



CITY OF SOUTH PORTLAND, MAINE

Annual Comprehensive Financial Report



For Fiscal Year Ended June 30, 2023

CITY OF SOUTH PORTLAND, MAINE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Fiscal Year Ended June 30, 2023



*Prepared By:
City of South Portland
Department of Finance*

CITY OF SOUTH PORTLAND, MAINE
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

Table of Contents

Page

INTRODUCTORY SECTION

Letter of Transmittal		1
GFOA Certificate of Achievement		7
Organizational Chart		9
List of Principal Officials (Elected and Appointed)		10

FINANCIAL SECTION

Independent Auditor’s Report		13
Management’s Discussion and Analysis		16

Statement

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position	1	31
Statement of Activities	2	32

Fund Financial Statements:

Balance Sheet – Governmental Funds	3	33
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	4	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	35
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund and TIF Funds	6	36
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Bus Service	7	37
Statements of Net Position – Proprietary Funds	8	38
Statements of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	9	39
Statements of Cash Flows – Proprietary Funds	10	40
Statement of Fiduciary Net Position – Fiduciary Funds	11	41
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	12	42

Notes to Basic Financial Statements		43
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Required Supplementary Information:

Schedule of Changes in the City’s Total Health Plan OPEB Liability and Related Ratios		80
Schedule of Changes in the School Department’s Total Health Plan OPEB Liability and Related Ratios		81
Schedule of City’s Proportionate Share of the Net OPEB Liability		82
Schedule of City OPEB Contributions		82
Schedule of City’s Proportionate Share of the Net Pension Liability		83
Schedule of City Pension Contributions		84
Notes to Required Supplementary Information		85

CITY OF SOUTH PORTLAND, MAINE
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

	<u>Exhibit</u>	<u>Page</u>
Combining and Individual Fund Financial Statements and Schedules:		
General Fund:		
Comparative Balance Sheets	A-1	89
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	A-2	90
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Education	B	93
Reserves – General Fund:		
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	C	94
TIF Funds:		
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	D	97
Capital Project Funds:		
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	E	101
All Other Governmental Funds:		
Combining Balance Sheet	F-1	105
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	106
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	G-1	109
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	110
Nonmajor Permanent Funds:		
Combining Balance Sheet	H-1	113
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	H-2	114
Proprietary Fund:		
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual	I	117
	<u>Schedule</u>	
City Special Revenues:		
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	1	121
School Grant Funds:		
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	2	124
Private-purpose Trust Funds:		
Combining Schedule of Changes in Fiduciary Net Position	3	126

CITY OF SOUTH PORTLAND, MAINE
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

STATISTICAL SECTION

	<u>Table</u>	<u>Page</u>
Net Position by Component	1	131
Changes in Net Position	2	132
Program Revenues by Function/Program	3	134
Fund Balances of Governmental Funds	4	135
Changes in Fund Balances of Governmental Funds	5	136
Governmental Activities Tax Revenues by Source	6	138
State Aid Revenues by Source	7	139
Assessed Value and Estimated Actual Value of Taxable Property	8	140
Direct and Overlapping Property Tax Rates	9	141
Principal Property Taxpayers	10	142
Total Property Tax Levies and Collections	11	143
Ratios of Net General Debt Outstanding	12	144
Direct and Overlapping Governmental Activities Debt	13	145
Legal Debt Margin Information	14	146
Principal Employers	15	147
Demographic and Economic Statistics	16	148
Full-time Employees by Function/Program	17	149
Operating Indicators by Function/Program	18	150
Capital Asset Statistics by Function	19	151

INTRODUCTORY SECTION





CITY OF
**SOUTH
PORTLAND**

FINANCE DEPARTMENT

ELLEN SANBORN
Director of Finance

THOMAS CROCKETT
Deputy Director of Finance

April 5, 2024

Honorable Katherine W. Lewis, Mayor
Distinguished Members of the City Council,
and Citizens of the City of South Portland, Maine

Maine state statutes and the South Portland City Charter require that the City issue annually a financial report audited in accordance with generally accepted auditing standards. Pursuant to these requirements, we hereby issue the annual comprehensive financial report of the City of South Portland, Maine, for the fiscal year ended June 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is established for this purpose. 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.

Runyon Kersteen Ouellette, Certified Public Accountants, has issued an unmodified (“clean”) opinion on the City of South Portland, Maine’s financial statements for the year ended June 30, 2023. The independent auditor’s report is located at the front of the financial section of this 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. MD&A complements this letter of transmittal and should be read in conjunction with it.

The annual comprehensive financial report is presented in three sections: introductory, financial, and statistical. The introductory section, which is not audited, includes this transmittal letter, 2022 ACFR certificate of achievement, an organization chart, and a list of the City’s principal elected and appointed officials. The financial section includes management’s discussion and analysis of the City’s financial activities, the basic financial statements and the combining and individual fund financial statements and schedules, as well as the independent auditor’s report on the financial statements and schedules. The statistical section, which is not audited, includes selected financial and demographic information, generally presented on a multi-year basis.

As a recipient of significant Federal grant funds, the City is required to undergo an annual single audit in conformity with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The audit is designed to meet the requirements of federal granting agencies. The standards require the independent auditor to report not only on the fair presentation of the financial statements, but also on the internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including a schedule of expenditures of federal awards, findings, recommendations, and the independent auditor's reports on the internal control and compliance with applicable laws and regulations are included in a separately issued Uniform Guidance report.

Profile of the City of South Portland

The City of South Portland is located on the southern coast of the State of Maine in the southeastern section of the County of Cumberland, the State's most populous county. South Portland is the fourth largest city in Maine and the second largest in its region. The City currently occupies 12.93 square miles and serves an estimated population of 27,026. Under Maine statutes, the City is empowered to levy a property tax on both real and personal property located within its boundaries.

The area of which the City is comprised was originally the northern part of the Town of Cape Elizabeth. Old Falmouth, incorporated in 1718, was formed of the area now encompassing the cities of Portland, South Portland and Westbrook and the towns of Cape Elizabeth and Falmouth. Due to the inconvenience of crossing the Fore River, Cape Elizabeth (then including the City) became established as the Second Parish of Falmouth in 1733, and on November 1, 1765 separated from Falmouth, being incorporated as the Town of Cape Elizabeth. On March 15, 1895, South Portland divided and set off the northern portion of Cape Elizabeth to become a town. A city charter was granted on March 22, 1898 and adopted on December 5, 1898 as the City of South Portland.

The City operates under the charter adopted on December 5, 1898, as amended, most recently in November of 1997, (the "Charter") providing for a Council-Manager form of government. Policy making and legislative authority is vested in a seven-member City Council, all elected on a non-partisan basis. The Council is composed of seven members, one elected from each of the City's five voting districts, and two members who are elected at-large. The Council members are elected for three-year staggered terms. The Charter grants to the City Council all powers to enact, amend, or repeal rules, ordinances and resolutions relating to the City's property, affairs and government, to preserve the public peace, health and safety, to establish personnel policies and giving effect to any vote of the City and to authorize the issuance of debt subject to referendum approval by the voters of the City. Through its Charter, the Council adopts an annual budget, provides for an annual audit, appoints committees, and hires the City Manager and City Clerk.

The City Manager is the chief executive officer and the head of the administrative branch of the City government. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the City's departments. Under the City Charter, the City of South Portland's Education Department is a department of the City with an elected School Board and an appointed

Superintendent of Schools. The City of South Portland provides a full range of services, including police, ambulance and fire protection; construction and maintenance of highways, streets, sidewalks, parks and other infrastructure; sewer service and wastewater treatment; solid waste collection; public education; health and social welfare; public transportation; recreational and cultural activities; general administration and economic development.

The annual budget serves as the foundation for the City of South Portland's financial planning and control. All departments of the City of South Portland, with the exception of the Education Department, are required to submit requests for appropriation to the City Manager in January of each year. The City Manager uses these requests as the starting point for developing a proposed municipal budget. The City Manager then combines the proposed municipal budget with the Board of Education appropriation request for the Education Department and presents the total proposed budget to the City Council for review in March of each year. The City Council holds a public hearing on the proposed budget in April, and holds budget review workshops with the individual departments and the Board of Education in the months of April and May. The budget must be finally adopted by no later than 90 days after July 1, the beginning of the fiscal year, but is typically adopted in June.

The appropriated budget is prepared by fund, function (e.g., public safety) and department (e.g., police). Appropriated Governmental Funds include the General Fund, TIF Fund and the Bus Service fund. Budget to actual comparisons are provided in this report for the general fund. This comparison is presented on page 36 as part of the basic financial statements for the governmental funds.

Relevant Financial Policies

The City's Fund Balance Policy established a minimum unassigned fund balance in the general fund of 9%. In the event that the unassigned fund balance drops below this minimum level, the City will develop a plan implemented through the annual budget process to bring the balance back to the target level over a period of no more than three fiscal years. According to the Policy, funds in excess of 12% may, with the approval of the City Council be used for capital improvements or other one-time expenditures. For the year ended June 30, 2023, the amount of unassigned fund balance totaled \$15,893,050 or 13.8% of the fiscal year 2024 general fund budget, of which \$2,097,372 is over the 12% Policy goal.

Local Economy

Once principally a residential community, South Portland now enjoys a diversified commercial and industrial aspect to its economy. The City has been referred to as two cities, with the eastern half of the city sporting residential neighborhoods, a traditional downtown district, a waterfront, and the second busiest oil port on the entire East Coast, and the western half of the city hosting commercial, industrial, and advanced technology property.

The eastern half of the City is home to many of the City's residential neighborhoods, a traditional downtown district with a diverse mix of retail stores, restaurants, residential housing and professional offices, an oil pipeline and storage tank farms, a municipal beach, a municipal boat ramp, numerous scenic parks, several marinas, two lighthouses, a maritime museum, and the State's largest community college.

The western half of the City is home to a regional mall that forms the hub of the largest shopping district in the State. Additionally, there are two world-class semiconductor factories and a number of major hotel chains. Major companies with headquarters or divisions located within the western half of the City include a semiconductor manufacturer, an international financial services company, and two insurance companies. The mall and surrounding businesses increase the population of the City up to over 100,000 per day.

The City exhibits above average wealth and housing levels relative to the State of Maine as a whole. The property tax collection rate has been consistently high over the years, standing at 98.9% for fiscal year 2023. The tax base is comprised of 60% residential section and 40% commercial, with the largest taxpayer comprising roughly 4% of the total tax base. The ten largest taxpayers represent 16.7%. Non-taxable value is about 11% of the total valuation.

Long-term Financial Planning

Capital expenditures are one of the most significant costs for a community, which includes maintaining its infrastructure. The City, as required by City Charter, maintains a 7 year Capital Improvement Program (CIP), which is updated and reviewed annually by the City Council. This Program considers future needs for maintenance and replacement of capital equipment, roads, sidewalks, sewer infrastructure, vehicles and City buildings. Funding for the CIP is through a combination of available General Fund balance, TIF funds, reserves, grants, and financing. The Program allows for the City to plan for and make informed decisions about large expenditures.

Major Initiatives

The City Council approved several major projects for funding in fiscal year 2023. Replacement of the Community Center Pool Roof is planned over the summer. The Fire Department will replace a pumper truck and the IT Department will begin the replacement of data center hardware. Water Resources will make updates and improvements to their water treatment systems. Also, the School Department completed construction of the new \$67 million Middle School in June of 2023.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Portland for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized annual comprehensive financial report.

The preparation of this report would not have been possible without the efficient and dedicated services of the Finance Department staff. Each member of the department has a key role in the preparation of this report. Appreciation is also extended to the accounting firm of Runyon Kersteen Ouellette for its assistance in the preparation and review of this report. Finally, credit must be given to the South Portland City Council and City Manager for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Ellen Sanborn

Ellen Sanborn
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of South Portland
Maine**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

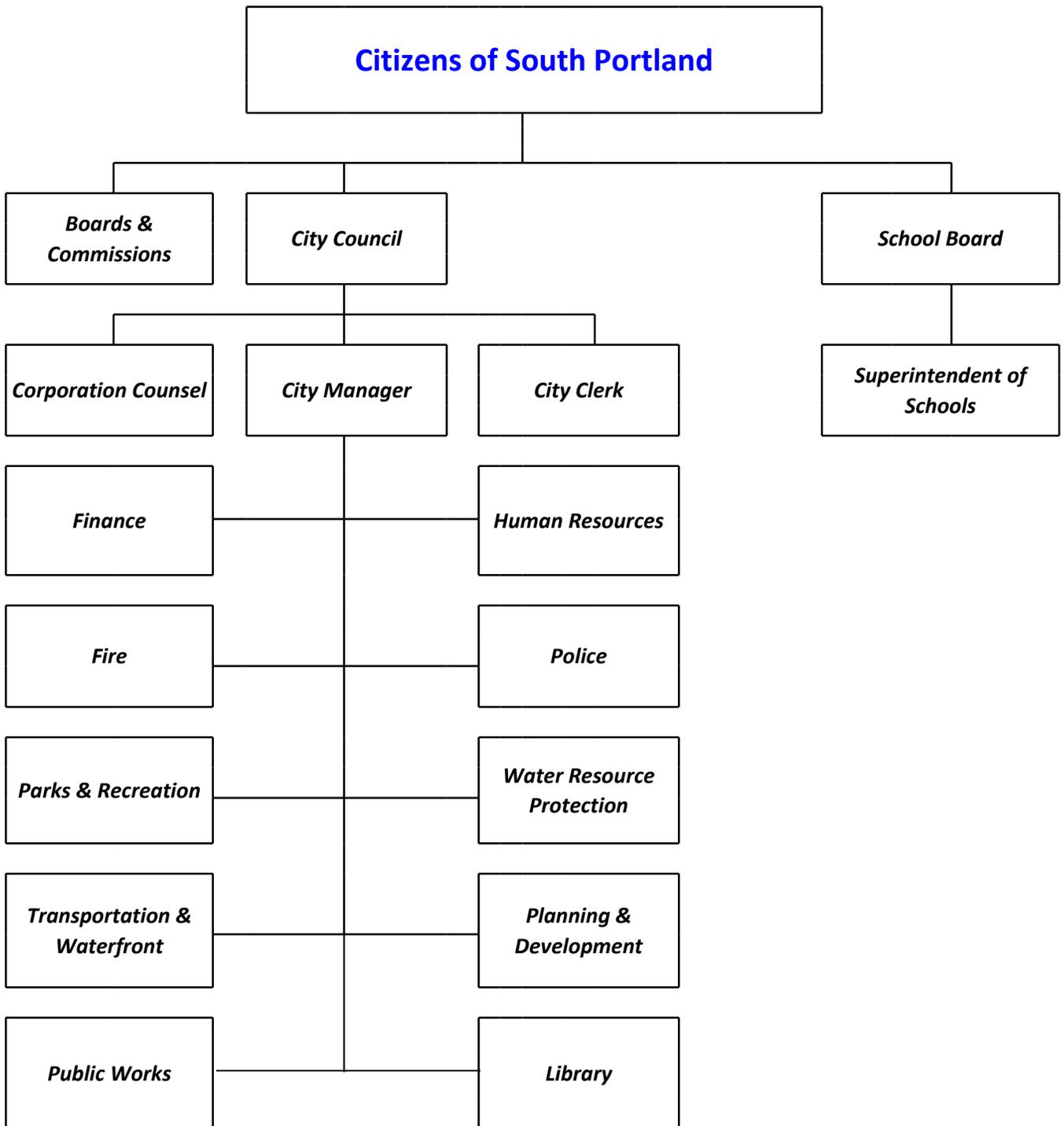
June 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF SOUTH PORTLAND, MAINE

Organizational Chart



CITY OF SOUTH PORTLAND, MAINE

LIST OF PRINCIPAL OFFICIALS (ELECTED AND APPOINTED)

June 30, 2023

Elected Officials

Council Member – District 1	Jocelyn E. Leighton
Council Member – At Large	Natalie West
Council Member – At Large	Richard T. Matthews
Council Member – District 2 – Mayor	Katherine W. Lewis
Council Member – District 3	Misha C. Pride
Council Member – District 4	Linda C. Cohen
Council Member – District 5	Deqa A. Dhalac

Board of Education – At Large - Board Chair	Jennifer Ryan
Board of Education – At Large	Claire Holman
Board of Education – District 1	Susan Rauscher
Board of Education – District 2	Tandy Ratliff
Board of Education – District 3	Rosemarie DeAngelis
Board of Education – District 4 – Vice Chair	Molly Schen
Board of Education – District 5 -	Elyse Tipton

Appointed Officials

City Manager	Scott T. Morelli
Assistant City Manager	Joshua J. Reny
City Clerk	Emily F. Scully
Code Enforcement Officer	Barbara Skelton
Economic Development Director	William J. Mann
Director of Finance	Ellen Sanborn
Fire Chief	Philip Selberg
Human Resource Director	Stephanie Weaver
Parks and Recreation Director	Karl Coughlin
Public Works Director - Interim	Melissa Hutchins
Planning & Development Director	Milan Nevajda
Police Chief	Dan Ahearn
Superintendent of Schools	Timothy Matheney
Transportation & Waterfront Director	Donna Tippet
Water Resource Protection Director	Brad Weeks

FINANCIAL SECTION



Independent Auditor's Report

City Council
City of South Portland, Maine

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 South Portland, Maine as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of South Portland, Maine'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 South Portland, Maine, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, TIF Funds, and City Bus Service for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of South Portland, Maine'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 South Portland, Maine's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules pertaining to the net pension and OPEB liabilities, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

City Council
City of South Portland, Maine

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2024, on our consideration of the City of South Portland, Maine'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 South Portland, Maine'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 South Portland, Maine's internal control over financial reporting and compliance.



April 5, 2024
South Portland, Maine

CITY OF SOUTH PORTLAND, MAINE
Management's Discussion and Analysis
June 30, 2023

This section of the Annual Comprehensive Financial Report of the City of South Portland presents a narrative overview and analysis of the financial activities of the City of South Portland for the fiscal year ended June 30, 2023. We encourage readers to use the information presented here in conjunction with the accompanying letter of transmittal, the basic financial statements, and the accompanying notes to those financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City of South Portland exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$201,616,519 (*net position*). Of this amount, \$24,850,600 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of South Portland's governmental activities reported ending net position of \$133,412,984, an increase of \$6,340,147 from the prior year. Approximately 9% of this total amount, \$11,642,543, is *available for spending* at the City's discretion (*unrestricted net position*).
- As of June 30, 2023, the general fund unassigned fund balance was \$15,893,050 or 13.8% of the City's fiscal year 2024 budget, including Schools but not Food Service.
- In fiscal year 2023, the City received the last payment of the American Rescue Plan Act (ARPA) funding. This increased total revenue of the program to \$10,498,362, of which \$7,545,285 was deferred at year end. This continues to support capital projects, employee retention, pandemic related general assistance costs, as well as supporting projects around the City that have been initiated by other governments and not-for-profit entities.
- The School Department completed the construction of the new middle school in early June 2023, so it became a depreciable asset for fiscal year 2023.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of South Portland's basic financial statements. The City of South Portland's basic financial statements are comprised of 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* are designed to provide readers with a broad overview of the City of South Portland's finances, in a manner similar to a private-sector business.

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

CITY OF SOUTH PORTLAND, MAINE
Management's Discussion and Analysis, Continued

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 distinguish functions of the City of South Portland that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of South Portland include general government, public safety, public works, culture and recreation, transportation and waterfront, health, welfare and social services, and education. The business-type activities of the City of South Portland include water resource protection (sewage treatment) activities. The government-wide financial statements can be found on pages 31-32 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental 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*.

The City of South Portland maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, TIF fund, capital projects fund, ARPA grant fund, and city bus service, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

CITY OF SOUTH PORTLAND, MAINE
Management's Discussion and Analysis, Continued

The City of South Portland adopts an annual appropriated budget for its general, TIF, city bus service and proprietary funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with their budgets. The basic governmental fund financial statements can be found on pages 33-34 of this report.

Proprietary funds. The City of South Portland maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of South Portland uses an enterprise fund to account for its sewer user fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information on the individual enterprise fund, which is considered to be a major fund of the City of South Portland. The basic proprietary fund financial statements can be found on pages 37-39 of this report. The budgetary basis schedule demonstrating compliance can be found on page 117 of this report.

Fiduciary funds. Fiduciary 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 statement because the resources of those funds are *not* available to support the City of South Portland's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 40-41 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42-79 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining and individual fund financial statements and schedules can be found on pages 89-126 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

CITY OF SOUTH PORTLAND, MAINE
Management's Discussion and Analysis, Continued

City of South Portland's Net Position

	Governmental Activities		Business-type Activities		Total Activities	
	2023	Restated 2022	2023	Restated 2022	2023	Restated 2022
Current and other assets	\$ 93,537,516	\$ 114,548,646	\$ 14,562,902	\$ 13,359,394	\$ 108,100,418	\$ 127,908,040
Capital assets	203,900,978	177,873,657	57,381,642	58,384,760	261,282,620	236,258,417
Total assets	<u>297,438,494</u>	<u>292,422,303</u>	<u>71,944,544</u>	<u>71,744,154</u>	<u>369,383,038</u>	<u>364,166,457</u>
Deferred outflows	8,282,963	9,158,290	456,649	559,226	8,739,612	9,717,516
Long-term liabilities	137,341,231	135,854,225	3,664,025	3,313,986	141,005,256	139,168,211
Other liabilities	25,038,562	19,946,734	186,571	173,404	25,225,133	20,120,138
Total liabilities	<u>162,379,793</u>	<u>155,800,959</u>	<u>3,850,596</u>	<u>3,487,390</u>	<u>166,230,389</u>	<u>159,288,349</u>
Deferred inflows	9,928,680	18,706,797	347,062	1,244,127	10,275,742	19,950,924
Net investment						
in capital assets	100,756,168	99,347,533	54,995,478	55,801,493	155,751,646	155,149,026
Restricted	21,014,273	16,731,641	-	-	21,014,273	16,731,641
Unrestricted	11,642,543	10,993,663	13,208,057	11,770,370	24,850,600	22,764,033
Total net position	<u>\$ 133,412,984</u>	<u>\$ 127,072,837</u>	<u>\$ 68,203,535</u>	<u>\$ 67,571,863</u>	<u>\$ 201,616,519</u>	<u>\$ 194,644,700</u>

The largest portion, 77%, of the City of South Portland's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, net of depreciation) of \$155,751,646. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Additionally, information regarding the restatement of net position for governmental and business-type activities can be found on page 79.

An additional portion of the net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* may be used to meet the City's on-going obligation to citizens and creditors. At the end of the current fiscal year, the City of South Portland is able to report a positive balance in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The increase in the City's net position for this year is attributable to a combination of actual revenues being in excess of estimates and management's efforts to control and reduce budgeted expenditures.

CITY OF SOUTH PORTLAND, MAINE
Management's Discussion and Analysis, Continued

City of South Portland's Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Activities</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues:						
Program revenues:						
Charges for services	\$ 6,469,960	\$ 6,004,628	\$ 7,325,491	\$ 6,788,661	\$ 13,795,451	\$ 12,793,289
Operating grants and contributions	30,677,045	24,456,740	-	-	30,677,045	24,456,740
Capital grants and contributions	798,230	1,420,388	-	18,100	798,230	1,438,488
General revenues:						
Property and other taxes	82,139,262	77,708,276	-	-	82,139,262	77,708,276
Grants and contributions not restricted to specific programs	10,823,266	8,987,849	-	-	10,823,266	8,987,849
Other	1,581,474	(166,261)	385,093	106,523	1,966,567	(59,738)
Total revenues	<u>132,489,237</u>	<u>118,411,620</u>	<u>7,710,584</u>	<u>6,913,284</u>	<u>140,199,821</u>	<u>125,324,904</u>
Expenses:						
General government	19,522,744	13,610,118	-	-	19,522,744	13,610,118
Public safety	18,023,452	16,888,738	-	-	18,023,452	16,888,738
Public works	7,283,330	8,141,159	-	-	7,283,330	8,141,159
Culture and recreation	5,376,084	4,958,930	-	-	5,376,084	4,958,930
Transportation and waterfront	2,219,244	2,349,034	-	-	2,219,244	2,349,034
Health, wealth and social services	1,767,371	1,001,015	-	-	1,767,371	1,001,015
Interest on debt service	3,188,722	1,952,654	-	-	3,188,722	1,952,654
Education	68,648,808	62,364,668	-	-	68,648,808	62,364,668
Sewer	-	-	7,198,247	6,461,378	7,198,247	6,461,378
Total expenses	<u>126,029,755</u>	<u>111,266,316</u>	<u>7,198,247</u>	<u>6,461,378</u>	<u>133,228,002</u>	<u>117,727,694</u>
Increase (decrease) in net position before transfers	6,459,482	7,145,304	512,337	451,906	6,971,819	7,597,210
Transfers	(119,335)	(3,112,160)	119,335	3,112,160	-	-
Increase (decrease) in net position	<u>6,340,147</u>	<u>4,033,144</u>	<u>631,672</u>	<u>3,564,066</u>	<u>6,971,819</u>	<u>7,597,210</u>
Net position - beginning of year	127,072,837	122,218,146	67,571,863	63,416,399	194,644,700	185,634,545
Prior period restatement	-	821,547	-	591,398	-	1,412,945
Net position - beginning of year- restated	<u>127,072,837</u>	<u>123,039,693</u>	<u>67,571,863</u>	<u>64,007,797</u>	<u>194,644,700</u>	<u>187,047,490</u>
Net position - end of year	<u>\$ 133,412,984</u>	<u>\$ 127,072,837</u>	<u>\$ 68,203,535</u>	<u>\$ 67,571,863</u>	<u>\$ 201,616,519</u>	<u>\$ 194,644,700</u>

CITY OF SOUTH PORTLAND, MAINE
Management's Discussion and Analysis, Continued

Governmental activities. The increase during this past fiscal year in the City's net position represented an increase in the net position of 5%. Key elements of this increase are as follows:

- City ARPA funding that was applied against capital and government services totaled \$775,000. This provided surplus to the City as these costs would have been incurred regardless of grant funding in the fiscal year.
- Revenues reflecting increased economic activity, such as vehicle excise tax, interest earnings and participation in recreational programs combined to increase almost \$1.0 million from the previous year.
- Interest activity increased from a loss of \$940,000 in fiscal 2022 to a gain of \$1.230 million in fiscal 2023.

Business-type activities. The City's business-type activities, which consists of sewer user operations, net position increased by \$631,672.

In FY23, sewer operations ended with a net operating income of \$145,533, with total non-operating revenue of \$366,804 from interest earnings and an insurance recovery. Although user fee revenue increased by about 8%, that was needed to offset the increased cost of wages and operations.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of South Portland's governmental funds reported combined ending fund balances of \$62,104,799, a decrease of \$25,275,095. This decrease includes the reduction in the Capital fund of \$28.7 million, reflecting the use of bond proceeds to construct the new middle school, which was completed in June 2023. TIF funds increased by about \$2.9 million, although the General Fund decreased by \$1.9 million as a result of transfers to other funds for support of capital projects and special revenue fund operations.

General Fund - The general fund is the central operating fund of the City of South Portland. At the end of the current fiscal year, the total general fund balance was \$30,350,927, a decrease of \$1,969,614. As a measure of the general fund's liquidity, total fund balance represents 27% of total fund expenditures. Under the breakdown of fund balance, unspent appropriations related to education are reported as restricted. At June 30, 2023, general fund restricted balance for education totaled \$4,963,708, a reduction from 2022 due to a transfer of \$955,132 to school reserves. Additionally, the City maintains various other reserve balances for various future needs.

CITY OF SOUTH PORTLAND, MAINE
Management's Discussion and Analysis, Continued

The City has an established General Fund Fund Balance Policy, which was established to help ensure the future financial stability of the City and to mitigate financial risk that can occur from unforeseen revenue fluctuations or unanticipated expenditures. The policy establishes a minimum unassigned fund balance of 9% of the City's subsequent year general fund budget. Additionally, amounts in excess of 12% can be used for capital improvements or other one-time expenditures as identified by the City Council. The City also may apply some amount of unassigned fund balance to fund its subsequent year operating budget. For FY23, \$950,000 was budgeted but was not used, as net operating results were an excess of revenues over expenditures of \$1,156,765. The City also used \$2,427,145 of 2022 assigned fund balance for capital purchases in fiscal 2023.

