)

New Hampshire Retirement System

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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%
June 30, 2015	\$ 6,662,274	\$ 6,662,274	\$ -	\$ 42,543,250	15.7%

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 (Unaudited)

Schedule of Proportionate Share

New Hampshire Retirement System Medical Subsidy

Fiscal Year	Measurement Date	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total OPEB Liability
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

Fiscal Year	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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.

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Required Supplementary Information

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

(Unaudited)

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

(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 <u>Financing Sources</u>	Expenditures and Other <u>Financing Uses</u>	Excess <u>(Deficiency)</u>
<u>General Fund</u>			
Revenues/Expenditures (GAAP Basis)	\$ 131,999,101	\$ 129,322,034	\$ 2,677,067
Other financing sources/uses (GAAP Basis)	<u>-</u>	<u>5,550,439</u>	<u>(5,550,439)</u>
Subtotal (GAAP Basis)	131,999,101	134,872,473	(2,873,372)
Reverse expenditures of prior year appropriation carryforwards	-	(3,176,662)	3,176,662
Reclassify use of overlay	1,026,470	1,026,470	-
Use of fund balance	5,768,379	-	5,768,379
Indirect costs from enterprise funds	1,749,330	1,749,330	-
Add end-of-year appropriation carryforwards	-	3,939,593	(3,939,593)
Other reconciling items	<u>17,344</u>	<u>(403,309)</u>	<u>420,653</u>
Budgetary Basis	<u>\$ 140,560,624</u>	<u>\$ 138,007,895</u>	<u>\$ 2,552,729</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.
- 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, 2024

Special Revenue Funds

Assets	Community Development	School Lunch	School Categorical Revenues	Police Grants	Prescott Park
Cash and short-term investments	\$ 787,572	\$ 1,187,601	\$ -	\$ -	\$ 130,336
Investments	-	-	-	-	-
Receivables:					
Departmental and other	-	53,981	33,267	-	4,917
Intergovernmental	-	-	2,721,806	716,915	-
Special assessments	-	-	-	-	-
Loans and Interest	1,059,103	-	-	-	-
Leases	-	-	-	-	-
Inventory	-	65,547	-	-	-
Total Assets	\$ 1,846,675	\$ 1,307,129	\$ 2,755,073	\$ 716,915	\$ 135,253
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 66,074	\$ 62,686
Accrued liabilities	-	-	-	-	9,111
Notes payable	-	-	-	-	-
Unearned revenue	-	45,271	-	-	-
Retainage payable	-	-	-	-	-
Due to other funds	-	1,181,449	1,694,183	416,093	-
Advances from other funds	-	-	-	-	-
Total Liabilities	-	1,226,720	1,694,183	482,167	71,797
Deferred Inflows of Resources					
Unavailable revenues - long term receivables Lease related	994,342	31,512	-	-	4,000
Total Deferred Inflows of Resources	994,342	31,512	-	-	4,000
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	852,333	48,897	1,060,890	234,748	59,456
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	852,333	48,897	1,060,890	234,748	59,456
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,846,675	\$ 1,307,129	\$ 2,755,073	\$ 716,915	\$ 135,253

(continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

(continued)

Special Revenue Funds

Assets	<i>Special Revenue Funds</i>					
	Seizure	Parking and Transportation	Portwalk Place	Housing Subsidy	Conservation	Stormwater
Cash and short-term investments	\$ 91,989	\$ 5,837,023	\$ 132,662	\$ 322,807	\$ 1,192,685	\$ 704,313
Investments	-	-	-	-	-	-
Receivables:						
Departmental and other	-	-	-	-	-	-
Intergovernmental	6,554	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Loans and Interest	-	-	-	1,371,911	-	-
Leases	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total Assets	\$ 98,543	\$ 5,837,023	\$ 132,662	\$ 1,694,718	\$ 1,192,685	\$ 704,313
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts payable	\$ 38,756	\$ 193,406	\$ 32,662	\$ -	\$ -	\$ 13,392
Accrued liabilities	-	55,308	-	-	-	3,931
Notes payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Retainage payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total Liabilities	38,756	248,714	32,662	-	-	17,323
Deferred Inflows of Resources						
Unavailable revenues - long term receivables	-	-	-	1,371,911	-	-
Lease related	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	1,371,911	-	-
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	59,787	-	-	322,807	-	-
Committed	-	5,588,309	100,000	-	1,192,685	686,990
Unassigned	-	-	-	-	-	-
Total Fund Balances	59,787	5,588,309	100,000	322,807	1,192,685	686,990
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 98,543	\$ 5,837,023	\$ 132,662	\$ 1,694,718	\$ 1,192,685	\$ 704,313

(continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

(continued)

Special Revenue Funds

Assets	Recreation	Swimming Pool	Community Campus	Library	Library Trust	City Trust	Sub-total
Cash and short-term investments	\$ 197,364	\$ 182,985	\$ 205,518	\$ 240,625	\$ 91,016	\$ 695,614	\$ 12,000,110
Investments	-	-	-	-	43,513	1,189,222	1,232,735
Receivables:							
Departmental and other	-	-	27,894	-	-	-	120,059
Intergovernmental	-	-	-	-	-	-	3,445,275
Special assessments	-	-	-	-	-	-	-
Loans and Interest	-	-	-	-	-	768	2,431,782
Leases	-	-	124,967	-	-	-	124,967
Inventory	-	-	-	-	-	-	65,547
Total Assets	\$ 197,364	\$ 182,985	\$ 358,379	\$ 240,625	\$ 134,529	\$ 1,885,604	\$ 19,420,475
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities:							
Accounts payable	\$ 20,890	\$ 5,548	\$ 57,398	\$ -	\$ -	\$ -	\$ 490,812
Accrued liabilities	2,298	2,405	3,165	-	-	-	76,218
Notes payable	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	45,271
Retainage payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	3,291,725
Advances from other funds	-	-	-	-	-	296,760	296,760
Total Liabilities	23,188	7,953	60,563	-	-	296,760	4,200,786
Deferred Inflows of Resources							
Unavailable revenues - long term receivables	-	-	-	-	-	-	2,401,765
Lease related	-	-	162,709	-	-	-	162,709
Total Deferred Inflows of Resources	-	-	162,709	-	-	-	2,564,474
Fund Balances							
Nonspendable	-	-	-	-	-	296,760	296,760
Restricted	-	175,032	135,107	240,625	134,529	1,292,084	4,616,295
Committed	174,176	-	-	-	-	-	7,742,160
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	174,176	175,032	135,107	240,625	134,529	1,588,844	12,655,215
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 197,364	\$ 182,985	\$ 358,379	\$ 240,625	\$ 134,529	\$ 1,885,604	\$ 19,420,475

(continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

(continued)

Capital Projects

Assets	School Renovations	Transportation Management	Transportation State	Vehicle/ Equipment Replacement	Technology Equipment	Building and Infrastructure	Sub-total
Cash and short-term investments	\$ 2,277	\$ 18,316,528	\$ 155,835	\$ 1,486,171	\$ 1,555,933	\$ 11,872,578	\$ 33,389,322
Investments	-	-	-	-	-	-	-
Receivables:							
Departmental and other	-	-	-	-	-	-	-
Intergovernmental	-	-	101,049	-	-	-	101,049
Special assessments	-	-	-	-	-	-	-
Loans and Interest	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Total Assets	\$ 2,277	\$ 18,316,528	\$ 256,884	\$ 1,486,171	\$ 1,555,933	\$ 11,872,578	\$ 33,490,371
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities:							
Accounts payable	\$ -	\$ 1,695,379	\$ 29,008	\$ 78,772	\$ 138	\$ 1,792,694	\$ 3,595,991
Accrued liabilities	-	-	-	-	-	-	-
Notes payable	-	-	-	-	-	7,681,000	7,681,000
Unearned revenue	-	-	-	-	-	-	-
Retainage payable	-	456,384	-	-	-	690,439	1,146,823
Due to other funds	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Total Liabilities	-	2,151,763	29,008	78,772	138	10,164,133	12,423,814
Deferred Inflows of Resources							
Unavailable revenues - long term receivables	-	-	-	-	-	-	-
Lease related	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
Fund Balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	2,277	16,164,765	-	-	-	1,708,445	17,875,487
Committed	-	-	227,876	1,407,399	1,555,795	-	3,191,070
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	2,277	16,164,765	227,876	1,407,399	1,555,795	1,708,445	21,066,557
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,277	\$ 18,316,528	\$ 256,884	\$ 1,486,171	\$ 1,555,933	\$ 11,872,578	\$ 33,490,371

CITY OF PORTSMOUTH, NEW HAMPSHIRE

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024**

(continued)

	<u>Permanent Funds</u>				
	City Trust	Library Trust	Sub-total	Debt Service Fund	Total Nonmajor Governmental Funds
Assets					
Cash and short-term investments	\$ 205,006	\$ -	\$ 205,006	\$ -	\$ 45,594,438
Investments	10,652,332	4,237	10,656,569	-	11,889,304
Receivables:					
Departmental and other	454	-	454	-	120,513
Intergovernmental	-	-	-	-	3,546,324
Special assessments	-	-	-	374,191	374,191
Loans and Interest	6,972	-	6,972	-	2,438,754
Leases	-	-	-	-	124,967
Inventory	-	-	-	-	65,547
Total Assets	<u>\$ 10,864,764</u>	<u>\$ 4,237</u>	<u>\$ 10,869,001</u>	<u>\$ 374,191</u>	<u>\$ 64,154,038</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 4,086,803
Accrued liabilities	-	-	-	-	76,218
Notes payable	-	-	-	-	7,681,000
Unearned revenue	-	-	-	-	45,271
Retainage payable	-	-	-	-	1,146,823
Due to other funds	-	-	-	2,762	3,294,487
Advances from other funds	-	-	-	-	296,760
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,762</u>	<u>16,627,362</u>
Deferred Inflows of Resources					
Unavailable revenues - long term receivables	-	-	-	374,168	2,775,933
Lease related	-	-	-	-	162,709
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>374,168</u>	<u>2,938,642</u>
Fund Balances					
Nonspendable	1,629,062	4,237	1,633,299	-	1,930,059
Restricted	9,235,702	-	9,235,702	-	31,727,484
Committed	-	-	-	-	10,933,230
Unassigned	-	-	-	(2,739)	(2,739)
Total Fund Balances	<u>10,864,764</u>	<u>4,237</u>	<u>10,869,001</u>	<u>(2,739)</u>	<u>44,588,034</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,864,764</u>	<u>\$ 4,237</u>	<u>\$ 10,869,001</u>	<u>\$ 374,191</u>	<u>\$ 64,154,038</u>

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
For the Year Ended June 30, 2024

	<i>Special Revenue Funds</i>				
	Community Development	School Lunch	School Categorical Revenues	Police Grants	Prescott Park
Revenues					
Intergovernmental	\$ 64,771	\$ -	\$ 5,942,290	\$ 1,160,853	\$ -
Charges for services	-	1,001,200	-	-	34,022
Investment income (loss)	9,949	-	-	-	-
Fines and costs	-	-	-	-	-
Contributions	-	-	-	-	-
Special assessments	-	-	-	-	-
Other	13,848	-	-	-	2,600
Total Revenues	88,568	1,001,200	5,942,290	1,160,853	36,622
Expenditures					
Current:					
Public safety	-	-	-	1,112,755	-
Education	-	1,152,551	6,743,821	-	-
Public works	-	-	-	-	48,314
Culture and recreation	-	-	-	-	482,188
Community development	398,116	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	26,043	-
Total Expenditures	398,116	1,152,551	6,743,821	1,138,798	530,502
Excess (deficiency) of revenues over (under) expenditures	(309,548)	(151,351)	(801,531)	22,055	(493,880)
Other Financing Sources (Uses)					
Issuance of bonds	-	-	-	-	-
Bond premium	-	-	-	-	-
Transfers In	-	7,300	1,040,514	-	530,654
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	7,300	1,040,514	-	530,654
Net change in fund balances	(309,548)	(144,051)	238,983	22,055	36,774
Fund Balances, beginning of year	1,161,881	192,948	821,907	212,693	22,682
Fund Balances, end of year	\$ 852,333	\$ 48,897	\$ 1,060,890	\$ 234,748	\$ 59,456

(continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
For the Year Ended June 30, 2024

(continued)

