



# **CITY OF SOUTH PORTLAND, MAINE**

## **Comprehensive Annual Financial Report**



Photo Courtesy of Russ Lunt

**For Fiscal Year Ended June 30, 2019**

**CITY OF SOUTH PORTLAND, MAINE**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For Fiscal Year Ended June 30, 2019**



Photo Courtesy of Russ Lunt

Prepared By:  
City of South Portland  
Department of Finance

**CITY OF SOUTH PORTLAND, MAINE**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended**  
**June 30, 2019**

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

**CITY OF SOUTH PORTLAND, MAINE**  
**Comprehensive Annual Financial Report**  
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**Table of Contents**

		<u>Page</u>
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal		1
GFOA Certificate of Achievement		7
Organizational Chart		9
List of Principal Officials (Elected and Appointed)		10
 <b>FINANCIAL SECTION</b>		
Independent Auditors' Report		13
Management's Discussion and Analysis		16
	<u>Statement</u>	
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
Statements of Net Position – Proprietary Funds	7	37
Statements of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	8	38
Statements of Cash Flows – Proprietary Funds	9	39
Statement of Fiduciary Net Position – Fiduciary Funds	10	40
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	11	41
Notes to Basic Financial Statements		42
 Required Supplementary Information:		
Schedule of Changes in the City's Total Health Plan OPEB Liability and Related Ratios		77
Schedule of Changes in the School Department's Total Health Plan OPEB Liability and Related Ratios		78
Schedule of City's Proportionate Share of the Net OPEB Liability		79
Schedule of City OPEB Contributions		79
Schedule of City's Proportionate Share of the Net Pension Liability		80
Schedule of City Contributions		81
Notes to Required Supplementary Information		82

**CITY OF SOUTH PORTLAND, MAINE**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2019**

---

	<u>Exhibit</u>	<u>Page</u>
Combining and Individual Fund Financial Statements and Schedules:		
General Fund:		
Comparative Balance Sheets	A-1	85
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	A-2	86
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Education	B	89
Reserves – General Fund:		
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	C	90
TIF Funds:		
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	D	93
Capital Project Funds:		
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	E	97
All Other Governmental Funds:		
Combining Balance Sheet	F-1	101
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	102
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	G-1	105
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	106
Nonmajor Permanent Funds:		
Combining Balance Sheet	H-1	109
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	H-2	110
Proprietary Fund:		
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual	I	113
Agency Funds:		
Statement of Changes in Assets and Liabilities – Fiduciary Funds	J	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**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2019**

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**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



Photo Courtesy of Russ Lunt



*FINANCE DEPARTMENT*

GREGORY N. L'HEUREUX  
Director of Finance

December 27, 2019

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 comprehensive annual financial report of the City of South Portland, Maine, for the fiscal year ended June 30, 2019.

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, 2019. 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 comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section, which is not audited, includes this transmittal letter, 2018 CAFR 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.

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 “Single Audit” is designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s 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 single audit 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 a population of 25,002. 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). The City Manager may transfer appropriations within a department. Transfers between departments, however, need approval from the City Council. 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, 2019, the amount of unassigned fund balance totaled \$13,521,328 or 14.64% of the fiscal year 2020 general fund budget.

### ***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 from 25,002 to between 46,000 and 102,000 per day. According to the latest 2010 census figures, a total of 24,178 workers are employed in South Portland, and the City serves as a regional employment center.

The City exhibits above average wealth and housing levels relative to the State of Maine as a whole. The City's valuation has been somewhat unstable with values dropping during the economic crisis of 2008-2009; with values rebounding nicely in the past several years. Additionally, there has also been a continued shift to exempt personal property with the implementation of the State of Maine Business Equipment Tax Exemption (BETE) reimbursement program. Under this program, the State reimburses the municipality for a portion of the taxes that would have been collected from this exempt property. For fiscal year 2019, the exempt value under BETE was \$235,917,900 and the City received BETE reimbursement at a rate of 57.15% (and certain TIF property at 100%), totaling \$2,624,950. The City's current-year property tax collection rate is a healthy rate of 98.77% a slight decrease from 99.00% the year before.

The City has a balanced and fairly diverse tax base with an approximately 54/46 split between residential (real) and commercial (real and personal) property value, its largest taxpayer comprising 6.60% of its total tax base, and its top ten taxpayers combined representing 19.79% of the total tax base.

### ***Long-term Financial Planning***

In preparing for the future, the City has identified several major programs necessary to meet citizens' needs for services, while continuing to meet the sharply rising fixed costs imposed on the City. Among these programs are the second phase of Front Street and West High sewer, the Cash Corner Fire Station, the Cottage Road safety and road improvements project, the Westbrook Street road and sidewalk project, as well as other road and sidewalk repair projects as identified through the City's new asset management software.