Although the total general fund balance decreased by \$1,969,614 from the prior year for the reasons described above, as of June 30, 2023, the unassigned fund balance was \$15,893,050 or 13.8% of the fiscal 2024 budget, with \$2,097,372 available for future use. The City also maintains a Tax Stabilization fund, for use in periods of economic changes such as decreased or flat property valuation, estimated significant non-tax revenue loss, or estimated significant increases in cost, to mitigate the impact of those events on the tax rate. The balance in that fund at the end of the fiscal year was just over \$2.3 million.

TIF - The TIF (Tax Increment Financing) fund includes all of the activity in the City's tax increment financing districts. At the end of the current fiscal year, the total fund balance of the TIF fund was \$10.4 million, which must be used for eligible projects as defined by Maine State Law and the approved development district plans. TIF funds are typically used to fund credit enhancement agreements with developers and also to fund capital improvement projects in and around the TIF districts. In fiscal year 2023, the total TIF fund balance increased by about \$2.9 million, reflecting the increase in the property tax rate.

Capital Projects - The Capital Projects fund has a total fund balance of \$9,216,631, decreasing by \$28,736,803, as bond proceeds for the middle school project were spent.

Proprietary funds. The City of South Portland's proprietary fund, which consists of the sewer user fund, provides the same type of information found in the government-wide financial statements, but in a more detailed format.

Unrestricted net position of the sewer user fund at the end of the year amounted to \$13,208,057, an increase of \$1,437,687. This increase includes non-budgetary changes such as revenues from reserve funds and insurance recovery reimbursements. This fund budgets annual appropriations to capital reserves, amortize equipment and system replacements costs, along with future improvements. On a budgetary basis (Exhibit I), the sewer fund reported a surplus of \$644,305, of which revenues came in \$418,545 higher than anticipated while expenditures came in \$220,707 under budget. Revenues were higher than budget due to more flow than anticipated. Expenses were under budget primarily as a result of savings in treatment plant and pump station costs.

CITY OF SOUTH PORTLAND, MAINE
Management's Discussion and Analysis, Continued

Budgetary Highlights

General Fund:

Actual budgetary revenue for the general fund totaled \$106,031,769 in the fiscal year ended June 30, 2023. Although this amount was \$8.6 million less than budgeted, \$10.7 million of under collection was related to the City responding to anticipated costs related to general assistance housing and services for an influx of unhoused individuals and families. The fiscal 2023 budget included increased state and federal reimbursement revenues and expenditures for general assistance housing. However, changes in legislation and conditions made it unnecessary for the City to incur costs at the budgeted levels.

State revenue sharing was \$863,000 more than budgeted and recreation programs netted an additional \$593,000. Interest earned on idle cash also was more than expected primarily due to the increase in interest rates during FY23, adding an additional \$490,000. Fees for ambulance services were also \$446,000 more than budgeted.

A few underperforming revenues include planning fees and building permits, coming in under budget by \$170,000, state reimbursement for homestead exemption by \$256,000 and another \$64,000 in registration excise taxes.

Budgetary expenditures for the general fund totaled \$104,875,004 in the fiscal year ended June 30, 2023. The general fund expenditures came in \$12,004,680 under what was budgeted, with an \$11.4 million surplus in general assistance as described above.

Budget savings related to challenges with hiring staff are reflected in many General Government departments, along with benefits savings, offset by overages in legal fees and technology costs for increased security of systems, netting \$416,000 in savings for this category.

The Public Safety Department also struggled with staffing, and incurred increased overtime costs from having to fill vacant shifts with remaining personnel. This resulted in that category being over budget by about \$704,000.

The Parks and Recreation budget was over by about \$87,000 as a result of having to hire additional temporary staff to meet the increased need for recreation programs. However, they recognized an increase in recreation program revenues as mentioned above, which more than covered the additional cost.

The School Department likewise had savings of about \$1.0 million. A detailed budget presentation can be found on Exhibit A-2 of these financial statements.

CITY OF SOUTH PORTLAND, MAINE
Management's Discussion and Analysis, Continued

Capital Asset and Debt Administration

Capital assets. The City of South Portland's investment in capital assets for its governmental and business-type activities as of June 30, 2023 amounts to \$261,282,620, net of accumulated depreciation. This investment in capital assets includes land, buildings, sewer system, improvements, machinery and equipment, vehicles, park facilities, roads, highways and dams. The total increase in the City of South Portland's investment in capital assets for the current fiscal year was 11%, with a 15% increase for governmental activities and a 2% decrease for business-type activities. The primary change in capital assets is from the completion of the middle school construction in fiscal year 2023.

Additional information on the City of South Portland's capital assets can be found in the notes to the financial statements on pages 53-54 of this report.

Long-term Debt

The State allows municipalities to borrow up to 15% of their total state equalized valuation. With the City's valuation at \$5,847,800,000 for 2023, the debt limit would be over \$877 million. The current debt outstanding is \$104,872,675, which is 1.8% of total valuation and 11.9% of the total allowable debt for the City. There were no debt issuances in the current year and principle reductions totaled \$3,903,615.

The City of South Portland maintains an "Aaa" rating from Moody's and an "AAA" rating from Standard & Poor's for general obligation debt. Please refer to the agencies' reports for a comprehensive explanation of their rating assessment.

Additional information on the City of South Portland's long-term debt can be found in the notes to the financial statements on pages 54-57 of this report.

CITY OF SOUTH PORTLAND, MAINE
Management's Discussion and Analysis, Continued

Economic Factors and Next Year's Budgets and Rates

South Portland continues to be the retail center for Northern New England with a diverse economic base that includes a regional mall, numerous large insurance and financial service companies, two semi-conductor manufacturing plants, hotels and restaurants, and petroleum distribution facilities.

In adopting the budget for the ensuing fiscal year 2024, the City officials considered many factors in making judgments and estimates about the finances of the upcoming year. A primary objective was to continue to provide basic City services to the citizens while attempting to keep the property tax rate affordable.

During the upcoming fiscal year (2024), the City's management will continue to monitor and evaluate local economic conditions. In the forefront of our revenue and expenditure concerns are:

Revenue Projections:

- The City was realistic with revenue projections for fiscal year 2024. Excise tax revenues, which had seen increases over the past couple of years, appeared to have decreased. However, increases in EMS calls for service, interest income as rates begin to climb and an increase in State Revenue Sharing provide additional income to offset expenses.
- After a few years of robust building permit activity, projections show a leveling off and the expectation is that typical, pre-pandemic, building activity will be the case for 2024.
- FY24 revenue estimates show the reduction in expected reimbursement for increased General Assistance costs, as described before. This comes with a similar reduction in expenditures.

Property Values and Business Development:

- The regional economy continues to see strong growth in property values. Business models have shifted some after the pandemic, with malls in general experiencing vacancies; however, the mall area in South Portland is holding stable and there is expectation for new development around that area. The two semiconductor plants continue to invest in updated equipment and maintain a strong business presence internationally.
- Southern Maine continues to be a desired place to live and housing prices for real estate continue to increase, with available rental housing stock being limited and at high market rates. The City planning office is currently working with a number of new housing development projects at various stages that are posed to add about 2,700 new housing units over the next couple of years.

CITY OF SOUTH PORTLAND, MAINE
Management's Discussion and Analysis, Continued

Employee Wages and Benefits:

- The City, like many other communities and businesses, increased employee wages significantly in FY23 to keep up with market wages in order to maintain current experienced staff and to attract quality talent to fill vacancies. There are still challenges with hiring in certain disciplines and the City strives to keep the talent it has hired. To that end, the City plans to perform a pay study in FY24 to refresh the information from the 2019 pay study in order to assure we are competing with the market.
- The City is proactive about improving the City's health insurance experience rating and also has an active Wellness Program that is run by an employee committee. The City feels that by having a healthier workforce its long-term cost for both health and worker's compensation insurance will be reduced. The health insurance increase for 2024 was estimated at 7%. The City's Worker's Compensation cost will increase based on wages, although the other factor for rates is the experience "mod" rate, which has been stable.
- The employer cost for funding the City's defined benefit retirement plan did not increase for 2024, and is projected to decrease slightly in 2025.

Major Capital Projects

- With the exception of the Municipal Services Facility, which houses Public Works, Facilities, Parks and Bus Service departments, the City's buildings are old and tired. The City Council appointed a Building Facilities Committee during FY23 to review the group of City buildings and evaluate options for renovating or building new city services facilities. The City also took possession of the old middle school that was vacated by the School Department when they moved into the new middle school in 2023. The Committee has been working with an engineering consultant to first evaluate the condition of buildings and look at programming needs. It is likely that the three buildings currently housing general government services will consolidate into one location. Once the Committee makes its recommendation to the City Council and gets direction on a final plan, the City will begin mapping out a funding plan that will include issuance of bonds. The 2025 CIP will include funding for design of the final plan.

Other Costs:

- Inflationary increases in supplies and materials increase the cost of maintaining services, facilities and infrastructure, which is reflected in the FY24 budget.

The fiscal year 2024 budget, including County Tax, was approved in June 2023 with a reduction of \$7,594,810 in the overall general fund expenditure budget. This decrease, as described above, is due to the decrease in GA costs. With changes in various revenues, the impact to property taxes for the City general fund operations was an increase of about \$1.92m, or 7.0%. Taxes to support the municipal School District increased by \$2.5m, or 5.2%, as approved by voter referendum. The final tax rate decreased by 9.1% due to the increase in property valuation.

CITY OF SOUTH PORTLAND, MAINE
Management's Discussion and Analysis, Continued

Requests for Information

This financial report is designed to provide a general overview of the City of South Portland's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of South Portland, Maine, 25 Cottage Road, South Portland, Maine 04106; finance@southportland.org.

BASIC FINANCIAL STATEMENTS

CITY OF SOUTH PORTLAND, MAINE
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 47,753,853	13,412,501	61,166,354
Investments	31,383,856	-	31,383,856
Receivables, net of allow. of \$1,985,690 and \$80,387	7,121,242	1,150,401	8,271,643
Taxes receivable	828,833	-	828,833
Tax liens and tax acquired property	153,674	-	153,674
Inventory	53,323	-	53,323
Loans receivable	30,418	-	30,418
Lease receivable	6,162,317	-	6,162,317
Restricted assets, cash	50,000	-	50,000
Capital assets, not being depreciated	15,957,262	2,082,488	18,039,750
Capital assets, net of accumulated depreciation	187,943,716	55,299,154	243,242,870
Total assets	297,438,494	71,944,544	369,383,038
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	6,468,870	432,528	6,901,398
Deferred outflows of resources related to OPEB	956,353	24,121	980,474
Deferred charge on refunding	857,740	-	857,740
Total deferred outflows of resources	8,282,963	456,649	8,739,612
LIABILITIES			
Accounts payable	7,727,710	174,094	7,901,804
Accrued liabilities	1,203,683	1,868	1,205,551
Due to Other Governments	1,505,122	-	1,505,122
Unearned revenues	7,711,149	-	7,711,149
Accrued interest	1,136,634	10,609	1,147,243
Accrued teachers' summer salaries	5,754,264	-	5,754,264
Non-current liabilities:			
Due within one year	9,687,197	326,265	10,013,462
Due in more than one year	127,654,034	3,337,760	130,991,794
Total liabilities	162,379,793	3,850,596	166,230,389
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	3,037,141	261,312	3,298,453
Deferred inflows of resources related to OPEB	867,023	85,750	952,773
Deferred inflows of resources related to leases	6,024,516	-	6,024,516
Total deferred inflows of resources	9,928,680	347,062	10,275,742
NET POSITION			
Net investment in capital assets	100,756,168	54,995,478	155,751,646
Restricted for:			
Permanent Funds - Nonexpendable principal	193,519	-	193,519
Permanent Funds - Expendable	154,178	-	154,178
Education	6,090,280	-	6,090,280
Other grants	4,216,832	-	4,216,832
Tax Increment Financing	10,359,464	-	10,359,464
Unrestricted	11,642,543	13,208,057	24,850,600
Total net position	\$ 133,412,984	68,203,535	201,616,519

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statement of Activities
For the year ended June 30, 2023

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total
					Governmental activities	Business-type activities	
Primary government:							
Governmental activities:							
General government	\$ 19,522,744	900,631	1,360,213	-	(17,261,900)	-	(17,261,900)
Public safety	18,023,452	2,468,632	2,919,123	1,784	(12,633,913)	-	(12,633,913)
Public works	7,283,330	321,841	-	-	(6,961,489)	-	(6,961,489)
Culture and recreation	5,376,084	2,036,492	25,589	-	(3,314,003)	-	(3,314,003)
Transportation and waterfront	2,219,244	274,990	941,271	796,446	(206,537)	-	(206,537)
Health, welfare and social services	1,767,371	-	1,796,619	-	29,248	-	29,248
Education	68,648,808	467,374	23,634,230	-	(44,547,204)	-	(44,547,204)
Interest on debt service	3,188,722	-	-	-	(3,188,722)	-	(3,188,722)
Total governmental activities	126,029,755	6,469,960	30,677,045	798,230	(88,084,520)	-	(88,084,520)
Business-type activities:							
Sewer	7,198,247	7,325,491	-	-	-	127,244	127,244
Total business-type activities	7,198,247	7,325,491	-	-	-	127,244	127,244
Total primary government	\$ 133,228,002	13,795,451	30,677,045	798,230	(88,084,520)	127,244	(87,957,276)
General revenues:							
Property taxes, levied for general purposes					75,525,375	-	75,525,375
Motor vehicle excise taxes					6,471,436	-	6,471,436
Cable television franchise					142,451	-	142,451
Grants and contributions not restricted to specific programs:							
State Revenue Sharing					4,362,821	-	4,362,821
Homestead exemption					1,155,086	-	1,155,086
Other State aid					5,305,359	-	5,305,359
Unrestricted investment earnings (loss)					1,230,064	264,677	1,494,741
Miscellaneous					351,410	120,416	471,826
Transfers					(119,335)	119,335	-
Total general revenues and transfers					94,424,667	504,428	94,929,095
Change in net position					6,340,147	631,672	6,971,819
Net position - beginning, as restated					127,072,837	67,571,863	194,644,700
Net position - ending					\$ 133,412,984	68,203,535	201,616,519

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Balance Sheet
Governmental Funds
June 30, 2023

	General	Tax Increment Financing	Capital Projects	ARPA Grant	City Bus Service	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 2,907,118	10,673,370	15,047,084	8,677,275	-	10,449,006	47,753,853
Investments	31,000,162	-	-	-	-	383,694	31,383,856
Due from other governments	447,584	-	-	-	1,213,044	3,941,667	5,602,295
Accounts receivable, net of allowance of \$1,985,690	475,773	-	-	-	7,762	1,035,412	1,518,947
Taxes receivable	828,833	-	-	-	-	-	828,833
Tax liens and tax acquired property	153,674	-	-	-	-	-	153,674
Interfund loans receivable	5,720,709	-	-	-	-	-	5,720,709
Loans receivable	-	-	-	-	-	30,418	30,418
Lease receivable	6,162,317	-	-	-	-	-	6,162,317
Inventory	-	-	-	-	-	53,323	53,323
Restricted assets, cash	50,000	-	-	-	-	-	50,000
Total assets	47,746,170	10,673,370	15,047,084	8,677,275	1,220,806	15,893,520	99,258,225
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable	2,551,350	313,743	4,709,901	65,976	30,322	302,002	7,973,294
Accrued liabilities	1,179,453	163	-	-	3,050	21,017	1,203,683
Due to other governments	1,505,122	-	-	-	-	-	1,505,122
Interfund loans payable	-	-	1,120,552	1,061,792	1,188,154	2,104,627	5,475,125
Unearned revenue	165,864	-	-	7,545,285	-	-	7,711,149
Accrued teachers' summer salaries	5,331,544	-	-	-	-	422,720	5,754,264
Total liabilities	10,733,333	313,906	5,830,453	8,673,053	1,221,526	2,850,366	29,622,637
Deferred inflows of resources:							
Unavailable revenue - property taxes	637,394	-	-	-	-	-	637,394
Unavailable revenue - settlement proceeds	-	-	-	-	-	868,879	868,879
Lease related	6,024,516	-	-	-	-	-	6,024,516
Total deferred inflows of resources	6,661,910	-	-	-	-	868,879	7,530,789
Fund balances:							
Nonspendable	137,801	-	-	-	-	246,842	384,643
Restricted	4,963,708	10,359,702	5,254,512	4,222	-	9,222,546	29,804,690
Committed	5,276,027	-	3,985,909	-	-	2,893,652	12,155,588
Assigned	4,080,341	-	-	-	-	-	4,080,341
Unassigned	15,893,050	(238)	(23,790)	-	(720)	(188,765)	15,679,537
Total fund balances	30,350,927	10,359,464	9,216,631	4,222	(720)	12,174,275	62,104,799
Total liabilities, deferred inflows of resources, and fund balances	\$ 47,746,170	10,673,370	15,047,084	8,677,275	1,220,806	15,893,520	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	203,900,978
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,506,273
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:	
Bond premiums	(9,341,325)
Deferred charge from refunding	857,740
Accrued compensated absences	(3,019,087)
Other postemployment benefits liabilities with related deferred inflows and outflows of resources	(13,006,735)
Accrued interest	(1,136,634)
Landfill closure	(99,400)
Financed purchases	(1,211,735)
Net pension liability with related deferred inflows and outflows of resources	(4,655,379)
Bonds and notes payable	(102,486,511)

Net position of governmental activities

\$ 133,412,984

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2023

	General	Tax Increment Financing	Capital Projects	ARPA Grant	City Bus Service	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 79,251,260	2,029,498	-	-	617,659	25,000	81,923,417
Intergovernmental	25,484,049	1,501,792	-	1,103,642	941,271	12,580,132	41,610,886
Licenses, permits, fees and fines	1,101,573	-	-	-	-	-	1,101,573
Charges for services	4,276,223	-	-	-	271,142	963,473	5,510,838
Unclassified	1,240,493	-	6,472	-	-	609,039	1,856,004
Investment income (loss)	369,499	253,906	401,336	-	-	205,323	1,230,064
Total revenues	111,723,097	3,785,196	407,808	1,103,642	1,830,072	14,382,967	133,232,782
Expenditures:							
Current:							
General government	13,815,370	552,776	-	654,373	-	1,395,561	16,418,080
Public safety	14,007,188	-	-	-	-	315,589	14,322,777
Public works	5,482,139	28,098	-	-	-	1,480,107	6,990,344
Culture and recreation	4,589,392	-	-	-	-	193,441	4,782,833
Transportation and waterfront	118,222	-	-	-	1,830,432	796,446	2,745,100
Health, welfare and social services	1,371,888	-	-	449,269	-	-	1,821,157
Education (excluding debt service)	58,177,032	-	-	-	-	5,599,955	63,776,987
School lunch program	-	-	-	-	-	2,712,780	2,712,780
Intergovernmental	4,746,495	-	-	-	-	-	4,746,495
Other	29,265	165,617	-	-	-	1,510	196,392
Debt service	8,144,321	-	-	-	-	-	8,144,321
Capital expenditures	222,566	-	31,508,710	-	-	-	31,731,276
Total expenditures	110,703,878	746,491	31,508,710	1,103,642	1,830,432	12,495,389	158,388,542
Excess (deficiency) of revenues over (under) expenditures	1,019,219	3,038,705	(31,100,902)	-	(360)	1,887,578	(25,155,760)
Other financing sources (uses):							
Transfers in	1,807,250	-	2,643,145	-	-	668,530	5,118,925
Transfers out	(4,796,083)	(162,771)	(279,046)	-	(360)	-	(5,238,260)
Total other financing sources (uses)	(2,988,833)	(162,771)	2,364,099	-	(360)	668,530	(119,335)
Net change in fund balances	(1,969,614)	2,875,934	(28,736,803)	-	(720)	2,556,108	(25,275,095)
Fund balances, beginning of year, as restated	32,320,541	7,483,530	37,953,434	4,222	-	9,618,167	87,379,894
Fund balances, end of year	\$ 30,350,927	10,359,464	9,216,631	4,222	(720)	12,174,275	62,104,799

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
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, 2023

Net change in fund balances - total governmental funds (from Statement 4)	\$	(25,275,095)
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Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

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 as depreciation expense. This is the amount of:

Capitalized assets		34,900,659
Book value of disposed capital assets		(1,506,572)
Depreciation expense		(7,366,766)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This represents the change in unavailable revenues.		152,010
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Financed purchase proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of this principal is an expenditure in the governmental funds, but the repayments reduces long-term liabilities in the statement of net position. This is the amount of:

Financed purchase principal repayments		527,656
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The amortization of the deferred charge between the principle of debt refunded and the payment to the refunding escrow over the life of the refunding bonds.		(150,122)
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Bond and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Governmental funds report the effects of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of:

Bond premium amortization		1,199,419
Bond and note principal repayments		3,706,512

Change in accruals are recorded on the statement of net position, but not on the governmental fund balance sheet. This is the amount of:

Accrued compensated absences		(172,744)
Accrued interest		(13,985)
Other post employment benefits and deferred inflows and outflows		(171,158)
Net pension liability and deferred inflows and outflows		496,133

Changes in long-term liabilities on the statement of net position, are expenditures in the governmental funds. This is the change of the landfill closure liability.		14,200
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Change in net position of governmental activities (see Statement 2)	\$	6,340,147
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See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund and TIF Funds
For the year ended June 30, 2023

	General Fund				TIF Funds			
	Budget		Actual	Variance with final budget positive (negative)	Budget		Actual	Variance with final budget positive (negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ 79,793,150	78,922,124	79,251,260	329,136	3,582,422	3,582,422	2,029,498	(1,552,924)
Intergovernmental	28,963,771	27,748,690	19,771,956	(7,976,734)	-	-	1,501,792	1,501,792
Licenses, permits, fees and fines	1,246,905	1,246,905	1,101,573	(145,332)	-	-	-	-
Charges for services	3,251,725	3,067,725	3,946,611	878,886	-	-	-	-
Intercity charges	3,021,803	3,021,803	905,089	(2,116,714)	-	-	-	-
Unclassified	215,641	215,641	165,111	(50,530)	-	-	-	-
Interest earned	400,000	400,000	890,169	490,169	-	-	253,906	253,906
Total revenues	116,892,995	114,622,888	106,031,769	(8,591,119)	3,582,422	3,582,422	3,785,196	202,774
Expenditures:								
Current:								
General government	15,661,076	14,430,904	14,014,941	415,963	437,804	437,804	552,776	(114,972)
Public safety	12,902,425	13,405,045	14,108,979	(703,934)	-	-	-	-
Public works	5,318,682	5,401,198	5,324,449	76,749	-	-	28,098	(28,098)
Culture, parks, and recreation	4,376,394	4,523,370	4,595,985	(72,615)	-	-	-	-
Transportation and waterfront	1,843,106	60,557	59,000	1,557	-	-	-	-
Health, welfare and social services	13,145,281	13,155,783	1,786,776	11,369,007	-	-	-	-
Education	59,201,296	59,201,296	58,142,755	1,058,541	-	-	-	-
Intergovernmental	4,241,373	4,241,373	4,746,495	(505,122)	-	-	-	-
Other	378,292	378,292	29,265	349,027	-	-	165,617	(165,617)
Debt service (excluding education)	2,081,866	2,081,866	2,066,359	15,507	-	-	-	-
Total expenditures	119,149,791	116,879,684	104,875,004	12,004,680	437,804	437,804	746,491	(308,687)
Excess (deficiency) of revenues over (under) expenditures	(2,256,796)	(2,256,796)	1,156,765	3,413,561	3,144,618	3,144,618	3,038,705	(105,913)
Other financing sources (uses):								
Budgeted use of surplus - City	950,000	950,000	-	(950,000)	-	-	-	-
Budgeted use of surplus - School	1,500,000	1,500,000	-	(1,500,000)	-	-	-	-
Transfer in	324,296	324,296	324,296	-	-	-	-	-
Transfers out	(517,500)	(517,500)	(4,796,083)	(4,278,583)	-	-	(162,771)	(162,771)
Total other financing sources (uses)	2,256,796	2,256,796	(4,471,787)	(6,728,583)	-	-	(162,771)	(162,771)
Net change in fund balance - budgetary basis	-	-	(3,315,022)	(3,315,022)	3,144,618	3,144,618	2,875,934	(268,684)
Reconciliation to GAAP basis:								
Change in encumbrances - City			95,041				-	
Change in encumbrances - School			(128,990)				-	
Change in reserves			1,379,357				-	
Net change in fund balance - GAAP basis			(1,969,614)				2,875,934	
Fund balance, beginning of year			32,320,541				7,483,530	
Fund balance, end of year	\$		30,350,927				10,359,464	

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - City Bus Service
For the year ended June 30, 2023

	City Bus Service Fund			Variance with final budget positive (negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	871,026	617,659	(253,367)
Intergovernmental	-	1,215,081	941,271	(273,810)
Charges for services	-	184,000	271,142	87,142
Total revenues	-	2,270,107	1,830,072	(440,035)
Expenditures:				
Current:				
Wages and benefits	-	1,571,773	1,290,324	281,449
Maintenance and utilities	-	179,552	89,545	90,007
Contracted services	-	194,533	175,386	19,147
Gas and oil	-	232,173	171,582	60,591
Supplies	-	73,076	74,572	(1,496)
Other	-	19,000	29,023	(10,023)
Total expenditures	-	2,270,107	1,830,432	439,675
Excess (deficiency) of revenues over (under) expenditures	-	-	(360)	(360)
Other financing sources (uses):				
Transfers out	-	-	(360)	(360)
Total other financing sources (uses)	-	-	(360)	(360)
Net change in fund balance - budgetary basis	-	-	(720)	(720)
Fund balance, beginning of year			-	
Fund balance, end of year	\$		(720)	

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statements of Net Position
Proprietary Funds
June 30, 2023, with comparative totals for June 30, 2022

Business-type Activities - Enterprise Funds		
	Sewer	
	2023	Restated 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 13,412,501	11,988,879
Receivables, net of allowance of \$80,387 and \$41,588, respectively	1,149,861	1,286,236
Sewer liens	540	2,659
Total current assets	14,562,902	13,277,774
Noncurrent assets:		
Net pension asset	-	81,620
Capital assets, not being depreciated	2,082,488	6,851,828
Capital assets	114,939,405	109,018,475
Accumulated depreciation	(59,640,251)	(57,485,543)
Total noncurrent assets	57,381,642	58,466,380
Total assets	71,944,544	71,744,154
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	432,528	487,140
Deferred outflows of resources related to OPEB	24,121	72,086
Total Deferred Outflows of resources	456,649	559,226
LIABILITIES		
Current liabilities:		
Accounts payable	174,094	135,333
Accrued wages	1,868	27,462
Accrued interest	10,609	10,609
Current portion of noncurrent liabilities:		
Compensated absences	129,163	123,796
Notes payable	197,102	197,102
Total current liabilities	512,836	494,302
Noncurrent liabilities:		
Compensated absences	174,240	173,517
Net pension liability	601,481	-
Total OPEB liability	372,977	433,406
Notes payable	2,189,062	2,386,165
Total noncurrent liabilities	3,337,760	2,993,088
Total liabilities	3,850,596	3,487,390
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	261,312	1,117,251
Deferred inflows of resources related to OPEB	85,750	126,876
Total Deferred Inflows of resources	347,062	1,244,127
NET POSITION		
Net investment in capital assets	54,995,478	55,801,493
Unrestricted	13,208,057	11,770,370
Total net position	\$ 68,203,535	67,571,863

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statements of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the fiscal year ended June 30, 2023, with comparative totals
for the fiscal year ended June 30, 2022

	Business-type Activities - Enterprise Funds	
	Sewer	
	2023	Restated 2022
Operating revenues:		
Charges for services	\$ 7,246,509	6,729,930
Interest and penalties	343	281
Licenses	57,700	56,678
Other	20,939	1,772
Total operating revenues	7,325,491	6,788,661
Operating expenses:		
Personnel services	2,560,755	2,262,880
Contractual services	1,467,724	1,396,971
Supplies and materials	541,866	597,653
Fixed charges	202,938	71,022
Capital outlay	184,460	2,130
Depreciation	2,222,215	2,112,067
Total operating expenses	7,179,958	6,442,723
Operating income (loss)	145,533	345,938
Nonoperating revenues (expenses):		
Interest revenue	264,677	106,523
Insurance reimbursement	120,416	-
Interest expense	(18,289)	(18,655)
Total nonoperating revenues (expenses)	366,804	87,868
Income (loss) before transfers	512,337	433,806
Capital contributions	-	18,100
Transfers in	120,199	3,113,024
Transfer out	(864)	(864)
Total transfers and contributions	119,335	3,130,260
Change in net position	631,672	3,564,066
Net position, beginning of year, as restated	67,571,863	64,007,797
Net position, end of year	\$ 68,203,535	67,571,863

39 See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statements of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2023, with comparative totals
for the fiscal year ended June 30, 2022

Business-type Activities - Enterprise Funds		
	Sewer	
	2023	Restated 2022
Cash flows from operating activities:		
Receipts from customers and users	\$ 7,463,985	6,635,302
Payments to suppliers	(2,237,811)	(2,570,670)
Payments to employees	(2,752,075)	(2,426,888)
Net cash provided by (used in) operating activities	2,474,099	1,637,744
Cash flows from noncapital financing activities:		
Transfer from other funds	120,199	3,113,024
Transfers to other funds	(864)	(864)
Net cash provided by (used in) noncapital financing activities	119,335	3,112,160
Cash flows from capital and related financing activities:		
Purchase of capital assets	(1,219,097)	(3,133,488)
Interest paid on notes	(18,289)	(18,913)
Principal payments on notes	(197,103)	(197,102)
Net cash provided by (used in) capital and related financing activities	(1,434,489)	(3,349,503)
Cash flows from investing activities:		
Interest revenue	264,677	106,523
Net cash provided by (used in) investing activities	264,677	106,523
Net increase (decrease) in cash	1,423,622	1,506,924
Cash and cash equivalents, beginning of year	11,988,879	10,481,955
Cash and cash equivalents, end of year	\$ 13,412,501	11,988,879
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 145,533	345,938
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	2,222,215	2,112,067
Insurance proceeds	120,416	-
(Increase) decrease in receivables	136,375	(156,761)
(Increase) decrease in liens	2,119	3,402
Increase (decrease) in accounts payable	38,761	(502,894)
Increase (decrease) in accrued wages	(25,594)	7,666
Increase (decrease) in compensated absences	6,090	4,250
Increase (decrease) in pension and OPEB	(171,816)	(175,924)
Net cash provided by (used in) operating activities	\$ 2,474,099	1,637,744

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

		Private- purpose Trust Funds
ASSETS		
Cash and cash equivalents	\$	131,109
Investments		5,644,755
Total assets		5,775,864
LIABILITIES		
Accounts payable		8,000
Due to others		245,584
Total liabilities		253,584
NET POSITION		
Restricted for:		
Individuals and organizations		5,522,280
Total net position	\$	5,522,280

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2023

	Private- purpose Trust Funds
Additions:	
Donations	\$ 4,005,350
Investment earnings:	
Interest	85,338
Unrealized gain (loss)	(133,411)
Total additions	3,957,277
Deductions:	
Scholarships and other	355,310
Total deductions	355,310
Net increase (decrease) in fiduciary net position	3,601,967
Net position, beginning of year	1,920,313
Net position, end of year	\$ 5,522,280

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of South Portland, Maine functions under a City Manager - City Council form of government.