Special Revenue Funds

	Seizure	Parking and Transportation	Portwalk Place	Housing Subsidy	Conservation	Stormwater
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	7,859,908	65,240	-	-	-
Investment income (loss)	3,387	-	-	-	-	-
Fines and costs	21,840	-	-	-	-	-
Contributions	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Other	25,118	-	-	113,812	29,001	-
Total Revenues	50,345	7,859,908	65,240	113,812	29,001	-
Expenditures						
Current:						
Public safety	85,001	-	-	-	-	-
Education	-	-	-	-	-	-
Public works	-	5,425,702	65,240	-	-	389,280
Culture and recreation	-	-	-	-	-	-
Community development	-	-	-	107,385	-	-
Debt service:						
Principal	-	1,328,500	-	-	-	-
Interest	-	1,018,386	-	-	-	-
Capital outlay	-	604,492	-	-	-	-
Total Expenditures	85,001	8,377,080	65,240	107,385	-	389,280
Excess (deficiency) of revenues over (under) expenditures	(34,656)	(517,172)	-	6,427	29,001	(389,280)
Other Financing Sources (Uses)						
Issuance of bonds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Transfers In	-	-	-	2,350	737	668,088
Transfers Out	-	(160,000)	-	-	-	(135,000)
Total Other Financing Sources (Uses)	-	(160,000)	-	2,350	737	533,088
Net change in fund balances	(34,656)	(677,172)	-	8,777	29,738	143,808
Fund Balances, beginning of year	94,443	6,265,481	100,000	314,030	1,162,947	543,182
Fund Balances, end of year	\$ 59,787	\$ 5,588,309	\$ 100,000	\$ 322,807	\$ 1,192,685	\$ 686,990

(continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
For the Year Ended June 30, 2024

(continued)

Special Revenue Funds

	Recreation	Swimming Pool	Community Campus	Library	Library Trust	City Trust	Sub-total
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,167,914
Charges for services	419,030	359,522	-	56,760	-	74,367	9,870,049
Investment income (loss)	-	-	-	-	4,320	175,889	193,545
Fines and costs	-	-	-	-	-	-	21,840
Contributions	-	-	-	2,400	-	200,179	202,579
Special assessments	-	-	-	-	-	-	-
Other	-	-	446,023	-	-	-	630,402
Total Revenues	419,030	359,522	446,023	59,160	4,320	450,435	18,086,329
Expenditures							
Current:							
Public safety	-	-	-	-	-	-	1,197,756
Education	-	-	-	-	-	64,685	7,961,057
Public works	-	-	655,342	-	-	-	6,583,878
Culture and recreation	446,176	452,056	204,564	58,519	-	5,092	1,648,595
Community development	-	-	-	-	-	-	505,501
Debt service:							
Principal	-	-	-	-	-	-	1,328,500
Interest	-	-	-	-	-	-	1,018,386
Capital outlay	-	-	-	-	-	-	630,535
Total Expenditures	446,176	452,056	859,906	58,519	-	69,777	20,874,208
Excess (deficiency) of revenues over (under) expenditures	(27,146)	(92,534)	(413,883)	641	4,320	380,658	(2,787,879)
Other Financing Sources (Uses)							
Issuance of bonds	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-
Transfers In	-	200,000	511,443	-	-	150,000	3,111,086
Transfers Out	-	-	-	-	-	(23,000)	(318,000)
Total Other Financing Sources (Uses)	-	200,000	511,443	-	-	127,000	2,793,086
Net change in fund balances	(27,146)	107,466	97,560	641	4,320	507,658	5,207
Fund Balances, beginning of year	201,322	67,566	37,547	239,984	130,209	1,081,186	12,650,008
Fund Balances, end of year	\$ 174,176	\$ 175,032	\$ 135,107	\$ 240,625	\$ 134,529	\$ 1,588,844	\$ 12,655,215

(continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
For the Year Ended June 30, 2024

(continued)

	<i>Capital Projects</i>						Sub-total
	School Renovations	Transportation Management	Transportation State	Vehicle/ Equipment Replacement	Technology Equipment	Building and Infrastructure	
Revenues							
Intergovernmental	\$ -	\$ -	\$ 106,739	\$ -	\$ -	\$ -	\$ 106,739
Charges for services	-	-	-	-	-	-	-
Investment income (loss)	-	-	-	-	-	-	-
Fines and costs	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>106,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,739</u>
Expenditures							
Current:							
Public safety	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay	-	5,305,372	126,312	930,938	480,041	13,134,476	19,977,139
Total Expenditures	<u>-</u>	<u>5,305,372</u>	<u>126,312</u>	<u>930,938</u>	<u>480,041</u>	<u>13,134,476</u>	<u>19,977,139</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(5,305,372)</u>	<u>(19,573)</u>	<u>(930,938)</u>	<u>(480,041)</u>	<u>(13,134,476)</u>	<u>(19,870,400)</u>
Other Financing Sources (Uses)							
Issuance of bonds	-	13,586,900	-	-	-	9,986,700	23,573,600
Bond premium	-	1,023,100	-	-	-	746,800	1,769,900
Transfers In	-	-	-	1,147,000	1,365,613	602,834	3,115,447
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>14,610,000</u>	<u>-</u>	<u>1,147,000</u>	<u>1,365,613</u>	<u>11,336,334</u>	<u>28,458,947</u>
Net change in fund balances	<u>-</u>	<u>9,304,628</u>	<u>(19,573)</u>	<u>216,062</u>	<u>885,572</u>	<u>(1,798,142)</u>	<u>8,588,547</u>
Fund Balances, beginning of year	<u>2,277</u>	<u>6,860,137</u>	<u>247,449</u>	<u>1,191,337</u>	<u>670,223</u>	<u>3,506,587</u>	<u>12,478,010</u>
Fund Balances, end of year	<u>\$ 2,277</u>	<u>\$ 16,164,765</u>	<u>\$ 227,876</u>	<u>\$ 1,407,399</u>	<u>\$ 1,555,795</u>	<u>\$ 1,708,445</u>	<u>\$ 21,066,557</u>

(continued)

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
For the Year Ended June 30, 2024