Looking forward the City has numerous capital needs that will need to be addressed including vehicle and equipment purchases, and renovating numerous older buildings. These initiatives are being addressed in accordance with the City's basic financial planning document, its seven-year Capital Improvement Program (CIP), which is reviewed and updated annually by the City Council.

### ***Major Initiatives***

In November of 2019, City voters approved borrowing \$69.3 million to build a new, energy-efficient consolidated middle school, with all but \$10 million to be covered by the state. City voters overwhelmingly approved with a vote of 3,234 to 962 against (77 percent in favor). The project will receive \$59.3 million in state funding and require \$10 million to be raised locally for building upgrades not covered by the Maine Department of Education. Voters also in November of 2019 approved \$2.275 million for pedestrian and various traffic safety improvements. Additionally, voters approved in June of 2019 \$6 million in borrowing for the construction of a new Cash Corner Fire Station as well as \$1 million for improvements to two other fire stations and the police station.

### ***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, Maine for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. This was the twelfth year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 our sincere appreciation for the contributions made 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,



Gregory N. L'Heureux  
Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of South Portland  
Maine**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

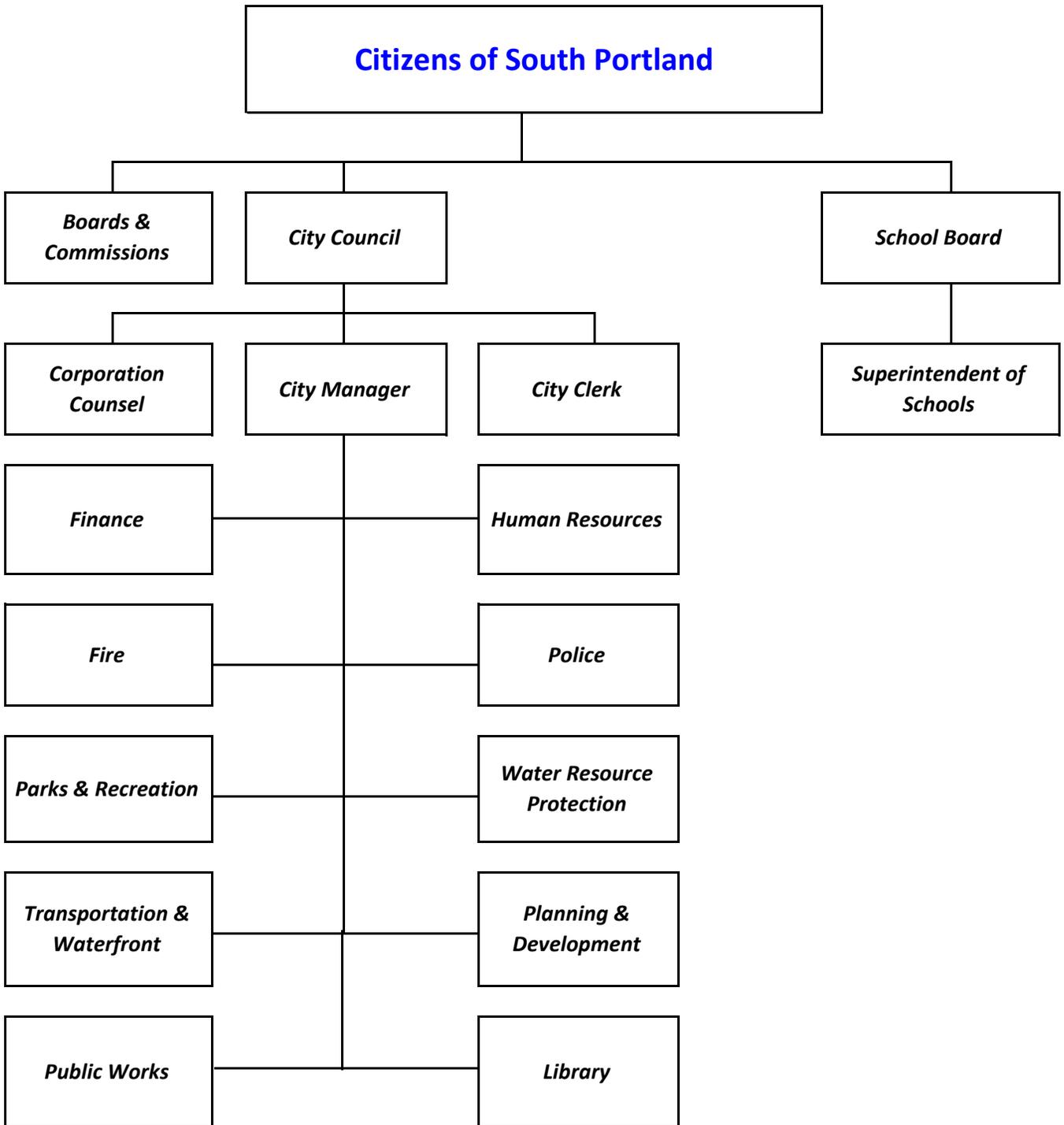
**June 30, 2018**

*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, 2019**

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Elected Officials

Council Member – District 1 - Mayor	Claude V.Z. Morgan
Council Member – At Large	Susan J. Henderson
Council Member – At Large	Maxine R. Beecher
Council Member – District 2	Katherine W. Lewis
Council Member – District 3	Misha C. Pride
Council Member – District 4	April L. Caricchio
Council Member – District 5	Deqa A. Dhalac

Board of Education – At Large, Chair	Mary House
Board of Education – At Large	Heather Johnson
Board of Education – District 1	Jennifer Kirk
Board of Education – District 2	Nicole Petit
Board of Education – District 3	Richard Matthews
Board of Education – District 4	Matthew Perkins
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
Finance Director	Gregory N. L'Heureux
Fire Chief	James P. Wilson
Human Resource Director	Stephanie Weaver
Parks and Recreation Director	Kevin G. Adams
Public Works Director	Douglas R. Howard
Planning & Development Director	Charles A. Haeuser
Police Chief	Edward J. Googins
Superintendent of Schools	Kenneth E. Kunin
Transportation & Waterfront Director	Arthur Handman
Water Resource Protection Director	Patrick M. Cloutier

## **FINANCIAL SECTION**



Photo Courtesy of Sue Mooney



Certified Public Accountants and Business Consultants

## Independent Auditor's Report

City Council  
City of South Portland, Maine

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Portland, Maine as of and for the year ended June 30, 2019, 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.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Portland, Maine, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the TIF Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of South Portland, Maine's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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.

City Council  