The financial statements of the City of South Portland have been prepared in conformity with 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 accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

This report includes all funds of the City of South Portland, Maine. An analysis of certain criteria was made to determine if other governmental units should be included in this report. In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units. The criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens.

It is the City's judgment, based on all pertinent facts derived from the analysis of these criteria, that there are no entities that would be considered potential component units within the City of South Portland that should be included as part of these financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. 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. The City has elected not to allocate indirect costs among the programs, functions, and segments. 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 as general revenues.

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 SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

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.

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 government considers revenues 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, debt service expenditures, including lease liabilities, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due. General capital asset acquisitions, including entering into contracts giving the City of South Portland, Maine the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

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 Tax Increment Financing Fund accounts for resources accumulated and payments made for the Tax Increment Financing Districts established by the City.

The Capital Projects Fund accounts for the resources accumulated and payments made for the acquisition and construction of major capital facilities (other than those financed by the proprietary fund).

The ARPA Grant Fund is a special revenue fund that accounts for the federal grant obtained and expended under the American Rescue Plan Act.

The City Bus Service Fund is a special revenue fund that accounts for the operations of the City's public bus service.

The City reports the following major proprietary fund:

The Sewer User Fund accounts for the operation of the sewer treatment plant, sewage pumping stations and collection systems.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. As such, fiduciary funds are not reported in the government-wide financial statements. The City's fiduciary funds include the following:

Private-purpose trust funds account for resources where funds are legally restricted by a formal trust agreement and may be used for purposes that benefit individuals, private organizations, or other governments. These include scholarship, education, land bank, and public library funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's governmental activities and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

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 the City's proprietary fund is charges to customers for sales and services; operating expenses 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.

D. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as time deposits and certificates of deposit owned by the City. State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

Investments are stated at fair value. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

E. Interfund Loans

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "interfund loans receivable" or "interfund loans payable" on the balance sheet. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

F. Inventories and Prepaid Items

Inventories are valued at cost using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are generally recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

G. Allowance for Doubtful Accounts

The City develops its estimated allowance for doubtful accounts based on past experience of collectability with customers.

H. Restricted Assets

The City has a \$50,000 deposit with the State of Maine related to workers' compensation self insurance from prior years.

I. Leases

Lessor: The City of South Portland, Maine is the lessor for two noncancellable leases for lease of communication towers and one lease of land along the City's waterfront. The City of South Portland, Maine recognizes a lease receivable and deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City of South Portland, Maine initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

J. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, sewer system and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. 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 three years.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

As the City of South Portland, Maine constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in process are not depreciated. Property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25 - 50
Building/land improvements	20
Streets, street lights, and sidewalks	10 - 20
Bridges	50
Collection and distribution systems	65
Vehicles	3 - 20
Machinery and equipment	5 - 20

K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The City provides vesting for vacation and sick leave benefits based upon length of employment. There is a liability for unpaid accumulated sick leave since the City does have a policy to pay a portion of unused sick time based on length of service when employees separate from service with the City. All vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

M. Fund Balance

Governmental fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations the City imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner. The City Council is the highest level of decision making authority, and has the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments by passage of an order.
- *Assigned* – resources that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The City Council has delegated the authority to assign fund balance to the City’s Finance Director based on prescribed policies previously established by the City Council.
- *Unassigned* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The City’s fund balance policy states when both restricted and unrestricted resources are available for use, it is the City’s intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the City’s intent to use committed or assigned resources first, and then unassigned resources as they are needed. The City Council approved the fund balance policy and fund classifications on June 20, 2012, in order #166-10/11.

N. Interfund Transactions

Interfund services provided and used are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except internal services provided and used for transactions and reimbursements, are reported as transfers.

O. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data has not been presented in all statements because its inclusion would make certain statements unduly complex and difficult to understand.

P. Use of Estimates

Preparation of the City’s financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Q. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R. Other Post-Employment Benefits (OPEB)

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined based on actuary reports prepared by the OPEB Plan's actuary. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S. Deferred Inflows and Outflows of Resources

In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental funds report three types of deferred inflows of resources; unavailable revenue from property taxes, unavailable revenue from settlement proceeds, and lease related deferred inflows. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The governmental activities have two additional items that qualify for reporting in this category. One is the deferred charge on refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The governmental activities also have deferred outflows and inflows that relate to the net pension and OPEB liabilities, which include the City's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension and OPEB liabilities in the subsequent year. They include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between City contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

T. Net Position

Net position represents assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds payable, notes payable, bond premiums, and financed purchases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net investment in capital assets was calculated as follows at June 30, 2023:

	<u>Governmental</u> <u>activities</u>	<u>Business-type</u> <u>activities</u>
Capital assets	\$ 337,656,367	117,021,893
Accumulated depreciation	(133,755,389)	(59,640,251)
Bonds/notes payable and premiums	(111,827,836)	(2,386,164)
Add back bond proceeds unexpended	9,037,021	-
Deferred outflows related to refunding of debt	857,740	-
<u>Financed purchases</u>	<u>(1,211,735)</u>	<u>-</u>
Net investment in capital assets	\$ 100,756,168	54,995,478

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

An annual budget is adopted by the City Council for the General Fund, City Bus Service Fund and the Sewer Use Fund. The budgets are prepared substantially in accordance with accounting principles generally accepted in the United States of America, except that the general fund revenues and expenditures related to "on-behalf payments" made by the State of Maine to the Maine Public Employees Retirement System for teachers and other school employees are not budgeted. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under accounting principles generally accepted in the United States of America of \$5,712,093.

These amounts have been included as an intergovernmental revenue and as an education expense/expenditure on Statements 2 and 4 (GAAP basis). There is no effect on the net position/fund balance at the end of the year. The Sewer Use Fund budgets for debt service principal and interest payments as an expense and does not budget for depreciation expense. In addition, capital contributions from other funds are not budgeted. The legal level of budgetary control is at the department level.

The City employs encumbrance accounting in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year is \$277,928 in the General Fund.

The City maintains a gross budget model in the General Fund where the gross costs of providing services to other funds is budgeted annually within the General Fund. The City accounts for providing these services as intercity charges revenue (\$905,089) and an equal expenditure at the department level, under the budgetary basis of accounting. These revenues and expenditures are eliminated for GAAP basis of accounting, there is no effect on fund balance/net position at the end of the year for the elimination.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

A. Budgetary Information, Continued

Additionally, the City maintains reserves within the General Fund for specific purposes. Revenues and expenditures from these funds are not budgeted. The activity for the reserves is included in the reconciliation to GAAP basis at the bottom of Statement 6. More detail for the reserves is shown in Exhibit C.

B. Deficit Fund Balances

At June 30, 2023, the following funds had deficit fund balances:

Special Revenue Funds:

Economic Development	\$238	School Adult Education	2,276
City Bus Service	720	Adult Education	8,961
Other Federal Grants (310157)	13,743	Brown Friends	693
Wellness Committee	1,508	United Way Grant	1,037
Sustainability Grants	88	Staff Computer Training	476
Justice Assistance Grant	11,424	Future Builders / Summer School	20,920
Other Federal Grants (310263)	5,446	Robotics	19,602
Police Donations	2,928	21 st Century Donations	15,066
Friends of South Portland Libraries	3,986		
Title IA – Program Improvement	445	<u>Private-purpose Trusts</u>	
Local Entitlement	727	Harvie Scholarship	227
Adult Basic Education	17,382	Varanelli Scholarship	232
AE College Transitions	10,827		
Extended Learning	31,743	<u>Tax Increment Financing</u>	
E-Rate	5,593	Economic Development	238
Sustainability Committee	87		
Memorial Tech Grant Koelker	1,237	<u>Capital Projects</u>	
National Semiconductor Brown	3,683	School FY 02 Projects	10,794
TI Stem Grant	3	Facilities/Bus Garage	12,996
United Way Adopt A School	2,778		
Catholic Charities	6,106		

These deficits will be funded by future grant revenue, charges for services, bond proceeds, or transfers.

C. Excess of Expenditures Over Appropriations

The following General Fund appropriations were over-expended by the indicated dollar amounts: Public safety \$703,934, Parks and recreation \$86,862, Intergovernmental county tax \$505,122. These over-expenditures were funded by receipt of revenues in excess of appropriations and under-expenditures.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

DEPOSITS AND INVESTMENTS

As of June 30, 2023, the City had the following deposits and investments with the following maturities, some of which are classified as cash and cash equivalents:

	<u>Fair value</u>	<u>Less than 1 year</u>	<u>1 – 5 years</u>	<u>Over 5 years</u>
U.S. Treasury Notes	\$ 6,671,363	1,045,324	3,804,221	1,821,818
Federal National Mortgage Assoc.	246,943	-	246,943	-
Federal Agriculture Mortgage Corp	1,063,221	-	319,773	743,448
Federal Farm Credit Bank	473,720	-	473,720	-
Federal Home Loan Bank	2,062,429	-	2,062,429	-
Certificates of Deposit	26,435,415	7,467,948	18,967,467	-
Stock Mutual Fund	75,520	Not applicable		

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investments held by the City are categorized as Level 1 inputs.

Custodial credit risk- deposits – In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. As of June 30, 2023, the City had bank balances of \$64,169,064. In accordance with its investment policy, the City’s funds should, whenever practicable, be fully covered under FDIC, fully insured or fully collateralized, or covered with an irrevocable stand by letter of credit, with pledged collateral being at least 102% of market value of the principal and accrued interest, and must be marked to market daily. The City’s bank balances were either fully insured or collateralized at June 30, 2023.

Custodial credit risk- investments – For investments, this is the risk that in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2023, the City had fair value investment balances of \$37,042,178 of which only the stock mutual fund of \$89,087 was subject to custodial credit risk. In accordance with its investment policy, the City minimizes custodial credit risk by doing business with authorized institutions, depositories, and broker/dealers, and that funds should be fully covered under FDIC, fully insured or fully collateralized, with pledged collateral being at least 102% of market value of the principal and accrued interest, and must be marked to market daily.

Credit risk – Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. U.S. Treasury Notes are not rated. As of June 30, 2023, the City’s investments in Federal Home Loan Banks, Federal Farm Credit Bank, Federal Agriculture Mortgage Corporation, and Federal National Mortgage Associations were rated AA+ by Standard & Poor’s. In accordance with its investment policy, the City minimizes credit risk by limiting the types of investments to be purchased and diversifying the investment portfolio so that the impact of potential losses will be minimized.

Interest rate risk – In accordance with its investment policy, the City structures its investment portfolio so securities mature to meet cash requirements for ongoing operations. It invests funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limits the average maturity of the portfolio.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

PROPERTY TAX

Property taxes for the current period were committed on July 5, 2022 on the assessed value listed as of the prior April 1 for all real and personal property located in the City. Assessed values are periodically established by the City's Assessor at 100% of assumed market value. The City performed a revaluation to bring assessed values in line with market values prior to the commitment date.

The City is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$365,761 for the year ended June 30, 2023.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The City has the authority to foreclose on property eighteen months after the filing of the lien if the tax liens and associated costs remain unpaid.

Property taxes levied during the period were recorded as receivables at the time the levy was made. The receivables collected during the period and in the first sixty days following the end of the period have been recorded as revenues. The remaining receivables have been recorded as unavailable revenues.

The following summarizes the levy:

	<u>2023</u>	<u>2022</u>
Assessed value	\$4,911,231,400	4,861,955,900
Tax rate (per \$1,000)	15.56	14.70
Commitment	76,418,761	71,470,752
Supplemental	7,135	12,905
Less:		
Abatements	\$ 94,290	503,250
Collections	75,642,128	70,654,940
Current year taxes receivable at end of year	689,478	325,467
Taxes and liens receivable - prior years	293,029	358,136
Total taxes and liens receivable	\$ 982,507	683,603

		<u>2023</u>	<u>2022</u>
Due dates:	1st quarter	August 18, 2022	September 2, 2021
	2nd quarter	November 17, 2022	November 18, 2021
	3rd quarter	February 16, 2023	February 17, 2022
	4th quarter	May 18, 2023	May 12, 2022
Interest rate on delinquent taxes		8.00%	8.00%
Collection rate		98.98%	98.86%

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2023 was as follows:

	Balance June 30, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2023</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,381,509	781,755	1,504,740	10,658,524
Construction	37,906,239	1,792,285	34,399,786	5,298,738
Total capital assets not being depreciated	49,287,748	2,574,040	35,904,526	15,957,262
Capital assets, being depreciated:				
Buildings	153,956,690	60,796,652	-	214,753,342
Improvements other than buildings	6,761,164	767,269	-	7,528,433
Machinery and equipment	18,991,839	1,676,331	155,637	20,512,533
Vehicles	18,555,361	1,909,443	354,965	20,109,839
Infrastructure	57,218,248	1,576,710	-	58,794,958
Total capital assets being depreciated	255,483,302	66,726,405	510,602	321,699,105
Less accumulated depreciation for:				
Buildings	56,112,098	3,153,263	-	59,265,361
Improvements other than buildings	4,709,653	210,593	-	4,920,246
Machinery and equipment	13,160,536	1,262,867	153,804	14,269,599
Vehicles	12,530,683	1,299,277	354,966	13,474,994
Infrastructure	40,384,423	1,440,766	-	41,825,189
Total accumulated depreciation	126,897,393	7,366,766	508,770	133,755,389
Total capital assets being depreciated, net	128,585,909	59,359,639	1,832	187,943,716
Governmental activities capital assets, net	\$177,873,657	61,933,679	35,906,358	203,900,978

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 314,561
Public safety	909,973
Public works	1,857,981
Culture and recreation	591,740
Transportation and waterfront	411,143
Education	3,281,368
Total depreciation expense – governmental activities	\$ 7,366,766

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS, CONTINUED

Capital asset activity for business-type activities for the year ended June 30, 2023 was as follows:

	Balance June 30, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2023</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,221,558	-	-	1,221,558
<u>Construction in progress</u>	<u>5,630,270</u>	<u>488,481</u>	<u>5,257,821</u>	<u>860,930</u>
Total capital assets not being depreciated	6,851,828	488,481	5,257,821	2,082,488
Capital assets, being depreciated:				
Buildings	36,498,055	58,409	-	36,556,464
Improvements other than buildings	80,331	-	-	80,331
Machinery and equipment	18,750,465	2,831,303	-	21,581,768
Vehicles	1,156,890	140,499	67,507	1,229,882
<u>Infrastructure</u>	<u>52,532,734</u>	<u>2,958,226</u>	<u>-</u>	<u>55,490,960</u>
Total capital assets being depreciated	109,018,475	5,988,437	67,507	114,939,405
Less accumulated depreciation for:				
Buildings	23,993,006	747,641	-	24,740,647
Improvements other than buildings	80,331	-	-	80,331
Machinery and equipment	13,179,217	612,597	-	13,791,814
Vehicles	998,054	38,121	67,507	968,668
<u>Infrastructure</u>	<u>19,234,935</u>	<u>823,856</u>	<u>-</u>	<u>20,058,791</u>
Total accumulated depreciation	57,485,543	2,222,215	67,507	59,640,251
<u>Total capital assets being depreciated, net</u>	<u>51,532,932</u>	<u>3,766,222</u>	<u>-</u>	<u>55,299,154</u>
<u>Business-type activities capital assets, net</u>	<u>\$ 58,384,760</u>	<u>4,254,703</u>	<u>5,257,821</u>	<u>57,381,642</u>

Depreciation expense (\$2,222,215) for proprietary funds was charged entirely to the sewer fund.

LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Beginning <u>balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>balance</u>	Due within <u>one year</u>
Governmental activities:					
General obligation bonds	\$ 106,100,000	-	3,660,000	102,440,000	6,800,000
Bond premiums	10,540,744	-	1,199,419	9,341,325	1,148,758
Notes from direct borrowing	93,023	-	46,512	46,511	46,511
Financed purchases	1,739,391	-	527,656	1,211,735	333,467
Landfill closure	113,600	-	14,200	99,400	14,200
Other post-employment benefits	13,504,722	-	408,657	13,096,065	-
Net pension liability	181,823	7,905,285	-	8,087,108	-
Compensated absences	2,846,343	1,387,847	1,215,103	3,019,087	1,344,261
<u>Governmental activities</u>					
<u>long-term liabilities</u>	<u>\$ 135,119,646</u>	<u>9,293,132</u>	<u>7,071,547</u>	<u>137,341,231</u>	<u>9,687,197</u>

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

The liabilities for the pension-related debt, compensated absences, and other post-employment benefits are fully liquidated by the general fund.

Business-type activities:

Notes from direct borrowing	\$ 2,583,267	-	197,103	2,386,164	197,102
Net pension liability (asset)	(81,620)	683,101	-	601,481	-
Total OPEB liability	433,406	-	60,429	372,977	-
<u>Compensated absences</u>	<u>297,313</u>	<u>123,796</u>	<u>117,706</u>	<u>303,403</u>	<u>129,163</u>

Business-type activities

<u>long-term liabilities</u>	<u>\$ 3,232,366</u>	<u>806,897</u>	<u>375,238</u>	<u>3,664,025</u>	<u>326,265</u>
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Bonds payable and notes from direct borrowing at June 30, 2023 are comprised of the following:

	<u>Date of issue</u>	<u>Original amount issued</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance June 30, 2023</u>
Governmental activities:					
2011 Refund 2002 & 2003 Elem Sch.	10/26/2011	\$ 8,905,000	7/15/2023	2.00-4.38%	300,000
2013 HS SRRF – School*	12/1/2013	664,450	12/1/2023	0.00%	46,511
2014 HS Construction – School	4/10/2014	8,850,000	4/15/2034	2.25-3.25%	4,845,000
2017 Municipal Service Facility – City	9/8/2016	12,700,000	9/1/2036	2.00-5.00%	8,890,000
2017 Advance Refund 2010 & 2012	9/13/2017	15,700,000	7/15/2029	2.375-4.00%	10,310,000
2021 General Obligation Bond	8/20/2020	7,950,000	8/15/2040	2.00-5.00%	7,020,000
2022 Middle School and Traffic Bond	4/7/2022	60,785,000	10/1/2042	3.00-5.00%	60,705,000
2022 Open Space Bond	4/7/2022	4,490,000	4/1/2043	3.25-3.86%	4,490,000
2022 Refund 2012 HS Construction	4/19/2022	5,880,000	7/15/2032	2.50-3.00%	5,880,000
Total governmental activities					102,486,511
Business-type activities:					
2009 SRF (Long Creek) *	10/7/2009	\$ 749,716	10/1/2029	0.00%	176,164
2015 CWSRF *	8/30/2015	3,500,000	8/1/2035	0.35%	2,210,000
Total business-type activities					2,386,164
Total bonds and notes payable					\$ 104,872,675

* Notes from direct borrowing.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

The annual requirements to amortize governmental activities long-term debt outstanding as of June 30, 2023 are as follows:

<u>June 30,</u>	<u>Bonds</u>		<u>Notes</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 6,800,000	3,864,425	46,511	-	10,710,936
2025	6,495,000	3,565,724	-	-	10,060,724
2026	6,490,000	3,279,236	-	-	9,769,236
2027	6,490,000	2,992,874	-	-	9,482,874
2028	6,485,000	2,707,587	-	-	9,192,587
2029-2033	31,525,000	9,632,976	-	-	41,157,976
2034-2038	20,955,000	4,373,289	-	-	25,328,289
2039-2043	17,200,000	1,315,463	-	-	18,515,463
Total	\$ 102,440,000	31,731,574	46,511	-	134,218,085

The annual requirements to amortize business-type activity long-term debt outstanding as of June 30, 2023 are as follows:

<u>June 30,</u>	<u>Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 197,102	16,309	213,411
2025	197,102	15,685	212,787
2026	197,102	15,060	212,162
2027	197,102	14,435	211,537
2028	197,103	13,810	210,913
2029-2033	890,653	59,681	950,334
2034-2036	510,000	28,311	538,311
Total	\$ 2,386,164	163,291	2,549,455

Financed purchases payable at June 30, 2023 is comprised of the following:

	<u>Date of issue</u>	<u>Original amount issued</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance June 30, 2023</u>
Governmental activities:					
Fire Truck	10/24/2018	\$ 963,882	10/24/2025	3.28%	378,840
School Equipment	4/30/2020	561,298	4/30/2024	1.63%	114,061
Streetlights	4/30/2020	1,000,000	4/30/2030	1.83%	718,834
Total governmental activities					\$ 1,211,735

All finance purchases are secured by the underlying assets.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

The annual requirements to amortize governmental activities financed purchases payable outstanding as of June 30, 2023 are as follows:

<u>June 30,</u>	<u>Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 333,467	26,964	360,431
2025	225,197	19,313	244,510
2026	231,152	13,358	244,510
2027	102,623	7,234	109,857
2028	104,504	5,353	109,857
2029-2030	214,792	4,922	219,714
Total	\$ 1,211,735	77,144	1,288,879

The City is subject to a statutory limitation, by the State of Maine, of its general long-term debt equal to 15% of the State's valuation of the City. At June 30, 2023, the statutory limit for the City was \$877,170,000. The City's outstanding long-term debt of \$104,872,675 at June 30, 2023 was \$772,297,325 less than the statutory limit.

In addition to the bonds payable, the City is contingently responsible for the following overlapping debt as of June 30, 2023:

<u>Governmental Unit</u>	<u>Net debt outstanding</u>	<u>Applicable to South Portland</u>	<u>City's share of debt</u>
Cumberland County	\$ 29,931,418	2,681,756	8.96%
Portland Water District	58,543,519	7,692,618	13.14%

The JOINTLY GOVERNED ORGANIZATION

The City of South Portland participates in a jointly governed organization, which is not part of the City's reporting entity.

ecomaine is a solid waste management corporation serving 68 municipalities in Cumberland, Oxford, and York counties in Maine. Owned and controlled by 20 member communities, ecomaine creates electricity through its processing of waste and also operates an extensive recycling program. The City is a member community in ecomaine. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced within the community to ecomaine for processing and to make service payments and pay tipping fees for such processing. The City has no explicit, measurable equity interest and therefore has not reported an asset in these financial statements in connection with its participation in ecomaine.

Selected balance sheet information for ecomaine for the year ended June 30, 2023 includes total assets of \$68,741,299, and total liabilities and deferred inflows of resources of \$27,125,782 and unrestricted net position of \$10,453,126. The liabilities include an accrual for landfill closure and postclosure care amounting to \$18,000,767. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2023 and a projected closing date. The separate audited financial statements of ecomaine may be obtained at their administrative office: ecomaine, 64 Blueberry Road, Portland, Maine 04102.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

LANDFILL

The City records a liability for the estimated costs of landfill closure and postclosure care, as required by government authorities. State and federal laws and regulations require the City to place a final cover on its Highland Avenue landfill site and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill ceased accepting waste, effective January 1, 1993, as required by State regulations. Since that time, the twenty-five acre landfill has remained inactive. Although it was not at capacity, its useful life was over. The City completed the landfill closure process in fiscal year 2000. At June 30, 2023, the City had recorded approximately \$99,400 of estimated cost remaining related to postclosure care of the landfill. The City has amounts available in the general fund to fund these estimated costs. The actual cost may be higher due to inflation, changes in technology, or changes in regulations.

INTERFUND BALANCES AND TRANSFERS

As of June 30, 2023, interfund loans receivable and payable were as follows:

<u>Fund</u>	<u>Interfund receivable</u>	<u>Interfund payable</u>
General Fund	\$ 5,720,709	-
Capital Projects	-	1,120,552
ARPA Grant	-	1,061,792
City Bus Service	-	1,188,154
Nonmajor Special Revenue Funds:		
School Grant Funds	-	2,104,627
Private-purpose Trust Funds	-	245,584
Total interfund balances	\$ 5,720,709	5,720,709

The purpose of interfund loans is to charge revenues and expenditures to the appropriate fund when that activity is accounted for through the centralized checking account. The balances represent each fund's portion of the centralized checking account.

As of June 30, 2023, interfund transfers were as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 1,807,250	4,796,083
Sewer Fund	120,199	864
Tax Increment Financing	-	162,771
Capital Projects	2,643,145	279,046
City Bus Service	-	360
Nonmajor Special Revenue Funds:		
City Special Revenues	92,899	-
School Grant Fund	23,124	-
School Lunch Fund	552,507	-
Total interfund transfers	\$ 5,239,124	5,239,124

The primary purpose of the transfers is to move unrestricted revenues from various funds to finance various programs and capital projects that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or match funds for various grant programs.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

FUND BALANCES

Minimum fund balance policy. The City Council has adopted a financial policy to maintain a minimum level of unassigned fund balance in the general fund. The minimum target level is set at 9% of general fund budgeted expenditures. In the event that the unassigned fund balance drops below this minimum level, the City will develop a plan, implemented through the annual budgetary process, to bring the balance back to the target level over a period of no more than three (3) fiscal years. Amounts in excess of the targeted maximum of 12% of general fund, measured on a GAAP basis, shall be used for capital improvements or other one-time expenditures as identified by the City Council.