(continued)	<i>Permanent Funds</i>				Total
	City Trust	Library Trust	Sub-total	Debt Service	Nonmajor Governmental Funds
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 7,274,653
Charges for services	-	-	-	-	9,870,049
Investment income (loss)	1,587,222	136	1,587,358	-	1,780,903
Fines and costs	-	-	-	-	21,840
Contributions	200	-	200	-	202,779
Special assessments	-	-	-	187,084	187,084
Other	-	-	-	-	630,402
	1,587,422	136	1,587,558	187,084	19,967,710
Expenditures					
Current:					
Public safety	-	-	-	-	1,197,756
Education	-	-	-	-	7,961,057
Public works	-	-	-	-	6,583,878
Culture and recreation	35,371	-	35,371	-	1,683,966
Community development	-	-	-	-	505,501
Debt service:					
Principal	-	-	-	165,000	1,493,500
Interest	-	-	-	20,600	1,038,986
Capital outlay	-	-	-	-	20,607,674
	35,371	-	35,371	185,600	41,072,318
Excess (deficiency) of revenues over (under) expenditures	1,552,051	136	1,552,187	1,484	(21,104,608)
Other Financing Sources (Uses)					
Issuance of bonds	-	-	-	-	23,573,600
Bond premium	-	-	-	-	1,769,900
Transfers In	-	-	-	-	6,226,533
Transfers Out	(206,350)	-	(206,350)	-	(524,350)
	(206,350)	-	(206,350)	-	31,045,683
Net change in fund balances	1,345,701	136	1,345,837	1,484	9,941,075
Fund Balances, beginning of year	9,519,063	4,101	9,523,164	(4,223)	34,646,959
Fund Balances, end of year	\$ 10,864,764	\$ 4,237	\$ 10,869,001	\$ (2,739)	\$ 44,588,034

(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, 2024

	<u>Park</u>	<u>Scholarship</u>	<u>Worthy Poor</u>	<u>Memorial</u>	<u>Commemoration</u>	<u>Total</u>
Assets						
Cash and short-term investments	\$ 86,936	\$ 261,417	\$ -	\$ -	\$ -	348,353
Investments:						
Fixed income mutual funds	25,787	2,704,903	26,170	181,148	1,944	2,939,952
Equity mutual funds	85,567	9,065,096	86,838	601,079	6,453	9,845,033
Other assets	72	7,559	73	582	5	8,291
Total Assets	<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>
Net Position Held in Trust	<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>

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Combining Statement of Changes Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2024

	<u>Park</u>	<u>Scholarship</u>	<u>Worthy Poor</u>	<u>Memorial</u>	<u>Commemoration</u>	<u>Total</u>
Additions						
Investment income	\$ 15,894	\$ 1,726,972	\$ 16,130	\$ 111,648	\$ 1,199	\$ 1,871,843
Contributions	<u>85,164</u>	<u>550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,714</u>
Total Additions	<u>101,058</u>	<u>1,727,522</u>	<u>16,130</u>	<u>111,648</u>	<u>1,199</u>	<u>1,957,557</u>
Deductions						
Payments to beneficiaries	<u>192</u>	<u>222,923</u>	<u>196</u>	<u>1,357</u>	<u>16</u>	<u>224,684</u>
Total Deductions	<u>192</u>	<u>222,923</u>	<u>196</u>	<u>1,357</u>	<u>16</u>	<u>224,684</u>
Change in Net Position	100,866	1,504,599	15,934	110,291	1,183	1,732,873
Net Position						
Beginning of year	<u>97,496</u>	<u>10,534,376</u>	<u>97,147</u>	<u>672,518</u>	<u>7,219</u>	<u>11,408,756</u>
End 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>

CITY OF PORTSMOUTH, NEW HAMPSHIRE
 Combining Statement of Fiduciary Net Position
 Custodial Funds
 June 30, 2024

	Coalition Communities	School	Taxes and Fees	Total
Assets				
Cash and short-term investments	\$ <u>220,822</u>	\$ <u>595,393</u>	\$ <u>-</u>	\$ <u>816,215</u>
Net Position				
Restricted for Other Purposes	\$ <u><u>220,822</u></u>	\$ <u><u>595,393</u></u>	\$ <u><u>-</u></u>	\$ <u><u>816,215</u></u>

CITY OF PORTSMOUTH, NEW HAMPSHIRE
Combining Statement of Changes Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2024

	Coalition Communities	School	Taxes and Fees	Total
Additions				
Property taxes collected for Rockingham County	\$ -	\$ -	\$ 5,583,241	\$ 5,583,241
Fees collected for the State of New Hampshire	-	-	1,564,975	1,564,975
Other	174,003	781,948	-	955,951
	<u>174,003</u>	<u>781,948</u>	<u>-</u>	<u>955,951</u>
Total Additions	174,003	781,948	7,148,216	8,104,167
Deductions				
Payments of taxes to Rockingham County	-	-	5,583,241	5,583,241
Payments of fees to State of New Hampshire	-	-	1,564,975	1,564,975
Payments to beneficiaries	132,038	773,441	-	905,479
	<u>132,038</u>	<u>773,441</u>	<u>-</u>	<u>905,479</u>
Total Deductions	132,038	773,441	7,148,216	8,053,695
Change in Net Position	41,965	8,507	-	50,472
Net Position				
Beginning of year	<u>178,857</u>	<u>586,886</u>	<u>-</u>	<u>765,743</u>
End of year	<u>\$ 220,822</u>	<u>\$ 595,393</u>	<u>\$ -</u>	<u>\$ 816,215</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.	134 - 138
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	139 - 145
<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.	146 - 149
<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.	150 - 151
<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.	152 - 154

City of Portsmouth, New Hampshire

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2015 ⁽¹⁾	2016	2017	2018 ⁽²⁾	2019	2020	2021	2022	2023	2024
Governmental activities										
Net invested in capital assets	\$ 109,917,788	\$ 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
Restricted	16,604,810	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
Unrestricted	(27,370,090)	(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)
Total governmental activities net position	\$ 99,152,508	\$ 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
Business-type activities										
Net invested in capital assets	\$ 56,301,452	\$ 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
Restricted	812,740	650,192	487,644	325,096	162,549	-	-	-	-	-
Unrestricted	26,835,174	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
Total business-type activities net position	\$ 83,949,366	\$ 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
Primary government										
Net invested in capital assets	\$ 166,219,240	\$ 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
Restricted	17,417,550	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
Unrestricted	(534,916)	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)
Total primary government net position	\$ 183,101,874	\$ 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

Notes:

⁽¹⁾As restated in conformity with GASB Statement 68.