The policy was adopted by the City to recognize the financial importance of a stable and sufficient level of unassigned fund balance. However, the City Council reserves the right to appropriate funds from the unassigned fund balance for emergencies and other requirements the City Council believes to be in the best interest of the City of South Portland. At June 30, 2023, the City maintained an unassigned general fund balance of \$15,893,050, which is 13.8% of the fiscal year 2024 budget of \$114,963,986.

Stabilization arrangement. In the periods of economic decline where valuation assessments are flat or decreasing, and/or periods of significant estimated revenue loss or periods of high increases in budgeted expenditures, the City Council may set aside funds in the tax rate stabilization reserve to be used to reduce the needs from taxation for the coming year(s). Funds set aside in the tax rate stabilization reserve should have a planned exit strategy to reduce the use of such reserves in subsequent budgets and should be fully funded to the extent necessary to properly provide a declining (tiered) use of this reserve for a period no greater than 5 years. The objective of this tiered approach is to lessen the impact in subsequent years for the lower estimated revenues from the tax rate stabilization reserve. The committed general fund balances include a \$2,314,465 tax rate stabilization reserve at June 30, 2023 with \$0 anticipated to be used in the funding of fiscal year ending June 30, 2024 budget.

As of June 30, 2023, fund balance components consisted of the following:

	General Fund	Other Governmental Funds	Total
Nonspendable:			
Lease Related	\$ 137,801	-	137,801
School lunch inventory	-	53,323	53,323
Principal for permanent funds	-	193,519	193,519
Total nonspendable	137,801	246,842	384,643
Restricted:			
Education	4,963,708	1,073,249	6,036,957
TIF funds	-	10,359,702	10,359,702
Capital projects – unspent bond proceeds	-	5,254,512	5,254,512
ARPA Fund	-	4,222	4,222
Land Bank - unspent bond proceeds	-	3,782,509	3,782,509
Grants – Housing and business development	-	179,554	179,554
Grants – Other planning and general government	-	157,503	157,503
Grants – Fire and police	-	2,542,079	2,542,079
Grants – Public Works	-	1,210,999	1,210,999
Grants – FTA	-	10,477	10,477
Grants – Culture and recreation	-	2,588	2,588
Donations – Culture and recreation	-	109,410	109,410
Permanent funds	-	154,178	154,178
Total restricted	4,963,708	24,840,982	29,804,690

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

FUND BALANCES, CONTINUED

	<u>General</u> <u>Fund</u>	Other Governmental <u>Funds</u>	<u>Total</u>
Committed:			
General government:			
Tax stabilization reserve	\$2,314,465	-	2,314,465
Climate action plan	30,732	-	30,732
Equipment replacement reserve	247,672	-	247,672
Unemployment reserve	67,049	-	67,049
Self-insurance reserve	167,076	-	167,076
Safety reserve	250,963	-	250,963
Computerization reserve	146,920	-	146,920
Litigation legal reserve	87,275	-	82,275
Municipal facilities reserve	74,123	-	74,123
Municipal Buildings and Land Acq.	136,046	-	136,046
Other reserves	9,587	229,084	238,671
South Portland Community TV	-	618,334	618,334
Freshwater Wetland Fund	-	292,311	292,311
Public safety:			
Fire equipment and vehicle reserve	727,253	-	727,253
Police equipment reserves	56,760	-	56,760
Call company retirement reserve	39,530	-	39,530
Hazardous materials fund	-	84,941	84,941
Other	-	42,673	42,673
Public works:			
Snow removal reserve	431,943	-	431,943
Cummings Road sewer reserve	234,362	-	234,362
Solid waste reserve	38,388	-	38,388
Other reserves	154,786	6,600	161,386
Street openings and recycling funds	-	458,319	458,319
Sewer impact fund	-	432,567	432,567
Transit and waterfront:			
Bus reserve	41,307	-	9,418
Thomas Knight Boat Landing and Boat Ramp	-	9,774	9,774
Culture and recreation:			
Golf course	-	403,209	403,209
Other	19,790	130,349	150,139
Education	-	185,491	185,491
Capital projects	-	3,985,909	3,985,909
Total committed	5,276,027	6,879,561	12,155,588

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

FUND BALANCES, CONTINUED

	General Fund	Other Governmental Funds	Total
Assigned:			
Compensated absences reserve	\$ 1,433,170	-	1,433,170
Vehicle replacement – police	117,235	-	117,235
Phone system reserve	101,544	-	101,544
Outside overtime - fire	8,438	-	8,438
Outside overtime - police	68,464	-	68,464
Public works fuel distribution	118,633	-	118,633
Fiscal year 2024 capital	1,455,460	-	1,455,460
Fiscal year 2024 operating budget	500,000	-	500,000
Encumbrances:			
General government	13,622	-	13,622
Public safety	208,775	-	208,775
Public works	55,000	-	55,000
Total assigned	4,080,341	-	4,080,341
Unassigned	15,893,050	(213,513)	15,679,537
Total fund balance	\$ 30,350,927	31,753,872	62,104,799

For GAAP reporting of fund balance the South Portland School Department’s General Fund fund balance is reported as a single restricted amount in the City’s financial statements as both the City and School’s fund balances are merged to a single General Fund. At June 30, 2023, the School Department’s General fund reported a total fund balance of \$4,963,708. This amount however is not fully available to the School Department to be used in operations as the School Department holds reserves and annually assigns fund balance to future periods. On a standalone basis, the School Department’s General Fund fund balance is broken down as follows:

Committed Reserves	\$ 685,951
Assigned to 2024 Budget	1,600,000
Assigned to Encumbrances	531
Unassigned Fund balance	<u>2,677,226</u>
Total Fund balance	\$ 4,963,708

CONSTRUCTION COMMITMENTS

The City has entered into a contract in connection with the Middle School construction project. The following is a summary of the commitments at June 30, 2023:

	Contract Total	Percentage Complete	Billed to Date	Balance Remaining
Middle School Construction:				
Architectural and Engineering	\$ 4,029,220	96.21%	3,876,482	152,738
Construction Services	57,721,253	96.98%	55,975,545	1,745,708

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

TAX INCREMENT FINANCING DISTRICTS

The City has established twelve tax increment financing districts under the terms of applicable state laws.

	<u>Original</u> <u>value</u>	<u>Increase in</u> <u>value</u>	<u>TIF</u> <u>cap</u>	<u>Captured</u> <u>value</u>	<u>Captured</u> <u>tax</u>
Fairchild TIF	\$ 33,512,500	20,785,900	100%	20,785,900	323,429
Texas Instruments TIF	20,509,000	165,719,900	50%	82,859,950	1,284,446
One Wallace TIF	2,673,885	5,238,515	100%	5,238,515	81,511
Cummings TIF	1,697,100	25,184,200	0%	-	-
Long Creek TIF	1,202,392	11,520,208	0%	-	-
Jared TIF	1,265,626	1,159,874	100%	1,159,874	18,048
Hannaford TIF	388,205	10,023,675	100%	10,023,675	155,968
Downtown TIF	192,803,329	11,309,571	100%	11,309,571	175,977
Transit TIF	28,940,158	6,157,742	25%	1,539,436	23,954
Affordable:					
Brick Hill TIF	-	55,431,600	100%	55,431,600	862,516
Thornton Heights TIF	558,100	4,737,700	100%	4,737,700	73,718
Avesta Westbrook TIF	334,800	12,275,300	100%	12,275,300	191,004

The City may provide financial assistance to local economic development projects by using the new property taxes that result from the commercial investment and corresponding increase in taxable property valuation. This is accomplished by utilizing municipal tax increment financing district (TIF) in accordance with Chapter 260 of MRSA Title 30-A.

The City Council is authorized by statute to establish a Municipal Tax Increment Financing District and establish the Development Plan subject to the approval by the Commissioner of the Maine Department of Economic and Community Development.

Tax Increment Financing Districts allow the City to “shelter” the increase in property valuation from the computation of its State subsidies (General Purpose Aid to Education and Municipal Revenue Sharing) and Cumberland County tax assessments. The City would lose 50%-55% of all new property taxes due to reductions in State subsidies and increase in the City’s share of County taxes.

The Development Plan may authorize the City to enter into a Credit Enhancement Agreement (C.E.A.). The C.E.A. is a mechanism to assist the development project by using all or a portion of the incremental property tax revenues generated by the new investment to pay certain authorized project cost directly to the developer.

The City had twelve approved Tax Increment Financing Districts as of June 30, 2023. For FY 2023, the City captured \$3,190,571 in TIF tax revenues and disbursed \$1,161,073 in C.E.A. payments to five (5) developers. The remaining \$2,029,498, was applied toward eligible local expenditures. The following are the C.E.A. payments that each exceed ten (10) percent of the total amount of C.E.A. payments.

The City disbursed \$256,889 to Texas Instruments to reimburse for investments in plant equipment to make the facility more cost competitive in the highly competitive semiconductor industry. The current amended C.E.A. became effective for FY 2013 and the company annually must meet a minimum investment in the plant (three-year average) of at least \$6 million, with a sliding scale reimbursement percentage based on the investment. The FY2023 reimbursement was at a 20% reimbursement of taxes captured rate.

The City disbursed \$194,057 to DIODES US Manufacturing, Inc. to reimburse for investments in plant equipment to make the facility more cost competitive in the highly competitive semiconductor industry. The current amended C.E.A. became effective for FY 2018 and the company annually must meet a minimum investment in the plant (three-year average) of at least \$6 million, with a sliding scale reimbursement percentage based on the investment. The FY2023 reimbursement was at a 60% reimbursement of taxes captured rate.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

TAX INCREMENT FINANCING DISTRICTS, CONTINUED

The City disbursed \$392,225 in C.E.A. payments to Long Creek Redevelopment LLC (Brick Hill TIF) to reimburse the eligible infrastructure investment that was made by the developer during the initial development. The developer reimbursement is based on a tax shift calculation formula that for FY2023 was at 45.47% of taxes captured.

CONTINGENT LIABILITIES

Grant Funds - 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, if any, 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.

NET PENSION LIABILITY

General Information about the Pension Plans

The City contributes to two defined benefit pension plans, (1) the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and (2) the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan). Both Plans are considered cost-sharing multiple employer defined benefit pensions. As of the year ended June 30, 2023, the City had the following balances reported in the government-wide financial statements:

		Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Gain)
PLD Plan	\$	6,683,127	4,805,872	2,903,471	1,503,220
SET Plan		2,005,462	2,095,526	394,982	5,931,005
Total	\$	8,688,589	6,901,398	3,298,453	7,434,225

Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at www.maineopers.org.

Benefits Provided - The PLD and SET Plans provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014). For SET members, normal retirement age is 60, 62, or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions (PLD) or by statute (SET).

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. The contractually required contribution rates are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

PLD Plan - Employees are required to contribute 6.85% to 9.7% of their annual pay. The City's contractually required contribution rate for the year ended June 30, 2023, was 10.2% of annual payroll for the regular plan and 13.4% of annual payroll for the special plan. Contributions to the pension plan from the City were \$2,207,413 for the year ended June 30, 2023.

SET Plan - Maine statute requires the State to contribute a portion of the City's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The City's contractually required contribution rate for the year ended June 30, 2023, was 18.13% of annual payroll of which 3.84% of payroll was required from the City and 14.29% was required from the State. Contributions to the pension plan from the City were \$1,237,092 for the year ended June 30, 2023.

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

The net pension liabilities were measured as of June 30, 2022, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The City's proportion of the net pension liabilities were based on projections of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating local districts (PLD Plan) and of all participating School Administrative Units and the State (SET Plan), actuarially determined.

PLD Plan - At June 30, 2023, the City reported a liability of \$6,683,127 for its proportionate share of the net pension liability. \$6,081,646 was allocated to government activities and \$601,481 was allocated to Business-type Activities. At June 30, 2022, the City's proportion of the PLD Plan was 2.5140%.

SET Plan - At June 30, 2023, the City reported a liability in governmental activities for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$ 2,005,462
State's proportionate share of the net pension liability associated with the City	<u>27,620,276</u>
Total	<u>\$ 29,625,738</u>

At June 30, 2022, the City's proportion of the SET Plan was 0.1351%.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

For the year ended June 30, 2023, the City recognized a pension expense of \$1,367,930 for the governmental activities and a pension expense of \$135,290 for the business-type activities for the PLD Plan. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the PLD plan from the following sources:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 1,130,235	-	111,781	-
Changes of assumptions	1,234,363	-	122,080	-
Net difference between projected and actual earnings on pension plan investments	-	2,552,501	-	252,445
Changes in proportion and differences between City contributions and proportionate share of contributions	-	89,658	-	8,867
City contributions subsequent to the Measurement date	2,008,746	-	198,667	-
Total	\$ 4,373,344	2,642,159	432,528	261,312

\$2,008,746 for governmental activities and \$198,667 for business-type activities is reported as deferred outflows of resources related to the PLD Plan resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2024	\$ 699,037	69,136
2025	(589,719)	(58,324)
2026	(1,585,755)	(156,833)
2027	1,198,876	118,570

For the year ended June 30, 2023, the City recognized pension expense of \$5,931,005 in governmental activities for the SET Plan with revenue of \$4,604,079 for support provided by the State. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the SET Plan from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 99,905	-
Changes of assumptions	389,414	-
Net difference between projected and actual earnings on pension plan investments	-	394,982
Changes in proportion and differences between City contributions and proportionate share of contributions	369,115	-
City contributions subsequent to the measurement date	1,237,092	-
Total	\$ 2,095,526	394,982

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

\$1,237,092 is reported in governmental activities as deferred outflows of resources related to the SET plan resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$ 485,816
2025	(64,185)
2026	(144,474)
2027	186,295

Actuarial Assumptions - The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PLD Plan</u>	<u>SET Plan</u>
Inflation	2.75%	2.75%
Salary increases, per year	2.75% - 11.48%	2.80% - 13.03%
Investment return, per annum, compounded annually	6.50%	6.50%
Cost of living benefit increases, per annum	1.91%	2.20%

Mortality rates for the PLD Plan were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model. Mortality rates for the SET Plan were based on 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020 and the economic assumptions are based on this experience study along with advice of the MPERS investment consultants.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	30.0%	6.0%
U.S. Government	10.0%	2.3%
Private equity	12.5%	7.6%
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	5.0%	3.2%
Alternative credit	10.0%	7.4%
Diversifiers	7.5%	5.9%

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

Discount Rate - The discount rate used to measure the total pension liability was 6.5% for the PLD Plan and SET Plan. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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 liabilities.

Sensitivity of the City's Proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.50% for the PLD Plan and SET Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

<u>PLD Plan</u>	1% Decrease <u>(5.50%)</u>	Current Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
City's proportionate share of the net pension liability (asset)	\$ 19,743,860	6,683,127	(4,112,033)
 <u>SET Plan</u>	 1% Decrease <u>(5.50%)</u>	 Current Discount Rate <u>(6.50%)</u>	 1% Increase <u>(7.50%)</u>
City's proportionate share of the net pension liability (asset)	\$ 3,927,173	2,005,462	405,439

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS financial report.

Payables to the Pension Plan - None as of June 30, 2023.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plans

The City contributes to four post-employment defined benefit plans, (1) the City's retiree health plan (City Plan), (2) the Maine Public Employees Retirement System State Employee and Teacher Group Term Life Plan (School Life Plan), (3) the Maine Public Employees Retirement System Participating Local District Life Plan (City Life Plan) and (4) the School Department's retiree health plan (School Plan). As of the year ended June 30, 2023, the City had the following balances reported in the government-wide financial statements:

	Total OPEB <u>Liability</u>	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	OPEB (Gain) <u>Expense</u>
City Health Plan	\$ 3,659,465	169,506	841,718	657,092
School Life Insurance Plan	-	-	-	109,228
City Life Insurance Plan	484,719	98,500	111,055	(30,613)
School Health Plan	9,324,858	712,468	-	170,576
Total	\$ 13,469,042	980,474	952,773	906,283

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE

Plan Description - The City sponsors two post-retirement benefit plans providing group term life insurance to retiring employees. For municipal employees and certain School Department employees the City participates in Group Life Insurance Plan for Participating Local District (PLD). Teachers also participate in the Group Term Life Insurance Plan for State Employees and Teachers (SET). Both plans are a cost-sharing multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MPERS). The MPERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements for each plan. MPERS issues a publicly available financial reports that are available at www.maineopers.org.

Benefits Provided - Under both the PLD and SET OPEB Plans, MPERS provides basic group life insurance benefits, during retirement, to retirees who participated in the plan prior to retirement for a minimum of 10 years. The level of coverage is initially set to an amount equal to the retirees average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Contributions - Premium rates for both the PLD and SET OPEB Plans are determined by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims.

PLD OPEB Plan - Premiums total \$0.48 per \$1,000 of coverage per month during the post-employment retirement period. Contributions to the PLD OPEB plan from the City were \$12,080 for the year ended June 30, 2023.

SET OPEB Plan - The State of Maine is required to remit the total dollar amount of each year's annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the City were \$109,228 for the year ended June 30, 2023. Employers and employees are not required to contribute to the SET OPEB plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability for both the PLD and SET OPEB plans was measured as of June 30, 2022, and the net OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as that date. The City's proportion of the net OPEB liabilities was based on a projection of the City's long-term share of contributions to the PLD and SET OPEB plans relative to the projected contributions of all participating employers, actuarially determined.

PLD OPEB Plan - At June 30, 2023, the City reported a liability of \$484,719 for its proportionate share of the net OPEB liability. \$441,094 was allocated to governmental activities and \$43,625 to business-type activities. At June 30, 2022, the City's proportion was 3.3468%.

SET OPEB Plan - At June 30, 2023, the City reported no liability related to the plan. The State of Maine's proportionate share of the net OPEB liability associated with the City was \$916,412 as of June 30, 2023. At June 30, 2022, the City's proportion was 0.00%.

For the year ended June 30, 2023, the City recognized OPEB gain of \$27,858 for governmental activities and a OPEB gain of \$2,755 for business-type activities for the PLD OPEB Plan. For the year ended June 30, 2023, the City recognized OPEB expense for governmental activities of \$109,228 and revenues of \$109,228 for support provided by the State related to the SET OPEB Plan. At June 30, 2023, the City reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB Plan.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB Plan from the following sources:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 17,552	-	1,736	-
Changes of assumptions	-	101,060	-	9,995
Net difference between projected and actual earnings on pension plan investments	38,135	-	3,772	-
Changes in proportion and differences between City contributions and proportionate share of contributions	22,955	-	2,270	-
City contributions subsequent to the measurement date	10,993	-	1,087	-
Total	\$ 89,635	101,060	8,865	9,995

An amount of \$10,993 for governmental activities and \$1,087 for business-type activities is reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended <u>June 30:</u>	Governmental <u>Activities</u>	Business-type <u>Activities</u>
2024	\$ (8,407)	(831)
2025	(23,859)	(2,360)
2026	(32,058)	(3,171)
2027	34,213	3,384
2028	7,319	724
Thereafter	374	37

Actuarial Assumptions - The net OPEB liability in the June 30, 2022 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

	<u>PLD OPEB Plan</u>	<u>SET OPEB Plan</u>
Inflation	2.75%	2.75%
Salary increases	2.75% - 11.48%	2.80%-13.03
Investment rate of return	6.50%	6.50%

Mortality rates for the PLD Plan were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model. Mortality rates for the SET Plan were based on 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020 and the economic assumptions are based on this experience study along with advice of the MPERS investment consultants.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	70.0%	6.0%
Real estate	5.0%	5.2%
Traditional credit	15.0%	3.0%
U.S. government securities	10.0%	2.3%

Discount Rate - The rate used to measure the net OPEB liabilities for the PLD and SET OPEB plans was 6.50%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plans fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following presents the City’s proportionate share of the net PLD OPEB plan liability calculated using the discount rate of 6.50%, as well as what the City’s proportionate share of the net PLD OPEB plan liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability	\$ 657,878	484,719	345,690

Sensitivity of the City’s proportionate share of the net SET OPEB Plan liability to the changes in the discount rate are not presented as the City does not have any liability related to this plan given that the SET OPEB Plan is 100% funded by contributors from the State of Maine.

OPEB Plan Fiduciary Net Position - Detailed information about both the PLD and SET OPEB Plan’s fiduciary net positions are available in a separately issued MPERS financial report.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MMEHT

Plan Description - The City sponsors a post-retirement benefit plan providing health insurance to retiring employees (hereafter referred to as the Health Plan). The plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The City Council has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided - MMEHT provides healthcare benefits for retirees and their dependents. City employees over the age of 55 with 5 years of continuous service are allowed to participate in the plan. Retirees that are designated in a plan pay 100% of the single coverage premium and 100% of the family coverage premium.

Employees Covered by Benefit Terms – At January 1, 2023, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	28
Inactive employee entitled to but not yet receiving benefits	-
Active employees	240
Total	268

Contributions - Eligible retirees are required to pay 100% of health insurance premiums to receive health benefit coverage and therefore, the City makes no actual contributions.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The City’s total Health Plan OPEB liability of \$3,659,465 was measured as of January 1, 2023, and was determined through roll-forward procedures of an actuarial valuation as of January 1, 2022. \$329,352 has been allocated to the business-type activities and \$3,330,113 has been allocated to the governmental activities.

Changes in the Total Health Plan OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022	\$ 3,993,168
Changes for the year:	
Service cost	150,948
Interest	83,927
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(427,897)
Benefit payments	(140,681)
Net changes	(333,703)
Balance at June 30, 2023	\$ 3,659,465

Change in assumptions reflects a change in the discount rate from 2.06% to 3.72%.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MMEHT, CONTINUED

For the year ended June 30, 2023, the City recognized OPEB expense of \$95,582 for the business-type activities and \$561,510 for the governmental activities related to the Health Plan. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

		Governmental Activities		Business-type Activities	
		Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	765,963	-	75,755
Changes of assumption or other inputs		95,965	-	9,492	-
Contributions subsequent to measurement		58,285	-	5,764	-
Total	\$	<u>154,250</u>	<u>765,963</u>	<u>15,256</u>	<u>75,755</u>

An amount of \$58,285 for governmental activities and an amount of \$5,764 for business-type activities is reported as deferred outflows of resources related to the Health Plan OPEB resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Health Plan OPEB will be recognized in OPEB expense as follows:

Year ended June 30:		Governmental Activities	Business-type Activities
2024	\$	(100,828)	(9,972)
2025		(100,828)	(9,972)
2026		(132,405)	(13,095)
2027		(87,774)	(8,681)
2028		(87,774)	(8,681)
Thereafter		(160,389)	(15,862)

The total OPEB liability in the January 1, 2022 actuarial valuation for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00% per annum
Salary increases	2.75% per annum
Discount rate	3.72% per annum
Healthcare cost trend rates	6.80% for 2023, decreasing to 4.55% for 2043
Retirees' share of the benefit related costs	5%-100% of projected health insurance premiums

Mortality rates for the Health Plan were based on the 2010 Public Plan General Benefits Weighted Healthy Retiree Mortality Table, respectively for males and females.

The actuarial assumptions used in the January 1, 2022 valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2016 through June 30, 2020.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MMEHT, CONTINUED

Discount Rate - The rate used to measure the total OPEB liability for the Health Plan was 3.72%. Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year tax-exempt general obligation municipal bond index. The rate is assumed to be an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate - The following presents the City's total OPEB liability related to the Health Plan calculated using the discount rate of 3.72%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.72%) or 1 percentage-point higher (4.72%) than the current rate:

	1% Decrease (2.72%)	Discount Rate (3.72%)	1% Increase (4.72%)
Total OPEB liability	\$ 4,239,227	3,659,465	3,187,833

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the City's total OPEB liability related to the Health Plan calculated using the healthcare cost trend rates, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 3,117,377	3,659,465	4,351,577

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MEABT

General Information about the OPEB Plan

Plan Description - The City sponsors a post-retirement benefit plan providing health insurance to retiring employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Education Association Benefits Trust (MEABT). The State Legislature has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided - MEABT provides healthcare insurance benefits for retirees and their dependents. The employee must have participated in the MEABT health plan for the 12 months prior to retirement and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits. The retiree is eligible for a State subsidy of 45% of the blended single premium for the retiree only. Under State laws, the blended premium is determined by blending rates for active members and retired members. The retiree pays 55% of the blended premium rate for coverage selected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree and or spouse.

Employees Covered by Benefit Terms – At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	206
Inactive employee entitled to but not yet receiving benefits	-
Active employees	515
Total	721

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MEABT, CONTINUED

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The City’s total OPEB liability for governmental activities of \$9,324,858 was measured as of June 30, 2022, and was determined by applying an actuarial valuation as of the same date.

Changes in the Total OPEB Liability

		Total OPEB Liability
Balance at June 30, 2022	\$	9,604,074
Changes for the year:		
Service cost		184,720
Interest		207,940
Changes of benefit terms		-
Differences between expected and actual experience		58,505
Changes in assumptions or other inputs		(404,788)
Benefit payments		(325,593)
Net changes		<u>(279,216)</u>
Balance at June 30, 2023	\$	<u>9,324,858</u>

Change in assumptions reflects a change in the discount rate from 2.16% to 3.54%.

For the year ended June 30, 2023, The City recognized OPEB expense for governmental activities of \$170,576. At June 30, 2023, The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption or other inputs	\$	286,843	-
Differences between expected and actual experience		93,448	-
City contributions subsequent to the measurement date		332,177	-
Total	\$	<u>712,468</u>	<u>-</u>

\$332,177 is reported for governmental activities as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ 110,091
2025	172,866
2026	92,881
2027	92,880
2028	(38,958)
Thereafter	(49,469)

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MEABT, CONTINUED

Actuarial Assumptions - The total OPEB liability in the June 30, 2022 actuarial valuation for the total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.70%
Salary increases	2.75% per year
Discount rate	3.54% per annum
Healthcare cost trend rates - Pre-Medicare	7.95% for 2023 grading over 19 years to 4.00%
Healthcare cost trend rates – Medicare	0.00% for 2023 and 5.62% for 2024 grading over 18 years to 4.29%
Retirees’ share of the benefit related costs	55% of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate

Mortality rates were based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period June 30, 2015 through June 30, 2020.

Discount Rate - The rate used to measure the total OPEB liability was 3.54% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the City’s total OPEB liability calculated using the discount rate of 3.54%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.54%) or 1 percentage-point higher (4.54%) than the current rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ 10,800,997	9,324,858	8,133,032

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the City’s total OPEB liability calculated using the healthcare cost trend rates, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 8,063,082	9,324,858	10,905,683

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

DEFERRED COMPENSATION PLAN

The City of South Portland offers on a voluntary basis to all permanent employees working at least fifteen hours per week and covered by the City's Section 215 Agreement (Social Security), and who do not participate in the Maine Public Employees Retirement System Plan, the following options, with a City contribution: Internal Revenue Code Section 457, Deferred Compensation Plan or Internal Revenue Code Section 401(a), Defined Contribution Plan. In addition, employees who participate in the MPERS plan or 401(a) plans may also participate in the 457 Deferred Compensation Plan without a City contribution. The employees' accounts are not available until termination, retirement, death or an unforeseeable emergency. The City contributed approximately \$373,646 to the plans during the year ended June 30, 2023.

RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions. During fiscal year 2023, the City was a member of the Maine Municipal Association Property and Casualty Risk Pool which provides auto, general liability, and property insurance, as well as the Maine Municipal Associations Workers' Compensation Fund. Members of the pools have joint and several liability. If the assets of the Pool are at any time actuarially determined to be insufficient to enable the Pool to discharge its legal liabilities and other obligations and to maintain actuarially sound reserves, the Pool has the power to make up the deficiency by the levy of a pro-rated assessment upon Pool Members for the amount needed to make up the deficiency. Management believes that no such deficiency exists at June 30, 2024. The City also maintains commercial insurance for other specific liabilities with deductibles from \$1,000 to \$25,000. There have been no changes in commercial coverage from the prior year and no settlements have exceeded insurance coverage in any of the past three years.