⁽²⁾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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
All governmental funds⁽¹⁾										
Nonspendable	\$2,338,528	\$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
Restricted	27,200,344	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
Committed	26,784,433	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
Assigned	7,621,331	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
Unassigned	11,838,381	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
Total all governmental funds	<u>\$ 75,783,017</u>	<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>
General Fund										
Nonspendable ⁽¹⁾	\$672,927	\$610,160	\$567,160	\$524,160	\$480,160	\$443,160	\$430,160	\$385,160	\$339,760	\$296,760
Committed	24,544,530	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
Assigned	7,621,331	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
Unassigned	12,509,746	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
Total General Fund	<u>\$ 45,348,534</u>	<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>
All other governmental funds										
Nonspendable	\$1,665,601	\$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
Restricted	27,200,344	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
Committed	2,239,903	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
Unassigned	(671,365)	(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>\$ 30,434,483</u>	<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>

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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Real estate taxes	\$ 73,635,672	\$ 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
Licenses and permits	5,311,858	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
Intergovernmental	17,205,342	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
Charges for service	9,929,357	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
Investment income (loss)	252,291	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
Interest on taxes	289,805	208,972	168,675	88,770	104,157	164,713	191,444	168,752	147,262	145,957
Fines and costs	836,479	804,327	890,796	905,279	753,042	807,423	632,675	999,885	1,197,525	1,414,771
Contributions	602,041	287,408	1,141,640	734,318	280,465	702,314	155,244	215,011	414,558	348,168
Special Assessment	-	-	187,084	187,084	187,084	179,357	194,810	187,084	187,084	187,084
Other	1,424,041	1,696,903	411,561	617,788	655,473	1,151,909	2,343,737	3,161,922	1,918,301	1,648,185
Total revenues	109,486,886	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
Expenditures										
General government	7,449,378	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
Public safety	17,415,808	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
Education	47,346,209	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
Public works	9,638,677	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
Health and human services	588,645	589,457	658,401	635,743	743,721	745,845	712,966	717,815	1,001,118	1,075,476
Culture and recreation	4,256,940	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
Community development	1,768,051	817,479	1,026,946	1,171,019	1,102,132	528,343	970,091	642,558	961,925	615,730
Debt service										
Principal	8,092,905	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
Interest	3,170,237	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
Capital outlay ⁽¹⁾	9,928,572	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
Intergovernmental	4,832,388	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
Total expenditures	114,487,810	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
Excess of Revenues										
Over(under) expenditures	(5,000,924)	(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)
Other Financing Sources (Uses)										
Issuance of bonds/loans	4,600,000	13,648,000	12,860,000	11,750,000	33,611,500	-	14,528,500	8,438,400	17,595,500	23,573,600
Issuance of refunding bond	3,335,000	3,040,500	-	-	-	-	5,773,500	9,430,000	-	-
Bond/BAN/refunding premium	586,229	1,958,633	1,662,089	1,590,594	4,119,106	-	2,348,815	2,695,576	1,764,263	1,769,900
Transfers in	3,706,034	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
Payment to refunded bond escrow agent	(3,531,788)	(3,436,502)	-	-	-	-	(6,750,000)	(11,250,000)	-	-
Transfers out	(3,706,034)	(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)
Total other financing sources (uses)	4,989,441	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
Net Change in Fund Balances	\$ (11,483)	\$ 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
Debt Service as a percentage of non-capitalized expenditures ⁽²⁾	10.99%	11.07%	11.48%	11.68%	11.64%	12.62%	11.92%	11.64%	10.90%	9.86%

⁽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) Total Net Position	Total Net Position ⁽¹⁾⁽²⁾
	Charges for Services	Licenses and Permits	Departmental	Other	Total	Operations & Maintenance	Depreciation	Interest Expense	Special item loss on Disposal	Total		
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
2015	21,362,069	726,695	484,826	872,763	23,446,353	13,280,245	3,347,761	2,531,819	-	19,159,825	4,286,528	83,949,366

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) Total Net Position	Total Net Position ⁽¹⁾⁽²⁾
	Charges for Services	Licenses and Permits	Departmental	Other	Total	Operations & Maintenance	Depreciation	Interest Expense	Special item loss on Disposal	Total		
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
2015	7,998,954	552,155	298,090	276,604	9,125,803	5,852,601	1,521,953	937,092	-	8,311,646	814,157	35,718,935

Sewer Fund Revenue, Expenses, and Changes in Fund Net Position

Last Ten Fiscal Years

Fiscal Year	Revenue					Expenses					Increase (Decrease) Total Net Position	Total Net Position ⁽¹⁾⁽²⁾
	Charges for Services	Licenses and Permits	Departmental	Other	Total	Operations & Maintenance	Depreciation	Interest Expense	Special item loss on Disposal	Total		
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
2015	13,363,115	174,540	186,736	596,159	14,320,550	7,427,644	1,825,808	1,594,727	-	10,848,179	3,472,371	48,230,431

Notes:

⁽¹⁾ Restated in 2015 in conformity with GASB Statement 68.

⁽²⁾ 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
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
2015	73,492,844	142,828	289,805	73,925,477

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
2024	\$ 105,090,313	\$ 102,534,598	97.6%	2,555,715	-	\$ 2,555,715	102,534,598	97.6%	9,130	155	1.7%
2023	97,918,521	96,125,679	98.2%	1,792,842	1,612,427	180,415	97,738,106	99.8%	8,951	118	1.3%
2022	95,219,836	93,159,897	97.8%	2,059,939	2,002,983	56,956	95,162,880	99.9%	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%
2015	74,936,960	73,219,903	97.7%	1,717,057	1,717,057	-	74,936,960	100.0%	8,559	121	1.4%

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⁾					Total Assessed Value	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							
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%	
2015	57,450	2,362,869,900	1,670,440,660	198,604,095	4,231,972,105	49,603,300	4,182,368,805	16.94	4,924,402,209	85.9%	