Prior to June 30, 1993, the City was partially self-insured with respect to workers' compensation insurance coverage and maintains a \$50,000 restricted deposit with the State of Maine for this program. Deductible amounts under excess workers' compensation insurance coverage range from \$250,000 to \$350,000 per claim with an aggregate deductible ranging from \$459,000 to \$1,650,000. The City is also self-insured with respect to unemployment benefits.

The following summarizes the claims activity with respect to the City's self-insurance programs during 2023:

	<u>Workers'</u> <u>Compensation</u>	<u>Unemployment</u>
<u>Unpaid claims as of the beginning of year</u>	\$ 4,629	-
Provision for current year events	-	-
<u>Increase in provision for prior year events</u>	<u>18,570</u>	<u>5,038</u>
Total incurred claims	18,570	5,038
Payments:		
Claims attributable to current year	-	5,038
<u>Claims attributable to prior year</u>	<u>18,570</u>	-
Total payments	18,570	5,038
<u>Unpaid claims, end of year</u>	<u>\$ 4,629</u>	<u>-</u>

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

RISK MANAGEMENT, CONTINUED

The following summarizes the claims activity with respect to the City's self-insurance programs during 2022:

	<u>Workers'</u> <u>Compensation</u>	<u>Unemployment</u>
<u>Unpaid claims as of the beginning of year</u>	\$ 4,629	-
Provision for current year events	-	2,469
<u>Increase in provision for prior year events</u>	<u>14,278</u>	-
Total incurred claims	14,278	2,469
Payments:		
Claims attributable to current year	-	2,469
<u>Claims attributable to prior year</u>	<u>14,278</u>	-
Total payments		
<u>Unpaid claims, end of year</u>	<u>\$ 4,629</u>	<u>-</u>

The estimate of unpaid claims is based on a review of actual claims by an independent third party.

LEASES

The City leases cell tower space to a third party. The lease matures in 2034 and the City receives monthly payments of \$2,070, which is adjusted for inflation every five years. The City recognized \$12,446 in lease revenue and \$12,394 in interest revenue during the current fiscal year related to this lease. As of June 30, 2023, the City's receivable for lease payments was \$406,344. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$383,953.

The City leases cell tower space to a third party. The lease matures in 2043 and the City receives monthly payments of \$3,131, which is adjusted for inflation annually. The City recognized \$20,653 in lease revenue and \$16,651 in interest revenue during the current fiscal year related to this lease. As of June 30, 2023, the City's receivable for lease payments was \$543,696. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$548,516.

The City leases marina space to a third party. The lease matures in 2050 and the City receives monthly payments of \$23,539. The City recognized \$124,076 in lease revenue and \$158,394 in interest revenue during the current fiscal year related to this lease. As of June 30, 2023, the City's receivable for lease payments was \$5,212,277. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$5,092,047.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

RESTATEMENT OF FUND BALANCE AND NET POSITION

During the fiscal year ended June 30, 2023, the City discovered an error in determining previously reported year end receivables related to the Sewer Fund. The error was related to how the City was interpreting usage reports received from Portland Water District (PWD), who handles the billing for the Sewer User Fee. The error resulted in understating receivables by \$591,398. The error was corrected as of July 1, 2021 and resulted in an increase in net position as follows:

	<u>Business-type Activities</u>
Net position, as previously reported	\$ 63,416,399
<u>Previously unreported receivables</u>	<u>591,398</u>
<u>Net Position, as restated</u>	<u>\$ 64,007,797</u>

In addition, the City is participating in the National Opioid Settlement, which negotiated settlements with various pharmaceutical supply chain entities for their role in the marketing and sales of opioid pain medications. Settlements will be paid from the National Opioid Settlement fund over a period of 18 years and may be used to fund permissible opioid abatement activities as described in the court order to the Settlement. Three settlements were reached in fiscal year 2022 that were not recorded as receivable on the City's books. The error resulted in understating revenues by \$821,547 in the Government-Wide Statement of Activities and \$31,284 in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance. The error was corrected as of July 1, 2022 and resulted in an increase in fund balance and net position as follows:

	<u>Governmental Funds</u>
Fund Balance, as previously reported	\$ 87,348,610
<u>Previously unreported revenues</u>	<u>31,284</u>
<u>Fund Balance, as restated</u>	<u>\$ 87,379,894</u>

	<u>Governmental Activities</u>
Net position, as previously reported	\$ 126,251,290
<u>Previously unreported revenues</u>	<u>821,547</u>
<u>Net position, as restated</u>	<u>\$ 127,072,837</u>

CITY OF SOUTH PORTLAND, MAINE
Required Supplementary Information

Schedule of Changes in the City's Total Health Plan OPEB Liability and Related Ratios
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 150,948	164,571	142,250	104,897	119,463	100,023
Interest	83,927	86,028	100,308	171,098	153,762	154,034
Changes of benefit terms	-	-	-	(74,909)	-	-
Differences between expected and actual experience	-	(242,162)	-	(1,188,949)	-	50,155
Changes of assumptions or other inputs	(427,897)	140,622	228,289	569,061	(392,360)	227,448
Benefit payments	(140,681)	(97,965)	(94,197)	(166,351)	(159,953)	(152,457)
Net change in total OPEB Liability	(333,703)	51,094	376,650	(585,153)	(279,088)	379,203
Total OPEB liability - beginning	3,993,168	3,942,074	3,565,424	4,150,577	4,429,665	4,050,462
Total OPEB liability - ending	\$ 3,659,465	3,993,168	3,942,074	3,565,424	4,150,577	4,429,665
Covered-employee payroll	\$ 14,061,999	14,061,999	14,486,458	14,486,458	12,670,169	12,670,169
Total OPEB liability as a percent of covered-employee payroll	26.0%	28.4%	27.2%	24.6%	32.8%	35.0%

*Only six years of information available.

**There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

CITY OF SOUTH PORTLAND, MAINE
Required Supplementary Information, Continued

Schedule of Changes in the School Department's Total Health Plan OPEB Liability and Related Ratios
Last 10 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability					
Service cost	\$ 184,720	170,461	89,729	76,048	81,043
Interest	207,940	209,638	325,843	339,728	325,956
Changes of benefit terms	-	-	(879,151)	-	-
Differences between expected and actual experience	58,505	-	75,776	-	-
Changes of assumptions or other inputs	(404,788)	73,583	847,089	479,910	(376,640)
Benefit payments	(325,593)	(328,244)	(398,008)	(358,156)	(345,777)
Net change in total OPEB Liability	(279,216)	125,438	61,278	537,530	(315,418)
Total OPEB liability - beginning	9,604,074	9,478,636	9,417,358	8,879,828	9,195,246
Total OPEB liability - ending	\$ 9,324,858	9,604,074	9,478,636	9,417,358	8,879,828
Covered-employee payroll	\$ 22,754,988	22,421,039	21,874,185	23,347,539	22,722,666
Total OPEB liability as a percent of covered-employee payroll	41.0%	42.8%	43.3%	40.3%	39.1%

*Only five years of information available.

**There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

CITY OF SOUTH PORTLAND, MAINE
Required Supplementary Information, Continued

Schedule of City's Proportionate Share of the Net OPEB Liability
Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018
PLD Plan						
City's proportion of the net OPEB liability	3.3468%	3.3019%	3.1859%	3.1896%	3.1390%	3.1749%
City's proportionate share of the net OPEB liability	\$ 484,719	340,886	420,295	682,504	634,111	530,896
City's covered payroll	16,426,079	14,937,614	13,408,609	13,675,811	12,667,956	12,293,702
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	2.95%	2.28%	3.13%	4.99%	5.01%	4.32%
Plan fiduciary net position as a percentage of the total OPEB liability	55.88%	67.26%	55.40%	43.18%	43.92%	47.42%
SET Plan						
City's proportion of the net OPEB liability	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
City's proportionate share of the net OPEB liability	-	-	-	-	-	-
State's proportionate share of the net OPEB liability associated with the City	916,412	450,691	928,551	890,785	893,199	852,965
Total	\$ 916,412	450,691	928,551	890,785	893,199	852,965
Plan fiduciary net position as a percentage of the total OPEB liability	52.39%	62.90%	49.51%	49.22%	48.04%	47.29%

* Only six years of information available.

The amounts presented for each fiscal year were determined as of the prior fiscal year.

Schedule of City OPEB Contributions
Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018
PLD OPEB Plan						
Contractually required contribution	\$ 12,080	11,348	12,225	10,976	11,681	11,850
Contributions in relation to the contractually required contribution	(12,080)	(11,348)	(12,225)	(10,976)	(11,681)	(11,850)
Contribution deficiency (excess)	\$ -	-	-	-	-	-
City's covered payroll	\$ 18,840,598	16,426,079	14,937,614	13,408,609	13,675,811	12,667,956
Contributions as a percentage of covered payroll	0.06%	0.07%	0.08%	0.08%	0.09%	0.09%

* Only six years of information available.

CITY OF SOUTH PORTLAND, MAINE
Required Supplementary Information, Continued

Schedule of City's Proportionate Share of the Net Pension Liability (Asset)
Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
PLD Pension Plan									
City's proportion of the net pension liability (asset)	2.5140%	2.5398%	2.5828%	2.5616%	2.5212%	2.5383%	2.5640%	2.5958%	2.6531%
City's proportionate share of the net pension liability (asset)	\$ 6,683,127	(816,199)	10,261,907	7,829,928	6,899,904	10,392,557	13,623,357	8,281,849	4,082,632
City's covered payroll	16,426,079	14,937,614	13,408,609	13,675,811	12,667,956	12,293,702	11,567,444	10,562,181	9,928,201
City's proportionate share of net Pension liability (asset) as a percentage of its covered payroll	40.69%	-5.46%	76.53%	57.25%	54.47%	84.54%	117.77%	78.41%	41.12%
Plan fiduciary net position as a percentage of the total pension liability	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	81.61%	88.27%	94.10%
SET Pension Plan									
City's proportion of the net pension liability	0.135%	0.108%	0.079%	0.089%	0.0868%	0.1057%	0.0960%	0.0951%	0.0684%
City's proportionate share of the net pension liability	\$ 2,005,462	916,402	1,289,610	1,304,981	1,171,829	1,534,939	1,695,765	1,284,556	739,151
State's proportionate share of the net pension liability associated with the City	27,620,276	16,399,934	32,514,810	28,353,847	26,564,893	28,198,719	33,940,464	25,808,454	20,178,883
Total	\$ 29,625,738	17,316,336	33,804,420	29,658,828	27,736,722	29,733,658	35,636,229	27,093,010	20,918,034
City's covered payroll	\$ 28,085,767	\$ 27,347,869	\$ 26,774,977	25,636,843	25,252,193	24,703,124	23,686,664	22,885,971	21,703,551
City's proportion share of the net pension liability as a percentage of its covered payroll	7.14%	3.35%	4.82%	5.09%	4.64%	6.21%	7.16%	5.61%	3.41%
Plan fiduciary net position as a percentage of the total pension liability	85.79%	90.90%	81.03%	82.73%	82.90%	80.78%	76.21%	81.18%	83.91%

* Only nine years of information available.

The amounts presented for each fiscal year were determined as of the prior fiscal year.

CITY OF SOUTH PORTLAND, MAINE
Required Supplementary Information, Continued

Schedule of City Pension Contributions
Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)
 Last 10 Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
PLD Plan									
Contractually required contribution	\$ 2,207,413	1,658,161	1,732,557	1,551,737	1,565,840	1,398,549	1,300,791	1,197,620	1,027,150
Contributions in relation to the contractually required contribution	(2,207,413)	(1,658,161)	(1,732,557)	(1,551,737)	(1,565,840)	(1,398,549)	(1,300,791)	(1,197,620)	(1,027,150)
Contribution deficiency (excess)	\$ -	-							
SET Plan									
Contractually required contribution	\$ 1,237,092	1,078,435	1,137,004	1,113,504	1,017,746	1,002,500	829,843	795,989	606,477
Contributions in relation to the contractually required contribution	(1,237,092)	(1,078,435)	(1,137,004)	(1,113,504)	(1,017,746)	(1,002,500)	(829,843)	(795,989)	(606,477)
Contribution deficiency (excess)	\$ -	-							
City's covered payroll	\$ 18,840,598	16,426,079	14,937,614	13,408,609	13,675,811	12,667,956	12,293,702	11,567,444	10,562,181
Contributions as a percentage of covered payroll	11.72%	10.09%	11.60%	11.57%	11.45%	11.04%	10.58%	10.35%	9.72%
City's covered payroll	\$ 32,218,888	28,085,767	27,347,869	26,774,977	25,636,843	25,252,193	24,703,124	23,686,664	22,885,971
Contributions as a percentage of covered payroll	3.84%	3.84%	4.16%	4.16%	3.97%	3.97%	3.36%	3.36%	2.65%

* Only nine years of information available.

CITY OF SOUTH PORTLAND, MAINE
Notes to Required Supplementary Information

Net Pension Liability

Changes of Benefit Terms - None

Changes of Assumptions - The following are changes in actuarial assumptions used in the most recent valuations:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Discount rate - PLD	6.50%	6.75%	6.75%	6.75%	6.875%	7.125%	7.250%	7.25%
Discount rate - SET	6.50%	6.75%	6.75%	6.75%	6.875%	7.125%	7.125%	7.25%
Inflation rate	2.75%	2.75%	2.75%	2.75%	2.75%	3.50%	3.50%	3.50%
Salary increases - PLD	2.75%-11.48%	2.75% + merit	2.75-9.00%	2.75-9.00%	2.75-9.00%	3.50-9.50%	3.50-9.50%	3.50-9.50%
Salary increases - SET	2.80%-13.03%	2.75% + merit	2.75-14.50%	2.75-14.50%	2.75-14.50%	3.50-13.50%	3.50-13.50%	3.50-13.50%
Cost of living increases - PLD	1.91%	1.91%	1.91%	1.91%	2.20%	2.55%	3.12%	3.12%
Cost of living increases - SET	2.20%	2.20%	2.20%	2.20%	2.20%	2.55%	2.55%	2.55%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. From 2016 to 2020, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table. Starting in 2021, mortality rates were based on the 2010 Public Plan General Benefits (PLD) and Teacher Benefits (SET) Weighted Healthy Retiree Mortality Tables.

Net OPEB Liability

Changes of Benefit Terms - None

Changes of Assumptions - The following are changes in actuarial assumptions used in the most recent valuations:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate - SET	6.50%	6.75%	6.75%	6.75%	6.875%
Discount rate - PLD	6.50%	6.75%	4.98%	5.13%	5.41%

Mortality rates:

In 2017, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table. Starting in 2021, mortality rates were based on the 2010 Public Plan General Benefits (PLD) and Teacher Benefits (SET) Weighted Healthy Retiree Mortality Tables.

Total OPEB Liability

Changes of Benefit Terms - Change for MEABT plan in 2021 due to addition of Medicare Advantage Plan.

Changes of Assumptions - Changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

	<u>2023</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate - MMEHT Health Plan	3.72%	2.06%	2.12%	2.12%	4.10%	3.44%	3.78%
Discount rate - MEABT Health Plan	3.54%	2.16%	2.21%	2.21%	3.87%	3.58%	N/A

Additionally, the valuation method for the Town Health Plan was changed from the Projected Unit Credit funding method in 2017 to the Entry Age Normal funding method in 2018.

Mortality rates:

In 2017-2020, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table. Starting in 2021, mortality rates were based on the 2010 Public Plan General Benefits (MMEHT) and Teacher Benefits (MEABT) Weighted Healthy Retiree Mortality Tables.

Other Information - There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

** This schedule is intended to show information for ten years, but only the years in which changes occurred have been displayed. Additional years' information will be displayed as it becomes available.*

GENERAL FUND

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The fund pays general operating expenditures, fixed charges and capital improvement costs which are not paid through other funds.

CITY OF SOUTH PORTLAND, MAINE
General Fund
Comparative Balance Sheets
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 2,907,118	648,476
Investments	31,000,162	37,200,799
Due from other governments	447,584	693,145
Receivables, net of allowance of \$1,982,245	475,773	590,786
Taxes receivable	828,833	547,314
Tax liens and tax acquired property	153,674	136,289
Lease Receivable	6,162,317	6,319,490
Interfund loans receivable	5,720,709	4,540,187
Restricted assets, cash	50,000	50,000
Total assets	47,746,170	50,726,486
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	2,551,350	3,827,043
Accrued liabilities	1,179,453	1,870,274
Due to other governments	1,505,122	-
Unearned revenue	165,864	-
Accrued teachers' summer salaries and benefits	5,331,544	5,888,803
Total liabilities	10,733,333	11,586,120
Deferred inflows of resources:		
Unavailable revenue - property taxes	637,394	564,000
Lease related	6,024,516	6,255,825
Total deferred inflows of resources	6,661,910	6,819,825
Fund balances:		
Nonspendable	137,801	63,665
Restricted	4,963,708	5,918,840
Committed	5,276,027	5,036,637
Assigned	4,080,341	6,015,262
Unassigned	15,893,050	15,286,137
Total fund balances	30,350,927	32,320,541
Total liabilities, deferred inflows of resources and fund balances	\$ 47,746,170	50,726,486

CITY OF SOUTH PORTLAND, MAINE
General Fund
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the year ended June 30, 2023

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes:			
Property	\$ 71,984,974	72,488,343	503,369
Excise	6,536,000	6,471,436	(64,564)
Interest and penalties	80,000	(34,374)	(114,374)
Payments in lieu of taxes	321,150	325,855	4,705
Total taxes	78,922,124	79,251,260	329,136
Intergovernmental:			
State revenue sharing	3,500,000	4,362,821	862,821
State BETE Revenue	2,600,000	2,559,167	(40,833)
Homestead reimbursement	1,412,000	1,155,086	(256,914)
State education subsidy	9,783,785	9,770,737	(13,048)
State agency client	10,498	96,461	85,963
MaineCare	40,000	143,193	103,193
General assistance	9,978,491	1,347,350	(8,631,141)
Other State revenue	423,916	337,141	(86,775)
Total intergovernmental	27,748,690	19,771,956	(7,976,734)
Licenses, permits, fees, and fines:			
Cable franchise fee	163,000	142,451	(20,549)
City clerk	195,600	222,408	26,808
Planning	65,500	33,992	(31,508)
Police	75,705	88,643	12,938
Code enforcement	735,000	596,608	(138,392)
Other	12,100	17,471	5,371
Total licenses, permits, fees, and fines	1,246,905	1,101,573	(145,332)
Charges for services:			
Rent and leases	262,000	189,926	(72,074)
Finance and information technology	396,000	253,693	(142,307)
Fire	1,011,000	1,456,574	445,574
Public works - transfer facility	147,200	173,712	26,512
Culture, Parks, and recreation	1,131,525	1,724,341	592,816
Other	-	5,014	5,014
Education	120,000	143,351	23,351
Total charges for services	3,067,725	3,946,611	878,886
Intercity charges:			
Executive	81,862	72,455	(9,407)
Finance	40,674	53,561	12,887
Information technology	112,361	112,361	-
Human resources	5,000	5,000	-
Insurance & employee benefits	124,902	100,766	(24,136)
Police	106,849	121,978	15,129
Public works	40,673	12,626	(28,047)
Parks & recreation	20,000	11,454	(8,546)
General assistance	2,489,482	414,888	(2,074,594)
Total Intercity	3,021,803	905,089	(2,116,714)
Unclassified:			
City clerk	20,000	25,846	5,846
Finance	12,000	19,435	7,435
Police and fire	9,000	40,456	31,456
Planning and code enforcement	3,500	2,240	(1,260)
Public works	18,500	11,242	(7,258)
Sale of surplus property	-	2,875	2,875
Other	4,600	6,189	1,589
Education	148,041	56,828	(91,213)
Total unclassified	215,641	165,111	(50,530)
Interest earned	400,000	890,169	490,169
Total revenues	114,622,888	106,031,769	(8,591,119)

CITY OF SOUTH PORTLAND, MAINE
General Fund
Schedule of Revenues, Expenditures, and Changes
For the year ended June 30, 2023

	Budget	Actual	Variance positive (negative)
Expenditures:			
Current:			
General government:			
City council	\$ 309,534	241,088	68,446
Executive	424,052	433,660	(9,608)
City clerk	302,801	310,086	(7,285)
Corporation council	253,244	312,655	(59,411)
Finance	1,421,812	1,360,149	61,663
Information technology	772,274	829,938	(57,664)
Planning	416,901	356,263	60,638
Sustainability	284,079	236,167	47,912
Human resources	477,935	493,098	(15,163)
Facilities	981,811	835,218	146,593
Citywide insurance and benefit costs	8,786,461	8,603,119	183,342
General government encumbrances	-	3,500	(3,500)
Total general government	14,430,904	14,014,941	415,963
Public safety:			
Police department	5,599,498	5,612,537	(13,039)
Fire department	6,050,169	6,355,590	(305,421)
Communications	1,165,420	1,263,878	(98,458)
Code enforcement	589,958	667,225	(77,267)
Civil service	-	3,200	(3,200)
Public safety encumbrances	-	206,549	(206,549)
Total public safety	13,405,045	14,108,979	(703,934)
Public works:			
Administration	267,078	248,304	18,774
Streets and sidewalks	2,929,982	2,978,168	(48,186)
Rubbish disposal	1,590,569	1,488,568	102,001
Public works garage	290,983	258,443	32,540
Transfer facility	322,586	323,220	(634)
Public works encumbrances	-	27,746	(27,746)
Total public works	5,401,198	5,324,449	76,749
Culture:			
Public library	831,579	817,332	14,247
Total culture	831,579	817,332	14,247
Parks and recreation:			
Administration	174,797	166,123	8,674
Parks	1,438,829	1,414,616	24,213
Pool	404,025	411,889	(7,864)
Recreation	1,674,140	1,790,886	(116,746)
Parks and recreation encumbrances	-	(4,861)	4,861
Total parks and recreation	3,691,791	3,778,653	(86,862)
Total culture, parks, and recreation	4,523,370	4,595,985	(72,615)
Transportation and waterfront:			
Waterfront	60,557	59,000	1,557
Total transportation and waterfront	60,557	59,000	1,557

CITY OF SOUTH PORTLAND, MAINE
General Fund
Schedule of Revenues, Expenditures, and Changes
For the year ended June 30, 2023

	Budget	Actual	Variance positive (negative)
Expenditures, continued:			
Current, continued:			
Health, welfare, and social services:			
Welfare:			
Administration	\$ 260,214	266,970	(6,756)
General assistance	12,771,569	1,415,816	11,355,753
Total welfare	13,031,783	1,682,786	11,348,997
Health	124,000	103,990	20,010
Total health, welfare, and social services	13,155,783	1,786,776	11,369,007
Intergovernmental - County tax	4,241,373	4,746,495	(505,122)
Other:			
Contingency and abatement reserve	378,292	29,265	349,027
Total other	378,292	29,265	349,027
Education	59,201,296	58,142,755	1,058,541
Debt service (excluding education):			
Principal	1,329,897	1,319,897	10,000
Interest	751,969	746,462	5,507
Total debt service	2,081,866	2,066,359	15,507
Total expenditures	116,879,684	104,875,004	12,004,680
Excess (deficiency) of revenues over (under) expenditures	(2,256,796)	1,156,765	3,413,561
Other financing sources (uses):			
Budgeted use of surplus - School	1,500,000	-	(1,500,000)
Tax rate stabilization fund	950,000	-	(950,000)
Transfers in - City	3,500	3,500	-
Transfers in - School	320,796	320,796	-
Transfers out - City	(32,500)	(2,845,037)	(2,812,537)
Transfers out - School	(485,000)	(1,951,046)	(1,466,046)
Total other financing sources (uses)	2,256,796	(4,471,787)	(6,728,583)
Net change in fund balance - budgetary basis	-	(3,315,022)	(3,315,022)
Reconciliation to GAAP basis:			
Change in encumbrances - City		95,041	
Change in encumbrances - School		(128,990)	
Change in reserves		1,379,357	
Net change in fund balance - GAAP basis		(1,969,614)	
Fund balance, beginning of year		32,320,541	
Fund balance, end of year	\$	30,350,927	

CITY OF SOUTH PORTLAND, MAINE

General Fund - Education

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2023

	Budget	Actual	Variance positive (negative)
Revenues:			
Local assessment	\$ 47,763,176	47,763,176	-
State education subsidy	9,783,785	9,770,737	(13,048)
State agency client	10,498	96,461	85,963
MaineCare	40,000	143,193	103,193
Charges for services	120,000	143,351	23,351
Other	148,041	56,828	(91,213)
Total revenues	57,865,500	57,973,746	108,246
Expenditures:			
Current:			
Brown Elementary	2,546,734	2,282,075	264,659
Dyer Elementary	1,884,354	1,909,722	(25,368)
Kaler Elementary	2,189,944	1,977,506	212,438
Skillin Elementary	3,521,128	3,090,880	430,248
Small Elementary	2,270,906	2,221,585	49,321
Mahoney Middle School	3,095,508	3,844,608	(749,100)
Memorial Middle School	4,069,497	4,004,299	65,198
South Portland High School	7,543,012	7,488,191	54,821
K-12 instrumental music	117,814	76,241	41,573
6-12 athletics	998,424	937,091	61,333
Special education	11,614,800	11,001,621	613,179
Health	693,891	606,985	86,906
Board of Education	356,067	155,937	200,130
Superintendent of Schools	577,425	580,834	(3,409)
Assistant Superintendent	1,597,058	1,536,161	60,897
Curriculum	780,105	525,013	255,092
Technology	897,043	1,062,516	(165,473)
Business office	1,008,671	1,099,375	(90,704)
Operations/maintenance	4,910,959	5,344,469	(433,510)
Transportation	2,461,739	2,319,684	142,055
Debt service:			
Principal	2,802,041	2,802,041	-
Interest	3,264,176	3,275,921	(11,745)
Total expenditures	59,201,296	58,142,755	1,058,541
Excess (deficiency) of revenues over (under) expenditures	(1,335,796)	(169,009)	1,166,787
Other financing sources (uses):			
Transfers in	320,796	320,796	-
Transfers out	(485,000)	(1,951,046)	(1,466,046)
Budgeted use of surplus	1,500,000	-	(1,500,000)
Total other financing sources (uses)	1,335,796	(1,630,250)	(2,966,046)
Net change in fund balances - budgetary basis	-	(1,799,259)	(1,799,259)
Reconciliation to GAAP basis:			
Change in encumbrances		(128,990)	
Change in reserves		973,117	
Net change in fund balance - GAAP basis		(955,132)	
Fund balance, beginning of year		5,918,840	
Fund balance, end of year	\$	4,963,708	

CITY OF SOUTH PORTLAND, MAINE
Reserves - General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2023