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

<u>Taxpayer</u>	<u>Type of Business</u>	<u>FY 2024 Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>FY2015 Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Public Service Co of NH	Utility	\$ 119,408,193	1	1.82%	\$ 172,686,517	1	4.13%
HCA Health Services of NH Inc.	Hospital	94,030,500	2	1.43%	78,778,900	2	1.88%
Arbor View & The Pines LLC (formerly TGM Beechstone LLC)	Apartment Complex	61,799,800	3	0.94%	42,596,400	3	1.02%
Cate Street Development	Mixed Use	54,669,200	4	0.83%			
Northern Utilities	Utility	46,943,333	5	0.71%	22,946,117	7	0.55%
Hanover Apartments LLC	Apartments	43,437,900	6	0.66%			
Service Credit Union	Bank/Office Building	36,388,700	7	0.55%	40,082,660	4	0.96%
Liberty Mutual Insurance	Office Building	36,144,900	8	0.55%	35,595,200	5	0.85%
Vaughan Street Hotel LLC	Hotel	34,473,000	9	0.52%			
Port Owner Harbor LLC (formerly Harborside Assoc)	Hotel	33,673,200	10	0.51%	20,620,300	10	0.49%
Inishmaan Assoc LTD Partnership	Apartments				23,578,000	6	0.56%
Bromley Portsmouth LLC	Shopping Center				21,731,700	8	0.52%
DPF 1600 Woodbury Ave LLC (formerlyDSQ Holding LLC)	Retail				21,434,700	9	0.51%
Fairpoint	Telephone						
Total Principal Taxpayers		<u>\$ 560,968,726</u>		8.53%	<u>\$ 480,050,494</u>		11.48%
Total Net Assessed Taxable Value		<u>\$ 6,577,145,132</u>			<u>\$ 4,182,368,805</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	
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
2015	8.80	5.61	2.53	8.14	16.94	1.16	18.10	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
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
2015	7,433,983	13,899,608	1,565,239	1,160,278	4.15/5.00	11.21/12.34	15.36/17.34

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)

Total Equalized Values						Apportionment of County Tax Levy				
Tax Year	Portsmouth Base Valuation for Debt Limits	Add: Equalization of PILOTS and RR Tax Less: Equalization of State Shared Revenues	Portsmouth Total Equalized Valuation	Rockingham County	Portsmouth %	Fiscal Year	County Tax Levy	Portsmouth Share ⁽¹⁾	Portsmouth's Share \$ Change	Portsmouth's Share % Change
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%
2014	4,871,579,273	52,822,935	4,924,402,208	44,425,117,020	11.0847253%	2015	44,809,156	4,832,388	165,188	3.5%

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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Issued Debt at June 30										
City Depts.	\$ 27,609,999	\$ 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
City-Unamortized Bond Premium	2,162,776	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
Landfill	884,238	671,332	458,427	245,522	32,617	-	-	-	-	-
School Dept.	49,055,000	50,397,607	50,962,635	51,850,000	52,014,500	46,975,000	43,311,300	37,998,300	36,012,500	34,931,600
School-Unamortized Bond Premium	3,865,809	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
Total Governmental Funds	83,577,822	89,881,757	93,780,218	96,170,827	122,682,758	109,949,317	113,217,720	108,576,309	115,307,252	125,846,722
Water Fund	28,040,824	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
Water-Unamortized Bond Premium	993,224	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
Sewer Fund	50,381,197	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
Sewer-Unamortized Bond Premium	2,323,564	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
Total Business-type Activities	81,738,809	85,366,757	85,072,847	87,011,079	91,279,723	83,428,545	90,521,100	172,413,298	164,622,628	169,620,450
Total Issued Debt at June 30	165,316,631	175,248,514	178,853,065	183,181,906	213,962,480	193,377,862	203,738,820	280,989,607	279,929,880	295,467,172
Authorized Unissued Debt June 30										
City Depts.	24,800,000	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
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	5,025,000	5,000,000	5,000,000	2,000,000	2,000,000	500,000	-	-	-
Total Governmental Funds	34,466,897	33,018,897	32,841,897	40,771,897	20,516,897	32,466,897	21,166,897	37,649,353	32,642,865	27,497,897
Water Fund	-	-	-	-	-	4,623,000	1,450,000	8,150,000	10,300,000	10,726,500
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
Total Authorized Unissued Debt June 30	34,466,897	108,018,897	107,841,897	122,671,897	102,416,897	126,134,897	108,916,897	54,766,310	57,042,865	50,104,897
Gross Debt June 30										
City Depts.	54,572,775	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
Coakley Landfill	5,526,135	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
School Dept.	57,945,809	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
Total Governmental Funds	118,044,719	122,900,654	126,622,115	136,942,724	143,199,655	142,416,214	134,384,617	146,225,662	147,950,117	153,344,619
Water Fund	29,034,048	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
Sewer Fund	52,704,761	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
Total Gross Debt June 30	\$ 199,783,528	\$ 283,267,411	\$ 286,694,962	\$ 305,853,803	\$ 316,379,377	\$ 319,512,759	\$ 312,655,717	\$ 335,755,917	\$ 336,972,745	\$ 345,572,069
Base Value for Debt Limits ⁽¹⁾										
	\$ 4,871,579,273	\$ 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
Legal Debt Limits (% of Base Value)										
City - 3% ⁽²⁾	\$ 146,147,378	\$ 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
School - 7% ⁽²⁾	341,010,549	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
Water - 10% ⁽²⁾	487,157,927	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
Debt Against Legal Debt Limits										
City Depts.	\$ 54,572,775	\$ 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
School Dept.	57,945,809	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
Water Fund	29,034,048	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
Exempt from Legal Debt Limits ⁽³⁾	58,230,896	133,666,791	133,104,655	140,818,538	144,814,878	146,806,014	147,168,677	147,607,535	148,367,640	146,231,179
Total Debt at June 30	\$ 199,783,528	\$ 283,267,411	\$ 286,694,962	\$ 305,853,803	\$ 316,379,377	\$ 319,512,759	\$ 312,655,717	\$ 335,755,917	\$ 336,972,745	\$ 345,572,069
Unused Capacity of Legal Debt Limits										
City Depts.	\$ 91,574,603	\$ 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
School Dept.	283,064,740	298,974,529	335,902,086	340,574,726	367,256,202	417,685,050	450,702,774	523,199,235	606,444,935	663,280,496
Water Fund	458,123,879	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
% of Legal Debt Limits Used										
City Depts.	37.3%	37.9%	36.4%	41.6%	44.3%	42.4%	38.4%	40.8%	37.1%	36.9%
School Dept.	17.0%	16.6%	15.1%	15.1%	13.6%	11.1%	9.6%	7.5%	6.3%	5.4%
Water Fund	6.0%	6.3%	5.7%	5.8%	5.4%	5.2%	5.0%	5.8%	4.9%	5.1%