	Fund balance beginning of year	Revenues			Expenditures	Other financing sources (uses)	Fund balance end of year
		Other	Investment earnings (loss)	Transfers			
<u>City committed reserves:</u>							
1801 Equipment replacement	\$ 229,272	-	5,790	-	12,610	247,672	
1803 Unemployment - City	70,395	-	1,692	5,038	-	67,049	
1804 Self-Insurance - City	189,616	160,398	3,859	199,297	12,500	167,076	
1805 Municipal facilities	74,990	198	1,894	22,959	20,000	74,123	
1806 Safety reserve	248,302	21,171	5,185	23,695	-	250,963	
1807 Computerization project	123,527	2,805	3,543	21,531	38,576	146,920	
1809 Litigation - legal	85,414	-	2,086	225	-	87,275	
1822 Communication equipment - police	26,840	-	1,067	-	10,000	37,907	
1824 Body armor - police	13,853	-	-	-	5,000	18,853	
1830 Fire	628,834	68,651	45,768	-	(16,000)	727,253	
1834 Traffic improvements	108,898	-	2,664	-	-	111,562	
1836 Public works equipment	42,192	-	1,032	-	-	43,224	
1840 Snow removal	421,603	-	10,340	-	-	431,943	
1842 Library	3,944	-	97	-	-	4,041	
1844 Parks and Recreation equipment	12,007	-	342	-	3,400	15,749	
1845 Cummings Road sewer	228,765	-	5,597	-	-	234,362	
1847 Bus	122,175	920	2,619	84,407	-	41,307	
1850 Senior Property Tax Program	40,544	-	992	32,170	-	9,366	
1858 Climate Action Plan	29,998	-	734	-	-	30,732	
1861 Tax stabilization	2,259,195	-	55,270	-	-	2,314,465	
1864 Call company retirement	38,586	-	944	-	-	39,530	
1869 Energy efficient	216	-	5	-	-	221	
1871 Solid waste	37,471	-	917	-	-	38,388	
1872 Municipal buildings & land acq.	(753,154)	892,680	-	3,480	-	136,046	
Subtotal City committed reserves	4,283,483	1,146,823	152,437	392,802	86,086	5,276,027	
<u>City assigned reserves:</u>							
1828 Vehicle replacement - police	42,612	74,623	-	-	-	117,235	
1867 Phone system	85,689	-	2,296	1,093	14,652	101,544	
1868 Compensated absences	1,398,946	-	34,224	-	-	1,433,170	
1899 Investment unrealized gain (loss)	(899,907)	-	(709,828)	-	-	(1,609,735)	
2172 Outside OT - Police	76,831	183,533	-	191,900	-	68,464	
2173 Outside OT - Fire	8,438	-	-	-	-	8,438	
2176 Fuel distribution	111,444	-	-	(7,189)	-	118,633	
Subtotal City assigned reserves	824,053	258,156	(673,308)	185,804	14,652	237,749	
Total City reserves	5,107,536	1,404,979	(520,871)	578,606	100,738	5,513,776	
<u>School reserves:</u>							
0202 Restricted school reserve funds:							
School consolidation	195	-	-	184,179	350,000	166,016	
School tech upgrade	(745,017)	-	-	138,159	760,000	(123,176)	
Unemployment - School	(20,724)	-	-	-	20,724	-	
School bus	27,417	-	-	27,417	-	-	
School elementary	2,581	-	-	-	90,000	92,581	
Self-insurance - School	7,718	-	-	-	-	7,718	
Musical program	79,410	-	-	-	-	79,410	
Maintenance	68,075	-	-	57,557	150,000	160,518	
Adult education	4,147	-	-	-	-	4,147	
Student educational support	17,146	15	-	-	-	17,161	
Laptop repair	(11,492)	-	-	2,003	11,492	(2,003)	
Special education	150,000	-	-	-	-	150,000	
0456 School facility	8,199	-	201	-	-	8,400	
Total School reserves	(412,345)	15	201	409,315	1,382,216	560,772	
Total reserves	\$ 4,695,191	1,404,994	(520,670)	987,921	1,482,954	6,074,548	

TIF FUNDS

CITY OF SOUTH PORTLAND, MAINE
TIF Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2023

	2501 Fairchild Semiconductor	2502 Texas Instruments	2503 One Wallace Avenue	2504 Cummings Road	2505 Long Creek	2507 Affordable Housing	2508 Jared	2509 Hannaford	2510 Downtown	2511 Transit	2550 Economic Development	Total
Revenues:												
Taxes	\$ 129,371	1,027,557	81,511	-	-	417,112	18,048	155,968	175,977	23,954	-	2,029,498
State BETE revenue	1,501,792	-	-	-	-	-	-	-	-	-	-	1,501,792
Investment earnings	89,549	40,667	23,863	448	14,817	19,127	3,087	28,830	29,816	3,118	584	253,906
Total revenues	1,720,712	1,068,224	105,374	448	14,817	436,239	21,135	184,798	205,793	27,072	584	3,785,196
Expenditures:												
Current:												
General government	131,859	134,832	129,260	20,301	118,748	783	16,993	-	-	-	-	552,776
Public works	11,801	11,801	-	2,810	1,405	-	281	-	-	-	-	28,098
Other	124,730	-	-	-	-	40,887	-	-	-	-	-	165,617
Total expenditures	268,390	146,633	129,260	23,111	120,153	41,670	17,274	-	-	-	-	746,491
Excess (deficiency) of revenues over (under) expenditures	1,452,322	921,591	(23,886)	(22,663)	(105,336)	394,569	3,861	184,798	205,793	27,072	584	3,038,705
Other financing sources (uses):												
Transfers out	(120,199)	-	-	-	-	(320,796)	-	279,046	-	-	(822)	(162,771)
Total other financing sources (uses)	(120,199)	-	-	-	-	(320,796)	-	279,046	-	-	(822)	(162,771)
Net change in fund balances	1,332,123	921,591	(23,886)	(22,663)	(105,336)	73,773	3,861	463,844	205,793	27,072	(238)	2,875,934
Fund balances, beginning of year	2,640,968	659,602	916,706	27,111	607,307	472,308	115,844	875,922	1,061,695	106,067	-	7,483,530
Fund balances, end of year	\$ 3,973,091	1,581,193	892,820	4,448	501,971	546,081	119,705	1,339,766	1,267,488	133,139	(238)	10,359,464

CAPITAL PROJECTS FUNDS

CITY OF SOUTH PORTLAND, MAINE
Capital Project Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2023

	Fund balance (deficit) beginning of year	Revenues			Expenditures	Other financing sources (uses)		Fund balance (deficit) end of year
		Other	Intergov- ernmental	Investment earnings		Issuance of debt	Transfers	
City capital projects:								
4011 Paving	\$ 70,683	-	-	1,730	-	-	-	72,413
4012 Bug Light Park	18,785	235	-	-	-	-	-	19,020
4018 Chlorination/dechlorinate	17,227	-	-	-	-	-	-	17,227
4045 City FY 03 projects	132	-	-	-	-	-	-	132
4059 City Facilities	120,000	-	-	-	77,673	-	-	42,327
4061 Library CIP	59,036	-	-	-	36,969	-	-	22,067
4063 Police CIP	342,401	-	-	5,989	49,458	-	-	298,932
4064 Fire CIP	605,602	-	-	5,913	9,391	-	191,000	793,124
4072 Public works CIP	1,876,098	-	-	20,925	928,186	-	(279,046)	689,791
4077 Parks and recreation CIP	847,182	6,237	-	-	583,467	-	-	269,952
4079 Municipal services facility	49,772	-	-	978	11,315	-	-	39,435
4080 Bus CIP	172,266	-	-	-	56,143	-	-	116,123
4081 Waterfront CIP	12,990	-	-	-	-	-	-	12,990
4151 Municipal projects CIP	377,937	-	-	-	1,164	-	-	376,773
4155 Information technology CIP	80,208	-	-	-	73,028	-	-	7,180
4156 Planning CIP	420,944	-	-	-	112,578	-	-	308,366
4157 Sustainability CIP	26,815	-	-	-	12,193	-	-	14,622
4164 Cash Corner Fire Station	304,642	-	-	-	-	-	-	304,642
4200 CIP	-	-	-	-	809,499	-	2,452,145	1,642,646
Total City capital projects	5,402,720	6,472	-	35,535	2,761,064	-	2,364,099	5,047,762
School capital projects:								
0300 Middle School Project	32,498,820	-	-	364,284	28,730,868	-	-	4,132,236
0301 School FY 02 projects	(10,794)	-	-	-	-	-	-	(10,794)
0304 Facilities/Bus Garage	(12,996)	-	-	-	-	-	-	(12,996)
0400 School FY 03 projects	6,137	-	-	134	2,705	-	-	3,566
0401 School FY 04 projects	31,554	-	-	739	5,765	-	-	26,528
0402 School FY 01 projects	7,220	-	-	174	393	-	-	7,001
0403 School FY 05 projects	21,103	-	-	470	7,915	-	-	13,658
0404 School FY 07 projects	2,334	-	-	-	-	-	-	2,334
0455 School FY 08 projects	7,336	-	-	-	-	-	-	7,336
Total School capital projects	32,550,714	-	-	365,801	28,747,646	-	-	4,168,869
Total capital projects	\$ 37,953,434	6,472	-	401,336	31,508,710	-	2,364,099	9,216,631

ALL OTHER GOVERNMENTAL FUNDS

CITY OF SOUTH PORTLAND, MAINE
All Other Governmental Funds
Combining Balance Sheet
June 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
ASSETS			
Cash and cash equivalents	10,448,986	20	10,449,006
Investments	\$ 36,017	347,677	383,694
Due from other governments	3,941,667	-	3,941,667
Accounts receivable, net of allowance of \$3,445	1,035,412	-	1,035,412
Loans receivable	30,418	-	30,418
Inventory	53,323	-	53,323
Total assets	15,545,823	347,697	15,893,520
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	302,002	-	302,002
Accrued liabilities	21,017	-	21,017
Due to Other Governments			
Interfund loans payable	2,104,627	-	2,104,627
Accrued teachers' summer salaries	422,720	-	422,720
Total liabilities	2,850,366	-	2,850,366
Deferred inflows of resources:			
Unavailable revenue - settlement proceeds	868,879	-	868,879
Total deferred inflows of resources	868,879	-	868,879
Fund balances:			
Nonspendable	53,323	193,519	246,842
Restricted	9,068,368	154,178	9,222,546
Committed	2,893,652	-	2,893,652
Unassigned	(188,765)	-	(188,765)
Total fund balances	11,826,578	347,697	12,174,275
Total liabilities and fund balances	\$ 15,545,823	347,697	15,893,520

CITY OF SOUTH PORTLAND, MAINE
All Other Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
Revenues:			
Taxes	\$ 25,000	-	25,000
Intergovernmental	12,580,132	-	12,580,132
Charges for services	963,473	-	963,473
Investment income (loss)	197,082	8,241	205,323
Other	609,039	-	609,039
Total revenues	14,374,726	8,241	14,382,967
Expenditures:			
Current:			
General government	1,395,561	-	1,395,561
Public safety	315,589	-	315,589
Public works	1,480,107	-	1,480,107
Culture and recreation	193,441	-	193,441
Transportation and waterfront	796,446	-	796,446
Education	5,599,955	-	5,599,955
School lunch program	2,712,780	-	2,712,780
Other	-	1,510	1,510
Total expenditures	12,493,879	1,510	12,495,389
Excess (deficiency) of revenues over (under) expenditures	1,880,847	6,731	1,887,578
Other financing sources (uses):			
Transfers in (out)	668,530	-	668,530
Total other financing sources (uses)	668,530	-	668,530
Net change in fund balances	2,549,377	6,731	2,556,108
Fund balances, beginning of year, as restated	9,277,201	340,966	9,618,167
Fund balances, end of year	\$ 11,826,578	347,697	12,174,275

NONMAJOR SPECIAL REVENUE FUNDS

Nonmajor special revenue funds account for specific resources, the expenditure of which is restricted by law or administrative action for particular purposes.

CITY OF SOUTH PORTLAND, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2023

	City Special Revenues Funds	School Grant Funds	School Adult Education	Student Activity Funds	School Lunch Fund	Total Nonmajor Special Revenue Funds
ASSETS						
Cash and cash equivalents	9,967,230	-	316	185,491	295,949	10,448,986
Investments	\$ 36,017	-	-	-	-	36,017
Due from other governments	716,259	3,061,118	-	-	164,290	3,941,667
Accounts receivable, net of allowance of \$3,445	968,642	66,770	-	-	-	1,035,412
Loans receivable	30,418	-	-	-	-	30,418
Inventory	-	-	-	-	53,323	53,323
Total assets	11,718,566	3,127,888	316	185,491	513,562	15,545,823
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	164,513	132,708	58	-	4,723	302,002
Accrued liabilities	21,017	-	-	-	-	21,017
Interfund loans payable	-	2,104,627	-	-	-	2,104,627
Accrued teachers' summer salaries	-	412,646	2,534	-	7,540	422,720
Total liabilities	185,530	2,649,981	2,592	-	12,263	2,850,366
Deferred inflows of resources:						
Unavailable revenue - settlement proceeds	868,879	-	-	-	-	868,879
Total deferred inflows of resources	868,879	-	-	-	-	868,879
Fund balances:						
Nonspendable	-	-	-	-	53,323	53,323
Restricted	7,995,119	625,273	-	-	447,976	9,068,368
Committed	2,708,161	-	-	185,491	-	2,893,652
Unassigned	(39,123)	(147,366)	(2,276)	-	-	(188,765)
Total fund balances (deficit)	10,664,157	477,907	(2,276)	185,491	501,299	11,826,578
Total liabilities and fund balances	\$ 11,718,566	3,127,888	316	185,491	513,562	15,545,823

CITY OF SOUTH PORTLAND, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2023

	City Special Revenues Funds	School Grant Funds	School Adult Education	Student Activity Funds	School Lunch Fund	Total Nonmajor Special Revenue Funds
Revenues:						
Taxes	\$ -	-	25,000	-	-	25,000
Intergovernmental	4,993,183	5,319,236	12,579	-	2,255,134	12,580,132
Charges for services	639,450	-	-	40,685	283,338	963,473
Investment income (loss)	197,082	-	-	-	-	197,082
Other	271,524	273,489	-	63,887	139	609,039
Total revenues	6,101,239	5,592,725	37,579	104,572	2,538,611	14,374,726
Expenditures:						
Current:						
General government	1,395,561	-	-	-	-	1,395,561
Public safety	315,589	-	-	-	-	315,589
Public works	1,480,107	-	-	-	-	1,480,107
Culture and recreation	193,441	-	-	-	-	193,441
Transportation and waterfront	796,446	-	-	-	-	796,446
Education	-	5,440,287	40,360	119,308	-	5,599,955
School lunch program	-	-	-	-	2,712,780	2,712,780
Total expenditures	4,181,144	5,440,287	40,360	119,308	2,712,780	12,493,879
Excess (deficiency) of revenues over (under) expenditures	1,920,095	152,438	(2,781)	(14,736)	(174,169)	1,880,847
Other financing sources (uses):						
Transfers in (out)	92,899	23,124	-	-	552,507	668,530
Total other financing sources and (uses)	92,899	23,124	-	-	552,507	668,530
Net change in fund balances	2,012,994	175,562	(2,781)	(14,736)	378,338	2,549,377
Fund balances, beginning of year (restated)	8,651,163	302,345	505	200,227	122,961	9,277,201
Fund balances (deficit), end of year	\$ 10,664,157	477,907	(2,276)	185,491	501,299	11,826,578

NONMAJOR PERMANENT FUNDS

Nonmajor permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

CITY OF SOUTH PORTLAND, MAINE
Nonmajor Permanent Funds
Combining Balance Sheet
June 30, 2023

	7001	7002	7003	7004	7006	7007	7008	7009	
	Lillian Anderson Bequest	Lois V. Whitten Bequest	Reta Nappi Bequest	Virginia Boyd Bequest	Sandra Coolbroth Trust	Callahan Trust	Virginia Lewis Bequest	W.P. Adams Maintenance Liberty Ship Memorial	Total
ASSETS									
Cash and cash equivalents	\$ -	20	-	-	-	-	-	-	20
Investments	29,517	-	2,958	4,014	97,952	134,866	47,170	31,200	347,677
Total assets	29,517	20	2,958	4,014	97,952	134,866	47,170	31,200	347,697
LIABILITIES AND FUND BALANCES									
Liabilities:									
Interfund loans payable	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-
Fund balances:									
Nonspendable principal	16,406	-	1,566	3,150	52,238	70,502	24,657	25,000	193,519
Restricted	13,111	20	1,392	864	45,714	64,364	22,513	6,200	154,178
Total fund balances	29,517	20	2,958	4,014	97,952	134,866	47,170	31,200	347,697
Total liabilities and fund balances	\$ 29,517	20	2,958	4,014	97,952	134,866	47,170	31,200	347,697

CITY OF SOUTH PORTLAND, MAINE
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2023

	7001	7002	7003	7004	7006	7007	7008	7009	Total
	Lillian Anderson Bequest	Lois V. Whitten Bequest	Reta Nappi Bequest	Virginia Boyd Bequest	Sandra Coolbroth Trust	Callahan Trust	Virginia Lewis Bequest	W.P. Adams Maintenance Liberty Ship Memorial	
Revenues:									
Investment income									
Interest income	\$ 372	1	37	51	1,239	1,707	597	395	4,399
Unrealized gain/(loss)	330	-	34	44	1,089	1,498	524	323	3,842
Total revenues	702	1	71	95	2,328	3,205	1,121	718	8,241
Expenditures:									
Other	127	-	13	18	422	582	203	145	1,510
Total expenditures	127	-	13	18	422	582	203	145	1,510
Net change in fund balances	575	1	58	77	1,906	2,623	918	573	6,731
Fund balances, beginning of year	28,942	19	2,900	3,937	96,046	132,243	46,252	30,627	340,966
Fund balances, end of year	\$ 29,517	20	2,958	4,014	97,952	134,866	47,170	31,200	347,697

PROPRIETARY FUND

CITY OF SOUTH PORTLAND, MAINE
Proprietary Fund
Schedule of Revenues, Expenses, and Changes in Net Position -
Budget and Actual
For the year ended June 30, 2023

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 6,830,091	6,830,091	7,246,509	416,418
Interest and penalties	-	-	343	343
Licenses	74,355	74,355	57,700	(16,655)
Other	2,500	2,500	20,939	18,439
Total operating revenues	6,906,946	6,906,946	7,325,491	418,545
Operating expenses:				
Administration	183,950	183,950	186,156	(2,206)
Treatment plant	1,303,184	1,303,184	1,171,708	131,476
Pump stations	682,076	682,076	561,757	120,319
Billing	208,164	208,164	218,346	(10,182)
Sewer maintenance	965,382	965,382	879,037	86,345
Engineering	268,697	268,697	253,190	15,507
Debt service	95,193	95,193	95,193	-
Compliance	97,047	97,047	98,693	(1,646)
Sludge disposal	549,139	549,139	810,821	(261,682)
Insurance	1,053,577	1,053,577	910,801	142,776
Total operating expenses	5,406,409	5,406,409	5,185,702	220,707
Operating income	1,500,537	1,500,537	2,139,789	639,252
Nonoperating revenue (expense):				
Interest revenue	2,500	2,500	47,620	45,120
Equipment reserve	(1,542,240)	(1,542,240)	(1,542,240)	-
Total nonoperating expenses	(1,539,740)	(1,539,740)	(1,494,620)	45,120
Income before transfers	(39,203)	(39,203)	645,169	684,372
Other financing uses:				
Use of Surplus	40,067	40,067	-	(40,067)
Transfers out	(864)	(864)	(864)	-
Total other financing uses	39,203	39,203	(864)	(40,067)
Change in net position - budgetary basis	-	-	644,305	644,305
Reconciliation to GAAP basis:				
Revenues and expenditures in the reserve funds are included on the GAAP basis, but not the budgetary basis:				
Reserve revenues			217,057	
Insurance reimbursement			120,416	
Insurance expense			(127,262)	
Reserve expenditures			(1,130,885)	
Transfers into reserves			1,542,240	
Capital outlays are recorded as expenditures on the budgetary basis, but are capitalized and expensed over their useful life on the GAAP basis:				
Purchase of capital assets			1,219,097	
Depreciation expense			(2,222,215)	
Change in accruals are recorded on the GAAP basis, but not on the budgetary basis:				
Pension and OPEB			171,816	
Note proceeds provide current financial resources on a budgetary basis, but issuing debt increases long-term liabilities on the statement of net position.				
Repayment of bond principal is an expenditure on the budgetary basis, but reduces the long-term liability on the GAAP basis:				
Note principal			197,103	
Change in net position - GAAP basis			631,672	
Net position, beginning of year, as restated			67,571,863	
Net position, end of year			\$ 68,203,535	

SCHEDULES

CITY OF SOUTH PORTLAND, MAINE
City Special Revenues
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2023

	Fund balance (deficit) beginning of year, restated	Revenues		Expenditures	Other financing sources (uses)		Fund balance (deficit) end of year	
		Inter- governmental	Other		Issuance of debt	Transfers		
General Government:								
Federal grants:								
2115	CDBG - Entitlement Community	\$ 9,840	188,918	-	190,605	-	-	8,153
2155	Housing Revolving Loan	114,431	-	-	-	-	-	114,431
2251	Brownfields Grant	15,677	99,521	-	110,101	-	-	5,097
3100	Other Federal Grants (310157)	-	-	-	13,743	-	-	(13,743)
State grants:								
2031	Watershed Plan	27,370	9,900	600	17,214	-	-	20,656
2138	Greater Portland Public Development	56,970	-	-	-	-	-	56,970
2154	Land Use Regulation Grant	233	-	-	-	-	-	233
Other:								
2008	Restoration of Records	1,254	-	-	-	-	-	1,254
2042	Business Development Revolving Loan	55,090	-	-	-	-	-	55,090
2044	Employee Appreciation Fund	52,542	-	21,691	11,448	-	-	62,785
2053	Wallace Avenue Directional	2,400	-	59	-	-	-	2,459
2057	Downeast Energy Traffic Improvement	5,152	-	126	-	-	-	5,278
2058	NE Audio/Tweeter Sidewalks	10,933	-	267	-	-	-	11,200
2067	Toys "R" Us Sidewalks	11,441	-	280	-	-	-	11,721
2088	SPCTV	699,718	-	175,535	246,399	-	(10,520)	618,334
2094	Gannett Traffic Signal Escrow	31,909	-	781	-	-	-	32,690
2097	Wellness Committee	(699)	-	11,099	11,908	-	-	(1,508)
2108	Longhorn Steakhouse Escrow	20,353	-	498	-	-	-	20,851
2114	Millcreek Traffic Impact	15,064	-	369	-	-	-	15,433
2120	Evan/Highland Toddle Inn Escrow	24,796	-	607	-	-	-	25,403
2129	Westbrook/Western Escrow	54,430	-	1,331	-	-	-	55,761
2136	Knightville/Mill Creek Plan	7,981	-	-	-	-	-	7,981
2139	Brick Hill Traffic Escrow	1,301	-	32	-	-	-	1,333
2146	Heating Assistance	35,729	-	5,025	10,630	-	-	30,124
2149	Westbrook/South Portland Assessing	1,027	-	-	112	-	-	915
2161	War Memorial	2,001	-	-	-	-	-	2,001
2165	Freshwater Wetland Fund	274,494	-	31,624	13,807	-	-	292,311
2169	John Roberts Road Escrow	2,550	-	-	-	-	-	2,550
2179	Land Bank Trust	4,430,578	-	95,139	743,208	-	-	3,782,509
2188	Long Creek Tragedy Memorial	237	-	-	-	-	-	237
2257	Sustainability Grants	(88)	-	-	-	-	-	(88)
2400	City Council Donations (240150)	4,179	10,000	18,525	26,386	-	-	6,318
2400	Facilities Donations (240159)	9,217	-	-	-	-	-	9,217
Total General Government		5,978,110	308,339	363,588	1,395,561	-	(10,520)	5,243,956

CITY OF SOUTH PORTLAND, MAINE
City Special Revenues
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2023

		Fund balance (deficit) beginning of year, restated	Revenues		Expenditures	Other financing sources (uses)		Fund balance (deficit) end of year
			Inter- governmental	Other		Issuance of debt	Transfers	
Public Safety:								
Federal grants:								
2023	Distracted Driver/OUI Grants	\$ 5,749	-	-	-	-	-	5,749
2050	Asset Forfeiture - Federal	14,360	2,455,027	24,755	1,705	-	-	2,492,437
2064	Seat Belt Enforcement Grant	721	-	-	-	-	-	721
2121	Supplemental Homeland Security	-	111,698	-	95,133	-	-	16,565
2125	County Hazmat Grant	6,466	11,939	-	14,300	-	-	4,105
2126	State Hazmat Grant	5,226	-	-	-	-	-	5,226
2151	Justice Assistance Grant	(11,424)	1,784	-	1,784	-	-	(11,424)
2160	Speed Enforcement	6,077	-	-	-	-	-	6,077
2195	Drug Free Community	(1,198)	131,563	-	130,365	-	-	-
3100	Other Federal Grants (310263)	-	8,979	-	14,425	-	-	(5,446)
State grants:								
2049	Asset Forfeiture - State	3,244	12,615	276	4,936	-	-	11,199
Other:								
2018	Hazardous Materials	113,536	-	-	28,595	-	-	84,941
2086	Police Donations	17,160	-	80	20,168	-	-	(2,928)
2107	Tobacco Cessation	6,775	-	-	-	-	-	6,775
2142	SP Police Youth Program	5,707	-	-	-	-	-	5,707
2174	Fire Donation	16,438	-	1,150	4,178	-	-	13,410
2178	Outside OT - Code Enforcement	5,041	-	-	-	-	-	5,041
2182	Compliance Check	970	-	-	-	-	-	970
2194	Fire Training	10,100	-	500	-	-	-	10,600
2400	Other Police Donations (240263)	170	-	-	-	-	-	170
3000	Opioid Settlement Funds (300263)	31,284	-	183,788	-	-	-	215,072
Total Public Safety		236,402	2,733,605	210,549	315,589	-	-	2,864,967

CITY OF SOUTH PORTLAND, MAINE
City Special Revenues
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2023

	Fund balance (deficit) beginning of year, restated	Revenues		Expenditures	Other financing sources (uses)		Fund balance (deficit) end of year	
		Inter- governmental	Other		Issuance of debt	Transfers		
Public Works:								
Federal grants:								
2096	FEMA Disaster Relief	\$ 1,867	-	-	133,966	-	132,099	-
3100	Other Federal Grants (3103720)	-	720,414	-	720,414	-	-	-
State grants:								
2046	State Aid Highway Block Grant	1,175,700	-	27,888	229,951	-	-	973,637
3000	PW Other State Grants (300300)	(200,961)	431,791	-	208,540	-	-	22,290
Other:								
2024	Recycling	6,367	-	57	-	-	-	6,424
2025	Donations	176	-	-	-	-	-	176
2082	Street Openings	428,757	-	89,238	59,568	-	(108)	458,319
2084	Sewer Impact	479,315	-	80,920	127,668	-	-	432,567
	Total Public Works	1,891,221	1,152,205	198,103	1,480,107	-	131,991	1,893,413
Culture and Recreation:								
Federal grants:								
3100	Other Federal Grants (310476)	-	2,588	-	-	-	-	2,588
Other:								
2035	Tree Fund	11,746	-	-	2,134	-	-	9,612
2037	Debevoise Tennis Court	2,127	-	-	-	-	-	2,127
2056	Library Donations	59,010	-	7,273	401	-	-	65,882
2071	Golf Course	310,464	-	276,634	158,817	-	(25,072)	403,209
2072	Recreation	-	-	75	-	-	-	75
2073	Donations to Parks and Recreation	32,082	-	13,262	1,816	-	-	43,528
2076	Art in the Park	44,951	-	25,730	21,789	-	-	48,892
2116	GE Erskine Park	1,987	-	-	-	-	-	1,987
2152	Friends of South Portland Libraries	(2,853)	-	7,351	8,484	-	-	(3,986)
2189	Communities Promoting Health	575	-	-	-	-	-	575
2317	Brown Hill Cemetery	67,138	-	1,643	-	-	(3,500)	65,281
2400	Other Library Donations (240476)	1,800	-	-	-	-	-	1,800
	Total Culture and Recreation	529,027	2,588	331,968	193,441	-	(28,572)	641,570
Transportation and Waterfront:								
Federal grants:								
2041	Planning/Capital Grants	8,194	-	-	-	-	-	8,194
2093	Rural Transit Assistance Grant	2,283	-	-	-	-	-	2,283
3100	Other Federal Grants (310580)	-	796,446	-	796,446	-	-	-
Other:								
2074	Boat Ramp	-	-	3,511	-	-	-	3,511
2117	Thomas Knight Boat Landing	5,926	-	337	-	-	-	6,263
	Total Transportation and Waterfront	16,403	796,446	3,848	796,446	-	-	20,251
	Total	\$ 8,651,163	4,993,183	1,108,056	4,181,144	-	92,899	10,664,157

CITY OF SOUTH PORTLAND, MAINE
School Grant Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2023

		Fund balance (deficit) beginning of year	Revenues	Expenditures	Transfers	Fund balance (deficit) end of year
Federal Grants:						
0230	Title IA - Disadvantaged	\$ -	600,027	600,027	-	-
0231	Title IA - Program Improvement	-	-	445	-	(445)
0240	Title IV - Student Support and Academic Enrichment	226	121,835	121,835	-	226
0247	Local Entitlement	-	798,185	798,912	-	(727)
0251	Preschool Grant	-	16,944	16,944	-	-
0260	Coronavirus Relief	-	2,260,576	2,260,576	-	-
0261	McKinney-Vento Homeless	-	840,198	840,198	-	-
0264	Title V	348	-	-	-	348
0268	Title III - Language Acquisition	-	84,778	84,778	-	-
0270	Title II A - Supporting Effective Instruction	14,086	225,103	225,103	-	14,086
0275	Elementary School Program	500	-	-	-	500
0295	Adult Basic Education	(49)	10,890	28,223	-	(17,382)
Total federal grants		15,111	4,958,536	4,977,041	-	(3,394)
State Grants:						
0216	MMSA Cooperating School	2,704	-	-	-	2,704
0221	Health & Wellness Grants:					
	Health & Wellness	420	-	-	-	420
	Dental Study	3,427	-	-	-	3,427
	Action for Healthy Kids	10	-	-	-	10
	Integrated Youth Health Survey	300	-	-	-	300
	AE College Transitions	(31)	-	10,796	-	(10,827)
	Extended Learning	-	85,014	116,757	-	(31,743)
0223	State Proficiency Grants	3,762	138,159	-	-	141,921
0224	Partners in Arts & Learning	-	3,000	3,000	-	-
0225	Reading Recovery	1,248	-	-	-	1,248
0226	Learning Results	-	-	-	-	-
0228	Art Department Grant	2,000	-	-	-	2,000
0229	State Agency Clients	17,082	-	-	-	17,082
0262	WAVES / Teens to trails	-	134,527	134,527	-	-
0284	E-Rate	(5,593)	-	-	-	(5,593)
Total state grants		25,329	360,700	265,080	-	120,949
Local Grants and Other Special Funds:						
0200	SPHS Auditorium:					
	SPHS Auditorium	31,066	30,582	15,219	-	46,429
	Elaine Wolfson Memorial	1,158	-	-	-	1,158
0201	Local SPHS:					
	High School Musical	16,258	2,073	17,380	-	951
	High School Aspirations	853	14,333	5,622	-	9,564
	SPHS Friends	8,466	-	-	-	8,466
	SPHS Class of 1940	100	-	-	-	100
	Readiness Partnership	178	-	-	-	178
	Sustainability Committee	(87)	-	-	-	(87)
	Vicious Cycle	1,783	-	-	-	1,783
	Substance Abuse Prevention	1,235	-	-	-	1,235
0203	Primary Books	4,810	-	-	-	4,810

CITY OF SOUTH PORTLAND, MAINE
School Grant Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2023

	Fund balance (deficit) beginning of year	Revenues	Expenditures	Transfers	Fund balance (deficit) end of year
Local Grants and Other Special Funds, Continued:					
0204 Local Grants:					
Memorial Tech Grant Koelker	\$ (1,237)	-	-	-	(1,237)
National Semiconductor (Morneault)	174	-	-	-	174
National Semiconductor (Brown)	(3,683)	-	-	-	(3,683)
National Semiconductor (STEM Grant)	76	-	-	-	76
Texas Instruments (Stem Grant)	(3)	-	-	-	(3)
Innovative Idea (Thurlow)	1,558	-	-	-	1,558
Summer Music (Memorial)	1,579	-	-	-	1,579
Kids Consortium Memorial	477	-	-	-	477
Memorial Friends	7,440	10,000	867	-	16,573
Great Bay Foundation - Kaler	444	-	-	-	444
Target Kaler Prof. Development Grant	750	-	-	-	750
Girls Leadership Initiative	31	-	-	-	31
Donations	10,213	-	-	-	10,213
Transition Books	1,414	-	-	-	1,414
School Nutrition Donations	13,424	-	-	-	13,424
Project Based Learning	3,425	-	-	-	3,425
MEA Wellness Program	1,127	500	-	-	1,627
Unum/Skillin/Mem Stem Reg	1,045	-	-	-	1,045
United Way Brick/Beam	(1,273)	5,000	-	-	3,727
ME Communication Foundation Family	29,823	-	14,052	-	15,771
United Way Adopt A School	(1,763)	-	1,015	-	(2,778)
Community Donation Family	4,934	830	1,581	-	4,183
East Point Church Homeless Grant	17,651	-	9,418	-	8,233
ME Communication Foundation WIFI	7,000	-	-	-	7,000
King Foundation	-	10,000	6,525	-	3,475
Catholic Charities	-	-	6,106	-	(6,106)
United Way Grant	-	-	1,037	-	(1,037)
John T. Gorman Foundation	-	100,000	16,624	-	83,376
0205 Local Boosters:					
MSSPA Playoffs	16,931	6,071	-	-	23,002
SPHS Athletic Shed	5,000	-	-	-	5,000
Johnson Athletic	61,031	-	14,649	16,324	62,706
Athletic Sponsorship Program	16,266	24,309	-	-	40,575
0206 Southern Maine (LCA) Project	137	-	-	-	137
0207 Dyer Friends	420	-	-	-	420
0208 Staff Computer Training	(476)	-	-	-	(476)
0209 Future Builders/Summer School	(20,920)	-	-	-	(20,920)
0211 Robotics	(19,602)	-	-	-	(19,602)
0212 21st Century Donations	(15,066)	-	-	-	(15,066)
0213 Quest	7,551	-	-	-	7,551
0214 Skillin Local:					
Skillin Playground	655	-	-	-	655
Friends Skillin Library	(472)	1,602	-	-	1,130
Skillin Natural Science	1,116	-	-	-	1,116
Skillin Friends	50	-	-	-	50
Skillin Winterkids Games	788	-	-	-	788
Skillin Donations	475	-	-	-	475
0215 Gates Teacher Leader Grant	1,500	-	-	-	1,500
0217 Art Donations	857	-	-	-	857
0218 Small Friends	209	-	-	-	209
0219 Local Friends Grants:					
Brown Friends	(693)	-	-	-	(693)
Mary F Marsh Book	5,651	-	-	-	5,651
Mahoney Friends	2,325	-	-	-	2,325
Kaler Friends	3,218	-	-	-	3,218
Brown/United Way Grant	3,091	-	29	-	3,062
Donations	365	-	-	-	365
0222 Special Education Access Channel	18,805	-	12,311	6,800	13,294
0227 Teamwork for Kids - Fallon	1,000	-	-	-	1,000
0233 Adult Education	-	66,770	75,731	-	(8,961)
0615 Adult Ed Enrichment	11,247	1,419	-	-	12,666
Total local grants and other special funds	261,905	273,489	198,166	23,124	360,352
Total	\$ 302,345	5,592,725	5,440,287	23,124	477,907

CITY OF SOUTH PORTLAND, MAINE
Private-purpose Trust Funds
Combining Schedule of Changes in Fiduciary Net Position
For the year ended June 30, 2023

	Net position beginning of year	Additions			Deductions	Net position end of year
		Donations/ other	Interest income	Realized and unrealized gain (loss)		
Private-purpose trusts:						
0801 Dora Small Trust	\$ 10,047	-	130	114	44	10,247
0803 Lewis Trust (School)	1,161,556	-	15,422	12,394	57,753	1,131,619
0804 Alley Scholarship	7,594	-	104	81	540	7,239
0805 Davidson Scholarship	2,571	-	40	30	515	2,126
0806 Elliot Scholarship	4,326	-	62	48	524	3,912
0807 Friese Scholarship	2,414	-	38	28	515	1,965
0808 Harvie Scholarship	(241)	-	7	9	2	(227)
0809 Naylor Scholarship	5	-	-	-	-	5
0810 Norwood Scholarship	74,455	-	183	(5,113)	1,500	68,025
0811 Reynolds Scholarship	80	-	1	1	-	82
0812 Robinson Scholarship	33	-	-	-	-	33
0813 Schwartz Scholarship	880	-	11	9	4	896
0814 Smart Scholarship	7,837	-	111	83	1,044	6,987
0815 Super Reunion Scholarship	5,461	-	77	60	530	5,068
0816 Wiggin Scholarship	5,621	-	79	61	530	5,231
0817 Paul Fiore Scholarship	6,787	-	88	70	33	6,912
0818 John Millington Scholarship	7,966	-	116	99	1,040	7,141
0819 Stu Brown Scholarship	85	-	2	-	-	87
0820 William Linskey Memorial	4,193	-	67	51	26	4,285
0821 SPSHS Recycle Club Scholarship	1	-	-	-	-	1
0822 Governor's Restaurant Scholarship	3	-	-	-	-	3
0823 Book Trust	190	-	6	4	3	197
0824 Eagles Association Scholarship	1	-	-	-	-	1
0825 Sherrie Libby Scholarship	8,298	-	111	90	41	8,458
0826 Gustaf W Johnson Scholarship	440,142	-	5,915	4,634	25,758	424,933
0827 A Varanelli Scholarship	(215)	-	(3)	(11)	3	(232)
0828 Downing Trust	198	-	-	-	-	198
0829 Robert Graff Scholarship	996	-	19	28	1,002	41
0830 Rosella Loveitt Trust	1,326	-	17	19	4	1,358
0831 Deveboise Scholarship	12,766	-	312	-	-	13,078
0833 Walker Scholarship	2,558	850	41	32	966	2,515
0835 Ralph Baxter Scholarship	1,374	-	18	14	7	1,399
0836 Scholars	107,398	-	2,543	-	20,000	89,941
0837 Steve Linskey Scholarship	23,000	-	-	-	2,000	21,000
0838 Class of 1948 Scholarship	-	4,000,000	59,480	(146,428)	240,498	3,672,554
7506 Eleanor Hatch Trust	16,107	-	208	182	71	16,426
7509 HRC Scholarship	4,500	4,500	133	-	357	8,776
Total private-purpose trusts	\$ 1,920,313	4,005,350	85,338	(133,411)	355,310	5,522,280

STATISTICAL SECTION



STATISTICAL SECTION

This part of City of South Portland'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 government's overall financial health.

<u>Contents</u>	<u>Tables</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	1-5
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	6-11
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	12-14
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	15-16
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	17-19

CITY OF SOUTH PORTLAND, MAINE
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	\$ 73,600,630	\$ 75,413,372	\$ 79,523,948	\$ 82,323,833	\$ 82,508,257	\$ 84,566,316	\$ 88,649,566	\$ 99,288,948	\$ 99,347,533	\$ 100,756,168
Restricted	12,642,454	11,581,748	12,399,159	14,425,257	11,510,846	11,326,214	13,056,972	15,909,639	15,910,094	21,014,273
Unrestricted	11,423,557 (a)	15,159,920	13,880,761	15,435,585	13,762,193	9,526,783	8,668,984	5,806,948	10,993,663	11,642,543
Total governmental activities net position	\$ 97,666,641	\$ 102,155,040	\$ 105,803,868	\$ 112,184,675	\$ 107,781,296	\$ 105,419,313	\$ 110,375,522	\$ 121,005,535	\$ 126,251,290	\$ 133,412,984
Business-type activities:										
Net investment in capital assets	\$ 49,898,598	\$ 50,967,438	\$ 50,111,131	\$ 49,737,946	\$ 49,680,645	\$ 52,833,701	\$ 53,385,092	\$ 54,564,870	\$ 55,801,493	\$ 54,995,478
Restricted	4,060,384	2,152,583	4,617,231	3,434,257	6,901,280	5,418,253	4,042,278	-	-	-
Unrestricted	7,328,083	8,084,079	8,277,339	8,164,927	7,867,011	6,556,199	7,318,996	10,064,140	11,178,972	13,208,057
Total business-type activities net position	\$ 61,287,065	\$ 61,204,100	\$ 63,005,701	\$ 61,337,130	\$ 64,448,936	\$ 64,808,153	\$ 64,746,366	\$ 64,629,010	\$ 66,980,465	\$ 68,203,535
Primary government:										
Net investment in capital assets	\$ 123,499,228	\$ 126,380,810	\$ 129,635,079	\$ 132,061,779	\$ 132,188,902	\$ 137,400,017	\$ 142,034,658	\$ 153,853,818	\$ 155,149,026	\$ 155,751,646
Restricted	16,702,838	13,734,331	17,016,390	17,859,514	18,412,126	16,744,467	17,099,250	15,909,639	15,910,094	21,014,273
Unrestricted	18,751,640 (a)	23,243,999	22,158,100	23,600,512	21,629,204	16,082,982	15,987,980	15,871,088	22,172,635	24,850,600
Total primary government net position	\$ 158,953,706	\$ 163,359,140	\$ 168,809,569	\$ 173,521,805	\$ 172,230,232	\$ 170,227,466	\$ 175,121,888	\$ 185,634,545	\$ 193,231,755	\$ 201,616,519

(a) Restated for GASB #68 pension recognition effective June 30, 2014.

CITY OF SOUTH PORTLAND, MAINE
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Expenses	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
General government	\$ 11,234,446	\$ 10,584,081	\$ 13,747,918	\$ 13,548,355	\$ 13,958,497	\$ 11,097,687	\$ 16,587,038	\$ 15,648,947	\$ 13,610,118	\$ 19,522,744
Public safety	12,553,773	12,766,963	13,000,756	13,344,042	13,857,160	14,378,122	14,715,423	15,538,227	16,888,738	18,023,452
Public works	7,519,818	7,510,853	6,873,549	7,641,727	8,159,709	7,990,357	8,840,505	8,028,758	8,141,159	7,283,330
Culture and recreation	4,431,468	4,440,715	4,587,976	4,372,866	4,938,167	4,911,749	4,762,474	4,474,919	4,958,930	5,376,084
Transportation and waterfront	1,381,048	1,519,381	1,596,383	1,814,621	1,982,271	2,060,680	2,075,168	1,937,271	2,349,034	2,219,244
Health, welfare and social services	335,866	369,616	521,834	506,108	559,095	566,904	684,709	735,182	1,001,015	1,767,371
Education	45,825,021	47,485,069	47,943,450	50,058,768	51,900,039	53,243,047	53,789,458	58,136,143	60,054,061	65,936,028
School lunch	1,681,737	1,693,739	1,721,538	1,803,337	1,820,284	1,885,962	1,797,884	1,640,669	2,310,607	2,712,780
Interest on debt service	1,464,950	1,436,958	1,328,266	1,695,611	1,272,571	1,100,838	1,273,613	1,382,369	1,952,654	3,188,722
Total governmental activities expenses	86,428,127	87,807,375	91,321,670	94,785,435	98,447,793	97,235,346	104,526,272	107,522,485	111,266,316	126,029,755
Business-type activities:										
Sewer	6,133,807	6,147,313	6,154,095	6,203,347	6,345,116	6,455,769	6,540,614	6,564,090	6,461,378	7,198,247
Total business-type activities expenses	6,133,807	6,147,313	6,154,095	6,203,347	6,345,116	6,455,769	6,540,614	6,564,090	6,461,378	7,198,247
Total primary government expenses	\$ 92,561,934	\$ 93,954,688	\$ 97,475,765	\$ 100,988,782	\$ 104,792,909	\$ 103,691,115	\$ 111,066,886	\$ 114,086,575	\$ 117,727,694	\$ 133,228,002
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 417,451	\$ 510,092	\$ 831,509	\$ 442,734	\$ 414,864	\$ 414,772	\$ 443,867	\$ 914,546	\$ 890,999	\$ 900,631
Public safety	1,448,532	1,358,246	1,715,339	2,090,407	1,919,169	1,898,476	2,815,926	2,536,995	2,508,844	2,468,632
Public works	283,953	300,711	308,979	386,056	242,771	253,305	449,198	332,688	351,645	321,841
Culture and recreation	922,321	974,204	1,078,408	1,119,989	1,316,027	1,410,321	915,697	922,346	1,637,511	2,036,492
Transportation and waterfront	439,386	417,158	389,317	376,949	374,004	375,738	291,494	166,254	209,253	274,990
Education	37,159	55,695	105,425	126,000	126,463	124,996	125,000	136,500	185,200	143,351
School lunch program	559,536	559,536	559,536	556,652	639,552	659,174	431,029	40,797	221,176	324,023
Operating grants and contributions	12,995,004	13,459,862	13,373,025	14,780,259	15,318,974	14,806,576	17,615,005	24,900,449	24,456,740	30,677,045
Capital grants and contributions	1,574,695	382,528	1,917,714	1,783,472	468,032	375,205	334,302	501,471	1,420,388	798,230
Total governmental activities program revenues	18,678,037	18,018,032	20,279,252	21,662,518	20,819,856	20,318,563	23,421,518	30,452,046	31,881,756	37,945,235
Business-type activities:										
Charges for services:										
Sewer	5,927,684	5,927,684	5,922,343	6,008,622	6,015,315	6,080,533	5,865,711	6,268,760	6,788,661	7,325,491
Capital grants and contributions	-	-	100,000	254,765	-	-	113,954	-	18,100	-
Total business-type activities program revenues	5,927,684	5,927,684	6,022,343	6,263,387	6,015,315	6,080,533	5,979,665	6,268,760	6,806,761	7,325,491
Total primary government program revenues	\$ 24,605,721	\$ 23,945,716	\$ 26,301,595	\$ 27,925,905	\$ 26,835,171	\$ 26,399,096	\$ 29,401,183	\$ 36,720,806	\$ 38,688,517	\$ 45,270,726

CITY OF SOUTH PORTLAND
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (expense)/revenue										
Governmental activities	\$ (67,750,090)	\$ (69,789,343)	\$ (71,042,418)	\$ (73,122,927)	\$ (77,627,937)	\$ (76,916,783)	\$ (81,104,754)	\$ (77,070,439)	\$ (79,384,560)	\$ (88,084,520)
Business-type activities	(206,123)	(326,984)	(131,752)	60,040	(329,801)	(375,236)	(560,949)	(295,330)	345,383	127,244
Total primary government net (expense)/revenue	<u>\$ (67,956,213)</u>	<u>\$ (70,116,327)</u>	<u>\$ (71,174,170)</u>	<u>\$ (73,062,887)</u>	<u>\$ (77,957,738)</u>	<u>\$ (77,292,019)</u>	<u>\$ (81,665,703)</u>	<u>\$ (77,365,769)</u>	<u>\$ (79,039,177)</u>	<u>\$ (87,957,276)</u>
General Revenues and other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 59,778,935	\$ 61,874,477	\$ 63,183,208	\$ 64,164,888	\$ 65,519,757	\$ 68,265,075	\$ 70,532,733	\$ 72,217,939	\$ 71,392,201	\$ 75,525,375
Motor vehicle excise tax	5,829,497	6,374,595	7,241,370	7,100,567	7,595,421	7,893,886	6,147,045	7,064,080	6,212,025	6,471,436
Cable television franchise	166,543	151,779	120,000	120,000	120,000	120,000	120,000	100,000	104,050	142,451
Unrestricted grants and contributions	4,259,604	4,321,318	4,427,881	4,911,784	4,883,857	5,165,596	6,218,797	7,374,404	8,987,849	10,823,266
Miscellaneous	1,088,123	1,169,599	945,284	986,617	824,864	1,002,266	956,662	710,746	773,866	351,410
Investment income (loss)	592,776	581,216	630,112	411,583	407,993	1,578,387	2,506,266	206,551	(940,127)	1,230,064
Transfers	(306,075)	(195,242)	(1,856,609) (a)	1,808,295	(3,363,343)	(620,941)	(420,540)	(120,138)	(3,112,160)	(119,335)
Total governmental activities	<u>\$ 71,409,403</u>	<u>\$ 74,277,742</u>	<u>\$ 74,691,246</u>	<u>\$ 79,503,734</u>	<u>\$ 75,988,549</u>	<u>\$ 83,404,269</u>	<u>\$ 86,060,963</u>	<u>\$ 87,553,582</u>	<u>\$ 83,417,704</u>	<u>\$ 94,424,667</u>
Business-type activities:										
Interest and investment earnings	30,101	48,777	76,744	79,684	78,264	113,512	78,622	57,836	106,523	264,677
Miscellaneous	-	-	-	-	-	-	-	-	-	120,416
Transfers	306,075	195,242	1,856,609 (a)	(1,808,295)	3,363,343	620,941	420,540	120,138	3,112,160	119,335
Total business-type activities	<u>336,176</u>	<u>244,019</u>	<u>1,933,353</u>	<u>(1,728,611)</u>	<u>3,441,607</u>	<u>734,453</u>	<u>499,162</u>	<u>177,974</u>	<u>3,218,683</u>	<u>504,428</u>
Total primary government	<u>\$ 71,745,579</u>	<u>\$ 74,521,761</u>	<u>\$ 76,624,599</u>	<u>\$ 77,775,123</u>	<u>\$ 79,430,156</u>	<u>\$ 84,138,722</u>	<u>\$ 86,560,125</u>	<u>\$ 87,731,556</u>	<u>\$ 86,636,387</u>	<u>\$ 94,929,095</u>
Change in Net Position										
Governmental activities	\$ 3,659,313	\$ 4,488,399	\$ 3,648,828	\$ 6,380,807	\$ (1,639,388)	\$ 6,487,486	\$ 4,956,209	\$ 10,483,143	\$ 4,033,144	\$ 6,340,147
Business-type activities	130,053	(82,965)	1,801,601	(1,668,571)	3,111,806	359,217	(61,787)	(117,356)	3,564,066	631,672
Total primary government	<u>\$ 3,789,366</u>	<u>\$ 4,405,434</u>	<u>\$ 5,450,429</u>	<u>\$ 4,712,236</u>	<u>\$ 1,472,418</u>	<u>\$ 6,846,703</u>	<u>\$ 4,894,422</u>	<u>\$ 10,365,787</u>	<u>\$ 7,597,210</u>	<u>\$ 6,971,819</u>

(a) The business-type activities transfer was a result of sewer pipe infrastructure entered into Public Works, but should have been attributed to Water Resource Protection.

CITY OF SOUTH PORTLAND, MAINE
Program Revenues by Function/Program
Last Ten Fiscal Years
(accrual basis of accounting)

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
General government	\$ 1,061,168	\$ 1,186,539	\$ 1,404,226	\$ 1,109,773	\$ 1,069,957	\$ 962,243	\$ 1,568,829	\$ 2,488,145	\$ 2,308,846	\$ 2,260,844
Public safety	2,015,605	1,765,083	1,919,288	2,472,100	2,289,257	2,284,069	3,363,956	3,580,886	4,088,034	5,389,539
Public works	887,641	683,239	1,738,026	1,187,743	517,024	582,644	722,018	740,358	843,663	321,841
Culture and recreation	922,321	974,204	1,078,408	1,119,989	1,316,027	1,410,321	915,697	946,720	1,667,894	2,062,081
Transportation and waterfront	1,560,803	883,678	1,438,633	2,084,690	1,294,208	1,189,062	1,436,977	1,117,886	1,941,515	2,012,707
Health, welfare and social services	125,937	124,747	284,231	250,007	296,491	254,717	377,708	407,832	523,493	1,796,619
Education	12,104,562	12,400,542	12,416,440	13,438,216	14,036,892	13,635,507	15,036,333	21,170,219	20,508,311	24,101,604
Total governmental activities	18,678,037	18,018,032	20,279,252	21,662,518	20,819,856	20,318,563	23,421,518	30,452,046	31,881,756	37,945,235
Business-type activities:										
Sewer	5,927,684	5,820,239	6,022,343	6,263,387	6,015,315	6,080,533	5,979,665	6,268,760	6,806,761	7,325,491
Total business-type activities	5,927,684	5,820,239	6,022,343	6,263,387	6,015,315	6,080,533	5,979,665	6,268,760	6,806,761	7,325,491
Total primary government	\$ 24,605,721	\$ 23,838,271	\$ 26,301,595	\$ 27,925,905	\$ 26,835,171	\$ 26,399,096	\$ 29,401,183	\$ 36,720,806	\$ 38,688,517	\$ 45,270,726

CITY OF SOUTH PORTLAND, MAINE
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund:										
Nonspendable	\$ -	\$ 100,382	\$ 104,615	\$ -	\$ -	\$ -	\$ 100,557	\$ -	\$ 63,665	\$ 137,801
Restricted	3,693,988	2,715,462	2,708,544	2,662,892	2,338,747	2,022,736	3,212,321	4,930,223	5,918,840	4,963,708
Committed	4,482,037	3,458,710	4,344,471	4,012,592	3,972,242	3,984,988	5,928,768	6,460,667	5,036,637	5,276,027
Assigned	3,117,547	3,234,394	3,273,424	4,028,667	4,129,161	4,044,926	3,949,069	3,392,636	6,015,262	4,080,341
Unassigned	10,838,800	12,827,588	13,320,584	13,189,251	12,400,808	13,521,328	12,909,528	16,133,999	15,286,137	15,893,050
Total general fund	<u>\$ 22,132,372</u>	<u>\$ 22,336,536</u>	<u>\$ 23,751,638</u>	<u>\$ 23,893,402</u>	<u>\$ 22,840,958</u>	<u>\$ 23,573,978</u>	<u>\$ 26,100,243</u>	<u>\$ 30,917,525</u>	<u>\$ 32,320,541</u>	<u>\$ 30,350,927</u>
All other governmental funds:										
Nonspendable	\$ 228,559	\$ 228,559	\$ 241,859	\$ 246,523	\$ 241,093	\$ 229,141	\$ 248,438	\$ 193,519	\$ 242,157	\$ 246,842
Restricted	16,551,026	9,578,044	9,344,141	15,821,856	9,398,675	9,430,898	9,715,863	12,227,208	48,688,269	24,840,982
Committed	6,715,850	8,160,788	8,585,144	9,154,640	9,643,676	11,056,337	10,773,102	8,113,510	6,474,204	6,879,561
Unassigned	(69,544)	(8,263)	(1,059,302)	(92,080)	(193,496)	(859,755)	(1,541,427)	(5,472,913)	(376,561)	(213,513)
Total all other governmental funds	<u>\$ 23,425,891</u>	<u>\$ 17,959,128</u>	<u>\$ 17,111,842</u>	<u>\$ 25,130,939</u>	<u>\$ 19,089,948</u>	<u>\$ 19,856,621</u>	<u>\$ 19,195,976</u>	<u>\$ 15,061,324</u>	<u>\$ 55,028,069</u>	<u>\$ 31,753,872</u>