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
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%
2015	30,657,013	52,920,809	83,577,822	3,894	9.1%

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
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%
2015	29,034,048	52,704,761	81,738,809	3,808	8.9%

Fiscal Year	Total Debt Primary Government	Debt per capita	% of Debt to Personal Income
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%
2015	165,316,631	7,702	18.0%

Data Source:

Finance Department Records

City of Portsmouth, New Hampshire

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2024**

	End of Fiscal Year	Net General Obligation Debt Outstanding ⁽¹⁾	Percentage Applicable to Portsmouth ⁽²⁾	Amount Applicable to Portsmouth
Rockingham County	2024	\$25,156,357	10.9578374%	\$ 2,756,593
			Subtotal, Overlapping Debt	<u>2,756,593</u>
City of Portsmouth Direct Debt				<u>125,846,722</u>
Total Direct Debt and Overlapping Debt				<u><u>\$ 128,603,315</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

Fiscal Year	Governmental Activities			Fiscal Year	Business Type Activities			Fiscal Year	Primary Government		
	General Obligation Bonds	Debt per Capita	% of Debt to Estimated Actual Value		General Obligation Bonds	Debt per Capita	% of Debt to Estimated Actual Value		General Obligation Bonds	Debt per Capita	% of Debt to Estimated Actual Value
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%
2015	82,693,584	3,853	1.7%	2015	49,916,787	2,326	1.0%	2015	132,610,371	6,179	2.7%

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
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%
2015	21,463 ⁽¹⁾	916,985,212	42,724 ⁽³⁾	2.7%	3.8%	5.3%

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	2024			2015		
		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	1,390	1	4.07 %	1,509	1	4.93 %
Lonza Biologics	Biotechnology	1,298	2	3.80	803	4	2.62
HCA Hospital	Hospital	1,101	3	3.22	1,000	3	3.27
Liberty Mutual	Insurance	1,099	4	3.22	1,015	2	3.32
City of Portsmouth (FT)	Municipal services	855	5	2.50	707	5	2.31
Bottomline technologies	Software	701	6	2.05	425	6	1.39
Service Credit Union	Banking	404	7	1.18			-
WIN/Waste Innovations	Services	402	8	1.18			-
Amadeus (Newmarket)	Software	383	9	1.12			-
Highliner Foods	Seafood processor	366	10	1.07	330	8	1.08
John Hancock	Finance				400	7	1.31
Newmarket International	Software				283	9	0.92
Erie Scientific/Thermo Fisher	Laboratory Equipment				280	10	0.91
Total Principal Employers		7,999		23.41 %	6,752		22.06 %
Total City Employment ⁽¹⁾		34,167			30,605		

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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Taxable property parcels assessed	8,559	8,536	8,601	8,625	8,815	8,857	8,859	8,949	8,950	9,053
Registered Voters	18,807	17,069	17,939	18,127	19,416	21,563	21,563	17,429	17,673	16,009
Votes Cast:										
Municipal Election		4,673		5,050		5,813		6,099		5,745
State Primary	2,273		3,525		5,181	-	6,218		3,902	
State General Election	9,339		13,556		11,338	-	14,771		11,772	355 (3)
Presidential Primary		9,842				9,168				7,550
Presidential General			13,556				14,771			
Building Permits	2,502	3,086	3,259	3,123	2,873	2,634	4,228	4,353	5,649	5,319
Estimated construction value	\$73,308,353	\$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
Public Safety										
Police										
Service Calls	34,743	34,107	43,594	47,673	47,371	34,286	37,767	38,634	45,282	42,998
Number of Arrests	1,033	1,063	1,103	1,428	1,075	822	826	1,008	1,639	917
Traffic Activity:										
Number of MV Stops										
Summons/Citation	273	343	2,022	1,223	912	552	560	485	442	325
Written Warning	2,532	3,339	4,662	3,708	3,590	1,526	1,325	1,385	2,348	1,425
Verbal Warning or No Action	3,627	4,414	4,833	5,165	5,964	3,775	4,310	6,521	5,261	5,701
Total MV Stops	6,432	8,096	11,517	10,096	10,466	5,853	6,195	8,391	8,051	7,451
Accidents	734	678	663	684	609	510	419	533	554	505
DWI arrests	68	55	100	76	80	46	66	84	153	92
Fire and EMS										
Fire Rescue	2,776	2,670	2,845	2,851	2,755	2,201	2,547	2,647	2,923	3,306
Ambulance	3,211	3,452	3,576	3,654	3,448	3,235	3,331	3,548	3,728	3,794
Education ⁽²⁾										
High School Fall Enrollment	1,077	1,110	1,117	1,076	1,131	1,129	1,105	1,049	1,031	1,024
Public Works										
Parking Enforcement										
Parking violations (Tickets written)	39,371	48,268	43,997	54,422	51,873	40,589	34,863	35,573	42,507	49,006
Streets resurfaced (miles)	6.50	3.80	2.10	11.95	2.80	2.80	3.70	7.30	2.85	4.94
Human Services - General Assistance										
Number of applicants	423	348	303	353	526	469	263	65	117	93
Culture and Recreation										
Public Library										
Circulation of materials	421,739	413,734	411,840	413,120	435,022	297,500	232,498	330,792	328,163	360,079
Annual visits	321,131	352,962	378,351	346,121	325,580	238,937	126,101	108,132	157,681	178,685
Water System:										
Water main breaks	31	29	21	25	19	24	15	16	13	14
Daily average production (millions of gallons)	4.5	4.6	3.9	4.4	4.0	4.0	3.9	3.8	3.8	3.7
Peak daily production (millions of gallons)	6.0	6.3	6.1	6.0	6.8	6.5	3.2	6.4	6.2	5.5
Precipitation (inches)				36.2	47.8	39.82	33.80	45.02	44.92	50.60
Sewage System:										
Daily average treatment - Peirce Island (millions of gallons)	4.0	3.8	4.1	3.7	4.7	4.0	3.5	4.1	4.2	4.8
Daily average treatment - Pease WWTF (millions of gallons)	0.5	0.5	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.8