CITY OF SOUTH PORTLAND, MAINE
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 65,352,432	\$ 68,968,072	\$ 70,623,578	\$ 71,188,455	\$ 73,137,978	\$ 76,229,761	\$ 76,680,678	\$ 79,302,519	\$ 77,698,226	\$ 81,923,417
Intergovernmental	18,629,968	18,163,708	19,718,620	21,350,777	20,670,863	20,347,377	24,168,104	32,306,980	34,474,676	41,610,886
Licenses and permits	966,203	893,186	1,162,225	1,224,384	1,081,073	1,106,919	1,900,262	1,402,409	1,234,166	1,101,573
Charges for services	3,308,678	3,434,235	3,946,288	3,731,786	3,787,149	3,984,213	3,369,846	3,747,717	4,874,512	5,510,838
Unclassified	1,127,061	1,377,045	1,607,267	1,541,682	1,251,377	2,254,358	1,405,155	1,464,791	1,175,277	1,856,004
Investment income (loss)	592,776	581,216	630,112	411,583	407,993	1,578,387	2,506,266	206,551	(940,127)	1,230,064
Total revenues	89,977,118	93,417,462	97,688,090	99,448,667	100,336,433	105,501,015	110,030,311	118,430,967	118,516,730	133,232,782
Expenditures										
General government	9,951,423	10,446,432	10,826,767	11,397,541	12,397,376	12,788,538	14,053,826	15,103,885	14,156,864	16,418,080
Public safety	10,731,258	10,860,700	11,055,139	11,456,415	11,826,761	12,017,983	12,640,353	13,332,617	14,243,417	14,322,777
Public works	4,593,184	5,170,020	4,856,565	4,521,156	5,085,171	5,547,431	5,851,611	5,081,087	5,727,294	6,990,344
Culture and recreation	3,819,006	3,848,406	3,886,368	3,893,759	4,313,069	4,215,218	4,144,603	3,923,101	4,330,171	4,782,833
Transportation and waterfront	1,147,881	1,214,276	1,288,456	1,465,393	1,503,217	1,561,608	1,575,542	1,476,709	1,911,389	2,745,100
Health, welfare and social services	335,866	369,616	521,834	506,108	559,095	566,904	684,709	735,182	1,001,015	1,821,157
Education	43,572,441	45,667,455	45,586,692	47,698,940	49,543,256	51,055,944	52,554,317	59,367,296	57,793,733	63,776,987
School lunch program	1,681,737	1,693,739	1,721,538	1,803,337	1,820,284	1,885,962	1,797,884	1,640,669	2,310,607	2,712,780
County tax	2,215,084	2,327,942	2,434,056	2,504,088	2,598,030	2,785,695	2,952,578	3,084,423	3,119,820	4,746,495
Other	1,474,662	1,297,458	1,036,573	991,155	1,326,066	1,869,725	1,897,901	1,828,319	1,584,506	196,392
Capital projects	15,811,139	9,356,651	6,148,201	14,578,120	7,633,531	4,513,844	5,716,208	15,634,670	33,991,570	31,731,276
Debt Service:										
Principal	4,077,856	4,465,751	4,466,946	4,303,499	4,363,969	4,423,975	4,259,775	4,348,318	4,746,433	4,121,938
Interest	1,708,713	1,766,373	1,625,390	1,683,605	1,743,118	1,560,333	1,465,642	1,491,884	1,492,467	4,022,383
Total expenditures	101,120,250	98,484,819	95,454,525	106,803,116	104,712,943	104,793,160	109,594,949	127,048,160	146,409,286	158,388,542
Excess (deficiency) of revenues over (under) expenditures	(11,143,132)	(5,067,357)	2,233,565	(7,354,449)	(4,376,510)	707,855	435,362	(8,617,193)	(27,892,556)	(25,155,760)

CITY OF SOUTH PORTLAND, MAINE
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other financing sources (uses)										
Proceeds - Bonds and premium	\$ 9,747,306	\$ -	\$ -	\$ 13,707,015	\$ -	\$ -	\$ -	\$ 9,273,091	\$ 72,352,806	-
Proceeds financed purchases	83,000	-	190,860	-	456,948	1,412,779	1,850,798	-	-	-
Refunding bonds issued and premium	1,928,405	-	-	-	17,562,444	-	-	-	6,107,174	-
Payment to refunded bond escrow agent	(1,927,910)	-	-	-	(17,372,974)	-	-	-	(6,085,503)	-
Transfers in	2,786,789	5,002,623	4,675,598	6,456,501	5,128,822	4,005,186	5,089,530	1,708,891	1,750,402	5,118,925
Transfers out	(3,092,864)	(5,197,865)	(6,532,207)	(4,648,206)	(8,492,165)	(4,626,127)	(5,510,070)	(1,829,029)	(4,862,562)	(5,238,260)
Total other financing sources (uses)	<u>9,524,726</u>	<u>(195,242)</u>	<u>(1,665,749)</u>	<u>15,515,310</u>	<u>(2,716,925)</u>	<u>791,838</u>	<u>1,430,258</u>	<u>9,152,953</u>	<u>69,262,317</u>	<u>(119,335)</u>
Net change in fund balances	<u>\$ (1,618,406)</u>	<u>\$ (5,262,599)</u>	<u>\$ 567,816</u>	<u>\$ 8,160,861</u>	<u>\$ (7,093,435)</u>	<u>\$ 1,499,693</u>	<u>\$ 1,865,620</u>	<u>\$ 535,760</u>	<u>\$ 41,369,761</u>	<u>\$ (25,275,095)</u>
Total Debt Service including education	5,786,569	6,232,124	6,092,336	5,987,104	6,107,087	5,984,308	5,725,417	5,840,202	6,238,900	8,144,321
Capital Expenditures (per Statement 5)	15,815,164	9,828,671	7,120,178	14,608,302	7,702,848	5,622,353	7,395,789	20,151,891	35,724,137	34,900,659
Debt service as a percentage of noncapital expenditures	6.78%	7.03%	6.90%	6.49%	6.30%	6.03%	5.60%	5.46%	5.64%	6.60%

Table 6

CITY OF SOUTH PORTLAND, MAINE
Governmental Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year		Property Taxes (b)	Vehicle Taxes	Other (a)	Subtotal	TIF Property Taxes	Total
2014	\$	56,837,797	5,829,497	350,795	63,018,089	2,334,343	65,352,432
2015		59,781,351	6,374,595	359,164	66,515,110	2,452,962	68,968,072
2016		60,517,323	7,241,370	379,194	68,137,887	2,485,691	70,623,578
2017		61,266,181	7,100,567	351,968	68,718,716	2,469,739	71,188,455
2018		62,618,719	7,595,421	344,268	70,558,408	2,579,570	73,137,978
2019		65,176,305	7,893,886	364,035	73,434,226	2,795,535	76,229,761
2020		67,248,267	6,147,045	374,604	73,769,916	2,910,762	76,680,678
2021		69,201,016	7,064,080	395,990	76,661,086	2,641,433	79,302,519
2022		68,203,859	6,212,025	404,836	74,820,720	2,877,506	77,698,226
2023		73,131,002	6,471,436	291,481	79,893,919	2,029,498	81,923,417

(a) Interest and penalties and payments in lieu of taxes.

(b) includes property taxes allocated to adult education.

Table 7

CITY OF SOUTH PORTLAND, MAINE
State Aid Revenues by Source
Last Ten Fiscal Years

Fiscal Year	State Revenue Sharing	School Aid	General Assistance	Homestead Reimb	Business Equipment Tax Exemption (a)	Other State Aid (b)	Total State Aid
2014	\$ 1,315,198	5,584,653	125,937	478,706	1,135,762	440,909	9,081,165
2015	1,264,320	5,356,835	124,747	477,176	1,259,322	545,061	9,027,461
2016	1,285,328	6,197,822	284,231	484,938	1,522,086	598,505	10,372,910
2017	1,243,362	6,419,831	250,007	729,461	1,648,477	801,921	11,093,059
2018	1,243,362	6,419,831	250,007	729,461	1,648,477	801,921	11,093,059
2019	1,335,998	6,198,835	254,717	1,185,346	1,960,942	838,927	11,774,765
2020	1,920,227	6,892,853	377,708	1,140,898	2,101,001	158,596	12,591,283
2021	2,592,482	6,820,557	407,832	1,610,759	2,027,429	153,796	13,612,855
2022	3,781,382	8,944,247	357,469	1,460,923	2,565,478	155,243	17,264,742
2023	4,362,821	10,010,391	1,347,350	1,155,086	2,559,167	337,141	19,771,956

(a) Excludes BETE revenue recognized in the TIF fund

(b) MDEA Revenue, MDOT Revenue, and Veterans exemption reimbursement

CITY OF SOUTH PORTLAND, MAINE
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Tax Roll Year	Taxable Real Property		Taxable Personal Property	Total Taxable Assessed Value	Less TIF Property Value	Total Taxable General	Total Direct Tax Value	Estimated Actual Taxable Value (a)	Assessed Value as a Percentage of Actual Value
	Residential	Commercial							
2014	\$ 1,871,920,200	1,364,111,100	326,665,500	3,562,696,800	139,781,030	3,422,915,770	16.05	3,537,700,000	96.8%
2015	1,892,251,700	1,379,303,000	329,605,300	3,601,160,000	143,448,080	3,457,711,920	16.42	3,580,100,000	96.6%
2016	1,907,528,200	1,389,683,400	323,423,000	3,620,634,600	142,855,880	3,477,778,720	16.70	3,696,350,000	94.1%
2017	1,894,613,500	1,392,736,100	323,280,800	3,610,630,400	139,533,280	3,471,097,120	16.97	3,738,700,000	92.8%
2018	1,938,556,760	1,374,023,400	328,933,000	3,641,513,160	143,309,419	3,498,203,741	17.25	4,008,050,000	87.3%
2019	1,974,887,460	1,385,473,700	324,903,900	3,685,265,060	151,109,994	3,534,155,066	17.70	4,308,100,000	82.0%
2020	1,991,184,360	1,375,637,400	319,509,800	3,686,331,560	208,057,569	3,478,273,991	18.26	4,622,350,000	75.2%
2021	1,958,911,800	1,349,459,600	314,214,800	3,622,586,200	183,527,837	3,439,058,363	18.86	4,866,700,000	70.7%
2022	2,941,548,800	1,558,449,200	361,957,900	4,861,955,900	311,574,720	4,550,381,180	14.06	5,183,800,000	87.8%
2023	2,879,056,900	1,665,541,900	366,632,600	4,911,231,400	300,363,328	4,610,868,072	14.69	5,847,800,000	78.8%

(a) Maine Bureau of Property Taxation, state equalized values.

	Homestead		BETE	
	Assessed Values	Estimated Actual Values	Assessed Values	Estimated Actual Values
2014	\$ 57,330,000	57,330,000	196,012,700	196,012,700
2015	55,810,000	55,810,000	200,539,700	200,539,700
2016	55,740,000	55,740,000	215,867,700	215,867,700
2017	82,425,000	82,425,000	218,824,290	218,824,290
2018	109,660,000	109,660,000	216,832,800	216,832,800
2019	109,660,000	109,660,000	235,917,900	235,917,900
2020	109,980,000	109,980,000	276,896,400	276,896,400
2021	141,225,000	141,225,000	291,500,500	291,500,500
2022	141,975,000	141,975,000	405,367,000	405,367,000
2023	142,225,000	142,225,000	384,524,000	384,524,000

Table 9

CITY OF SOUTH PORTLAND, MAINE
Direct and Overlapping Property Tax Rates (Per \$1,000 of Assessed Value)
Direct and Overlapping Governments
Last Ten Fiscal Years

Tax Year	Direct Rates			Overlapping Rate	
	General Municipal	Education	Total	Cumberland County (a)	Total
2014	5.14	10.91	16.05	0.65	16.70
2015	5.24	11.18	16.42	0.68	17.10
2016	5.30	11.40	16.70	0.71	17.41
2017	5.31	11.66	16.97	0.73	17.70
2018	5.36	11.89	17.25	0.75	18.00
2019	5.39	12.31	17.70	0.80	18.50
2020	5.54	12.72	18.26	0.84	19.10
2021	5.66	13.20	18.86	0.89	19.75
2022	4.72	9.34	14.06	0.64	14.70
2023	4.91	9.78	14.69	0.87	15.56

The City annually adopts an annual budget for which property taxes are levied. The education and County Tax are part of the total property tax levy. The distribution shown above reflects the amount each component requires of the tax levy.

(a) Cumberland County assesses a county tax to the City of South Portland. The City includes the county assessment in the City's total direct tax rate. The rate shown here reflects the portion of the City's total direct tax rate levied by the City to pay the county tax assessment.

CITY OF SOUTH PORTLAND, MAINE
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2023			2014		
	Assessed Valuation	Rank	Percentage of Total Assessed Value	Assessed Valuation	Rank	Percentage of Total Assessed Value
TEXAS INSTRUMENTS INCORPORATED	\$ 192,612,400	1	3.92%	\$ 182,902,000	2	5.13%
GGP - MAINE MALL, LLC	189,241,200	2	3.85%	245,444,800	1	6.89%
PORTLAND PORTFOLIO I LLC (b)	96,216,216	3	1.96%	55,246,200	4	1.55%
HANNAFORD/DELHAIZE AMERICA	66,668,200	4	1.36%	59,679,200	3	1.68%
ON SEMICONDUCTOR CORP. (a)	55,921,800	5	1.14%	49,921,000	5	1.40%
350 CLARKS POND, LLC	53,995,000	6	1.10%			
CENTRAL MAINE POWER COMPANY	49,796,400	7	1.01%	36,175,300	7	1.02%
WSL- SABLE LODGE LLC	43,094,200	8	0.88%			
RIVERPLACE PROPERTIES, LLC	36,436,600	9	0.74%			
PORTLAND PIPE LINC CORP	35,691,700	10	0.73%	44,804,900	6	1.26%
DEAD RIVER COMPANY				31,198,300	8	0.88%
OPROCK PORTLAND				28,485,300	9	0.80%
ANTHEM				27,366,000	10	0.77%
	<u>819,673,716</u>		<u>16.69%</u>	<u>761,223,000</u>		<u>21.37%</u>
Total Assessed Valuation	\$ 4,911,231,400			\$ 3,562,696,800		
Includes:						
Municipal valuation	4,610,868,072			3,423,100,520		
TIF valuation	300,363,328			139,596,280		
	<u>\$ 4,911,231,400</u>			<u>\$ 3,562,696,800</u>		

(a) Fairchild Semiconductor was acquired by ON Semiconductor on September 19, 2016.

(b) Home Properties was acquired by LSR Lighthouse Acquisitions LLC and was transferred to Portland Portfolio I LLC on May 6, 2016.

Table 11

CITY OF SOUTH PORTLAND, MAINE
Total Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 59,449,469	58,468,581	98.35%	982,233	59,450,814	100.00%
2015	61,546,876	60,720,014	98.66%	808,296	61,528,310	99.97%
2016	62,846,082	62,226,796	99.01%	600,777	62,827,573	99.97%
2017	63,908,158	63,257,315	98.98%	635,186	63,892,501	99.98%
2018	65,547,237	64,890,327	99.00%	644,963	65,535,290	99.98%
2019	68,177,403	67,337,460	98.77%	826,190	68,163,650	99.98%
2020	70,408,933	69,197,377	98.28%	1,187,633	70,385,010	99.97%
2021	71,546,077	70,617,202	98.70%	880,849	71,498,051	99.93%
2022	71,470,752	70,654,940	98.86%	668,517	71,323,457	99.79%
2023	76,418,761	75,642,128	98.98%	-	75,642,128	98.98%

CITY OF SOUTH PORTLAND, MAINE
Ratios of Net General Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Governmental Activities General Obligation Bonds (g)	Personal Income (a)	Percentage of Personal Income	Population (b)	Per Capita	Percentage of Estimated Actual Taxable Value of Property (c)
2014	\$ 55,335,688	569,570,562	9.72%	25,002	2,213	1.56%
2015	50,772,746	569,570,562	8.91%	25,002	2,031	1.42%
2016	46,348,658	569,570,562	8.14%	25,002	1,854	1.25%
2017	(d) 55,767,421	569,570,562	9.79%	25,002	2,231	1.49%
2018	52,992,634	569,570,562	9.30%	25,002	2,120	1.32%
2019	48,472,852	569,570,562	8.51%	25,002	1,939	1.13%
2020	44,125,111	569,570,562	7.75%	26,498	1,665	0.95%
2021	(e) 49,040,220	1,033,501,494	4.75%	26,498	1,851	1.01%
2022	(f) 116,733,767	1,033,501,494	11.29%	26,498	4,405	2.25%
2023	111,827,836	1,033,501,494	10.82%	26,498	4,220	1.91%

(a) See Table 16. Amount shown is per capita income multiplied by population.

(b) U.S. Department of Commerce, Bureau of the Census.

(c) See Table 8. General Obligation Bond divided by the Estimated Actual Taxable Value.

(d) \$12.7 Million in GOB's issued for new Municipal Services Facility.

(e) \$7.95 Million in GOB's issued for a new fire station, public safety improvements, and pedestrian improvements.

(f) \$65.27 Million in GOB's issued for a new middle school, traffic improvements, and open space.

(g) Includes unamortized bond premiums and notes from direct borrowing.

CITY OF SOUTH PORTLAND, MAINE
Direct and Overlapping Governmental Activities Debt
June 30, 2023

Jurisdiction	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
City of South Portland General Obligation	\$ 111,827,836	100.00%	\$ 111,827,836
City of South Portland Financed Purchases	1,211,735	100.00%	1,211,735
Total direct debt	113,039,571		113,039,571
Overlapping:			
Portland Water District	58,543,519	13.14%	7,692,618
Cumberland County	29,931,418	8.96%	2,681,756
Total overlapping debt	88,474,937		10,374,374
Total direct and overlapping debt	\$ 201,514,508		\$ 123,413,945

Note: Annually, Cumberland County assesses each municipality its proportionate share of the County tax required to fund the County budget. The County tax assessment applicable to the City of South Portland is included in the total property tax levy of the City of South Portland.

Sources: The outstanding debt for Cumberland County has been provided by the County. The percentage applicable to the City of South Portland is based on the ratio of the State equalized assessed valuation for the City of South Portland versus the equalized State valuation for Cumberland County.

The outstanding debt for Portland Water District has been provided by the District. The percentage applicable to the City of South Portland is based on the ratio of the State equalized assessed valuation for the City of South Portland versus the equalized State valuation of all municipalities located within the District.

CITY OF SOUTH PORTLAND, MAINE
Legal Debt Margin Information
June 30, 2023

The amount of debt a Maine municipality may have is governed by title 30-A.M.R.S.A. section 5702. The law limits total debt and debt for specific categories. Total debt cannot exceed 15% of the City's last full State Valuation. Debt for specific categories is limited to a percentage of State Valuation. As the following table indicates, based on a 2023 State Valuation of \$5,847,800,000, the City is in compliance with the total and categorical debt limits:

Debt Limit by Category

<u>Type of Debt</u>	<u>Maximum Percent Allowable</u>	<u>Maximum Amount Allowable</u>	<u>Principal Amount Outstanding</u>	<u>Legal Debt Margin</u>
School	10.00%	\$ 584,780,000	\$ 82,133,022	\$ 502,646,978
Storm or Sanitary Sewer	7.50%	438,585,000	2,386,164	436,198,836
Municipal	7.50%	438,585,000	20,353,489	418,231,511
Total Maximum Debt	15.00%	\$ 877,170,000	\$ 104,872,675	\$ 772,297,325

Legal Debt Margin Calculation for Fiscal Year 2023

State Valuation	\$ 5,847,800,000
Debt Limit - 15% of State Valuation	877,170,000
Less outstanding debt applicable to debt limit	<u>(104,872,675)</u>
Legal Debt Margin	<u>\$ 772,297,325</u>

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt limit	\$ 530,655,000	\$ 537,015,000	\$ 554,452,500	\$ 560,805,000	\$ 601,207,500	\$ 646,215,000	\$ 693,352,500	\$ 730,005,000	\$ 777,570,000	\$ 877,170,000
Total debt applicable to limit	<u>53,200,200</u>	<u>51,165,729</u>	<u>48,067,972</u>	<u>56,569,358</u>	<u>52,225,745</u>	<u>48,072,131</u>	<u>44,073,517</u>	<u>48,049,903</u>	<u>108,776,289</u>	<u>104,872,675</u>
Legal debt margin	\$ 477,454,800	\$ 485,849,271	\$ 506,384,528	\$ 504,235,642	\$ 548,981,755	\$ 598,142,869	\$ 649,278,983	\$ 681,955,097	\$ 668,793,711	\$ 772,297,325
Total debt applicable to the limit as a percentage of debt limit	10.03%	9.53%	8.67%	10.09%	8.69%	7.44%	6.36%	6.58%	13.99%	11.96%

(a) Total outstanding debt does not include bond premiums as bond premiums are not subject to the State debt limit.

Table 15

CITY OF SOUTH PORTLAND, MAINE
Principal Employers
Current Year and Nine Years Ago

Employer	2023			2014		
	Employees	Rank	(a) Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
City of South Portland	1001 to 1500	1	N/A	870	3	3.48%
Southern Maine Community College	501 to 1000	2	N/A	739	6	2.96%
Texas Instruments Incorporated	1 to 500	3	N/A	540	7	2.16%
Sun Life Financial	1 to 500	4	N/A			
Delhaize America Distribution LLC	1 to 500	5	N/A			
United Parcel Service	1 to 500	6	N/A	200	8	0.80%
VNA Home Health Care	1 to 500	7	N/A			
Anthem Health Systems Inc	1 to 500	8	N/A	1,000	2	4.00%
Target Corp	1 to 500	9	N/A			
Intermed PA	1 to 500	10	N/A			
UnumProvident Life Insurance Co.				3,500	1	14.00%
WEX Inc. (formerly Wright Express)				744	5	2.98%
Marriott Corporation				148	10	0.59%
ON Semiconductor (formerly Fairchild Semi)				775	4	3.10%
Macy's				150	9	0.60%
	N/A		N/A	8,666		34.67%

Source: Maine Department of Labor, Center for Workforce Research and Information - 2022

(a) City's Economic Development department is no longer maintaining an employer ranking and the listing from MDOL is the most accurate information available.

CITY OF SOUTH PORTLAND, MAINE
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (d)	Personal Income (a)	Per Capita Personal Income (d)	Median Age	School Enrollment (c)	Unemployment Rate (b)
2014	25,002	\$ 569,570,562	\$ 22,781	39.40	3,093	4.80%
2015	25,002	569,570,562	22,781	39.40	3,064	4.00%
2016	25,002	569,570,562	22,781	39.40	3,080	3.10%
2017	25,002	569,570,562	22,781	39.40	3,068	2.90%
2018	25,002	569,570,562	22,781	39.40	3,045	2.80%
2019	25,002	569,570,562	22,781	39.40	2,979	2.60%
2020	26,498	569,570,562	22,781	39.40	2,968	6.20%
2021	26,498	1,033,501,494	39,003	42.20	2,912	4.60%
2022	26,498	1,033,501,494	39,003	42.20	2,890	2.50%
2023	26,498	1,033,501,494	39,003	42.20	3,081	2.50%

(a) Personal income equals per capita income times the population.

(b) Portland - South Portland Metropolitan Area, State of Maine, Department of Labor, Division of Economic Analysis and Research as of December prior to fiscal year end.

(c) State of Maine Department of Education, October 1 Census (April 1 Census information no longer collected).

(d) US Census Bureau

Table 17

CITY OF SOUTH PORTLAND, MAINE
Employees by Function/Program*
Last Ten Fiscal Years

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
City Council	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Executive department	3.0	4.0	4.0	4.0	4.5	5.0	5.0	4.0	5.0	5.0
City clerk	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Corporation council	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
Finance department	17.0	17.0	17.0	17.0	17.0	17.0	17.0	18.0	18.0	18.0
Information technology	6.0	6.0	6.0	6.0	6.0	6.5	6.5	7.0	6.0	6.0
Planning department	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	5.0	5.0
Human resources	3.0	3.0	3.0	3.5	4.0	4.0	4.0	4.0	5.0	5.0
Facilities	1.0	1.0	1.0	1.0	2.0	9.0	9.0	13.0	12.0	11.0
Sustainability	-	-	1.0	1.0	1.5	1.5	2.0	3.0	3.0	3.0
Public Safety										
Police	58.0	59.0	59.0	60.0	61.0	62.0	63.0	64.0	62.0	63.6
Fire	69.0	69.5	69.5	69.5	69.5	73.5	73.5	74.0	73.0	73.0
Dispatch	6.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0
Code	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	7.0	7.0
Public Works										
Public Works	21.0	22.0	22.0	22.5	23.0	23.0	23.0	24.0	23.5	25.0
Parks and Recreation										
Parks	11.5	13.5	13.5	13.5	13.5	14.0	14.0	14.0	15.0	15.0
Recreation	22.0	21.0	21.0	21.0	21.0	14.0	14.0	25.0	21.0	21.0
Public Library										
Main Library	11.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0	13.0	13.0
Branch Library	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	0.0	0.0
Transportation and Waterfront										
Transportation and Waterfront	13.0	15.0	16.0	17.0	18.0	18.0	18.0	20.0	19.0	19.0
Health and Welfare										
Health and Welfare	1.5	2.0	2.0	2.0	2.0	2.0	2.5	4.0	4.0	4.0
School										
School	568.0	570.0	565.0	570.0	605.0	605.0	595.0	595.0	625.0	625.0
Water Resource										
Water Resource	29.0	29.5	29.0	29.0	29.0	29.0	29.0	29.0	30.0	30.0
Total	862.0	870.5	864.0	872.0	912.0	920.5	912.5	934.0	959.5	961.6

Source: Payroll Department.

*NOTE: The above represents the department's best estimates of permanent full and part-time positions for the various fiscal years. Many seasonal and temporary positions have not been included or converted to full-time equivalents and may have varied from year to year.

All of the positions may or may not have been filled as of June 30 of any given year.

CITY OF SOUTH PORTLAND, MAINE
Operating Indicators by Function/Program
Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Police (b)										
Physical arrests	636	676	599	551	440	497	424	387	599	324
Calls for Service	37,391	36,361	36,337	33,738	33,577	34,825	33,442	30,664	28,363	28,231
UCR - Crime Index	923	1,012	804	620	592	565	529	462	511	452
Fire										
Fire calls	1,327	1,366	1,222	1,166	1,297	1,191	1,346	1,203	2,412	1,377
Medical calls	2,915	3,089	3,279	3,295	3,328	3,522	3,611	3,782	5,553	4,322
Inspections	1,808	1,923	1,915	2,186	2,040	2,085	1,202	1,202	5,304	1,142
Refuse Collection										
Refuse collected (tons)	5,705	5,643	5,519	6,147	5,834	5,635	6,199	6,204	5,699	7,500
Recyclables collected (tons)	2,292	2,333	2,243	2,289	2,277	2,307	2,210	2,281	2,026	9,000
Other public works										
Street resurfacing (miles)	3.50	2.90	2.90	2.90	2.25	2.30	2.38	1.50	3.50	3.92
Potholes repaired	255	220	125	220	162	260	134	121	102	213
Parks and Recreation										
Community center admissions	190,549	189,242	190,143	190,143	186,890	190,138	135,093	85,253	134,624	174,096
Library										
Items in collection (a)	103,838	103,104	107,109	107,109	107,489	109,535	103,013	112,434	112,883	108,855
Total items circulated (a)	213,668	200,337	260,865	260,865	192,021	188,391	135,624	134,925	129,163	138,987
Total items borrowed (a)	19,184	19,353	25,836	25,836	25,869	28,190	21,038	20,195	20,684	22,074
Water Resource										
Average daily sewage treatment (millions of gallons)	6,139	6,078	5,496	6,078	5,850	6,107	5,386	4,792	5,480	5.97
Transit										
Total route miles	203,469	203,469	200,557	209,286	218,885	226,251	222,162	195,557	196,401	213,189
Passengers	258,617	259,824	246,931	270,930	273,167	259,640	208,947	113,838	150,653	243,092

Sources: Various city departments.

(a) Items are books, periodicals, audio, books and music on cassette and CD, tapes and videos and art prints.

Table 19

CITY OF SOUTH PORTLAND, MAINE
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Buildings	7	7	7	7	7	7	7	7	6	7
Vehicles	1	1	1	1	1	1	1	1	2	2
Police Department										
Buildings	2	2	2	2	2	2	2	2	3	3
Vehicles	38	34	34	35	35	38	39	35	40	38
Fire Department										
Buildings	7	7	7	7	7	7	7	7	7	7
Vehicles	28	28	28	25	25	27	24	24	28	29
Code Enforcement										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	5	6	6	6	6	6	5	5	5	5
Public Works										
Buildings	7	7	7	7	8	8	8	8	7	7
Streets (miles)	115	115	115	115	115	115	115	115	115	115
Vehicles/Trucks	12	12	12	12	12	11	7	8	7	8
Heavy Vehicles	39	39	39	34	34	35	39	38	41	43
Culture and recreation										
Buildings	15	15	15	15	15	15	10	10	16	16
Vehicles	18	19	19	24	24	24	17	19	24	25
Transportation & Waterfront										
Buildings	3	3	3	3	2	2	2	2	3	3
Buses	10	10	10	8	8	7	8	8	8	10
Vehicles	2	2	2	2	2	2	2	4	4	4
Water Resources										
Buildings	38	38	38	38	38	38	38	38	38	40
Vehicles	23	23	23	23	23	22	22	22	22	21
School Department										
Schools	8	8	8	8	8	8	8	8	8	9
Buildings	4	4	4	4	4	4	4	4	5	5
Portable Classrooms	3	3	3	3	3	5	5	5	4	4
School Buses	23	23	23	29	29	31	31	33	26	28
Vehicles	7	7	7	7	7	9	9	7	9	9

Sources: Various city departments and the City's capital asset database.