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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of vehicles	30	30	30	30	31	30	33	35	35	38
Fire and Rescue										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of vehicles	19	19	19	19	20	20	19	19	19	20
Number of boats	1	1	1	1	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	1
Community centers	2	2	3	3	3	3	3	3	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	10	6	6	6	6
Water system:										
Miles of water mains	174	174	174	190	189	190	190	190	191	192
Number of service connections	8,038	8,096	8,100	8,200	8,261	9,800	8,541	8,626	8,661	8,717
Storage capacity in gallons (millions of gallons)	10	10	10	10	11	11	11	11	11	11
Maximum daily capacity of plant (millions of gallons)	4.5	4.5	4.5	4.5	4.0	4.0	4.0	4.0	4.0	4.0
Number of fire hydrants	1,017	1,034	1,036	1,040	1,028	1,040	1,035	1,035	1,035	1,035
Sewage System:										
Miles of sanitary sewers	107	106	106	106	112	112	107	107	107	107
Number of treatment plants	2	2	2	2	2	2	2	2	2	2
Number of service connections	6,404	6,427	6,475	6,459	6,495	6,495	6,717	6,751	6,792	6,813
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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Executive	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.8	4.8	4.6
Human Resources	4.0	3.0	3.0	3.0	2.0	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	5.0	5.4	5.4	5.4	5.6	6.6	6.6	6.6	6.6	8.1
Information Technology	-	-	-	-	1.0	1.0	1.0	1.0	6.0	8.0
Economic & Community Development*	-	-	-	-	-	-	-	-	1.0	1.0
Finance	19.0	20.0	22.1	22.3	24.2	24.3	22.3	23.3	22.3	23.3
Planning & Sustainability**	8.5	8.5	8.5	8.5	8.6	8.5	7.5	6.8	7.3	7.8
Inspection	5.1	5.1	5.1	5.1	5.1	5.1	5.1	7.0	8.0	8.4
Health	1.5	1.5	1.5	1.5	1.5	2.5	2.5	3.0	4.0	4.0
Total General Government	48.0	48.4	50.4	50.7	54.0	58.0	55.0	58.6	67.1	72.3
Public Safety										
Police - Sworn Officers:										
General Fund Funded	60.2	60.2	62.2	64.2	64.2	66.2	66.2	66.2	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	10.0	11.0	11.0	11.0	11.0	11.0	10.0	9.0	9.0	10.0
Police - Non-sworn employees:										
General Fund Funded	9.0	9.0	11.0	12.0	12.0	14.0	14.0	14.0	14.0	14.0
Grant Funded	-	-	-	-	-	-	-	-	-	-
Total Police Department	81.0	82.0	86.0	89.0	89.0	93.0	92.0	91.0	94.0	95.0
Fire and Rescue	60.0	61.0	61.0	61.0	61.0	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	142.0	144.0	148.0	151.0	151.0	159.0	158.0	157.0	160.0	161.0
Education										
General Fund Funded										
Administrators	13.2	13.7	13.7	13.7	14.7	15.4	14.6	14.6	15.6	15.6
Teachers	242.6	243.5	245.4	249.0	254.4	257.5	257.1	254.0	258.4	259.1
Clerical	20.7	20.9	20.9	20.9	20.9	21.1	21.1	20.2	20.2	20.2
Paraprofessional/Tutors	41.9	44.0	43.2	48.8	50.0	46.4	47.1	46.3	48.3	49.3
School custodians	25.9	25.9	25.9	25.9	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	1.0	-	-	-
Technicians	7.0	7.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
System maintenance	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0
Total General Fund Funded	356.2	360.0	361.1	371.3	379.0	380.3	379.9	374.1	381.5	383.2
Grant and other Funding	94.2	88.0	87.9	88.9	83.7	85.9	85.9	85.9	90.5	88.9
Total Education	450.4	448.0	449.0	460.2	462.7	466.3	465.8	460.0	472.0	472.1
Public Works										
General Fund functions	58.1	54.2	55.9	56.8	54.0	52.9	53.6	53.9	54.9	54.7
Parking Fund	10.7	15.8	16.2	17.2	25.5	25.3	24.1	26.3	27.3	30.2
Community Campus	-	-	-	-	-	-	-	1.0	1.0	1.0
Prescott Park	-	-	1.2	1.4	2.2	2.2	2.2	2.2	3.2	3.2
Stormwater	-	-	-	-	5.0	5.0	5.0	5.0	5.0	5.0
Water	22.9	26.9	26.5	25.8	27.7	29.0	29.2	29.5	29.7	32.8
Sewer	27.4	28.7	30.0	32.7	32.3	34.6	34.8	35.5	37.2	37.8
Total Public Works	119.1	125.5	129.7	133.9	146.7	148.8	148.8	153.2	158.2	164.5
Culture and Recreation										
Recreation	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	6.0
Indoor Pool Fund	-	-	-	-	-	-	-	1.0	1.0	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	15.0	16.0	16.0	16.0	16.0	17.0	16.0	16.0
Total Culture and Recreation	20.0	20.0	20.0	21.0	21.0	21.0	21.0	24.0	23.0	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	1.6	2.3	1.6	1.2	1.1	1.0	1.0	1.0	1.0	2.0
UDAG	2.2	1.2	1.0	1.0	1.0	1.0	1.0	1.0	-	-
Total Community Development	3.8	3.5	2.6	2.2	2.1	2.0	2.0	2.0	1.0	2.0
Total All Functions	784.2	790.3	800.7	820.0	838.4	856.0	851.5	855.7	882.3	897.8
Total General Fund Positions	623.4	625.7	634.6	650.0	658.2	670.4	666.7	667.5	686.5	695.1
Percent of Total										
General Government	6.1%	6.1%	6.3%	6.2%	6.4%	6.8%	6.5%	6.8%	7.6%	8.0%
Public Safety	18.1%	18.2%	18.5%	18.4%	18.0%	18.6%	18.6%	18.3%	18.1%	17.9%
Education	57.4%	56.7%	56.1%	56.1%	55.2%	54.5%	54.7%	53.7%	53.5%	52.6%
Public Works	15.2%	15.9%	16.2%	16.3%	17.5%	17.4%	17.5%	17.9%	17.9%	18.3%
Culture and Recreation	2.6%	2.5%	2.5%	2.6%	2.5%	2.5%	2.5%	2.8%	2.6%	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	0.5%	0.4%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.1%	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