City of South Portland, Maine

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2019, 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.

A handwritten signature in black ink, reading "Raymond Kurten Ouellette". The signature is written in a cursive style with a large initial 'R'.

December 27, 2019  
South Portland, Maine

**CITY OF SOUTH PORTLAND, MAINE**  
**Management's Discussion and Analysis**  
**June 30, 2019**

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This section of the Comprehensive Annual 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, 2019. 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 \$170,227,466 (*net position*). Of this amount, \$16,082,982 (*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 \$105,419,313, an increase of \$6,487,486 in comparison with the prior year after restatement of the prior period of \$8,849,469 relating to recognition of other post-employment benefits relating to the school, which previously had not been known. Approximately 9.0% of this total amount, \$9,526,783, is *available for spending* at the City's discretion (*unrestricted net position*).
- For the fund financial statements, at the end of the current fiscal year, unassigned fund balance for the general fund was \$13,521,328, or 14.64% of total FY20 budgeted general fund expenditures.
- The City's total bonded debt decreased by \$4,153,614 during the current fiscal year as a result of repayments on existing bonds.
- The School Department started design services for construction of a new consolidated middle school. The project was given State Department of Education participating approval for \$59,269,073, with local participating of \$8,307,096 and additional local of \$1,692,904. Subsequent to year-end, voters went to the polls and overwhelming approved the project at the November of 2019 election.
- The City, in defense of the Clear Skies Ordinance lawsuit, incurred legal costs during the year totaling \$307,383. In June of 2018, the Courts ruled in favor of the City but subsequently the plaintiffs appealed the case to the United States Court of Appeals for the 1<sup>st</sup> Circuit in Boston.

**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.

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).

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

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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, and capital projects fund, 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.

The City of South Portland adopts an annual appropriated budget for its general fund and TIF 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 City of South Portland adopts an annual appropriated budget for its enterprise fund. Schedules of revenues, expenses, and changes in net position on the budgetary basis of accounting have been provided for the enterprise fund to demonstrate compliance with this budget. 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 103 of this report.

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

**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 42-76 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 75-116 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. In the case of the City of South Portland, assets and deferred outflows exceeded liabilities and deferred inflows by \$170,227,466 at the close of the most recent fiscal year.

**City of South Portland's Net Position**

	Governmental Activities		Business-type Activities		Total Activities	
	2019	2018 **	2019	2018	2019	2018 **
Current and other assets	\$ 53,530,817	\$ 51,713,296	\$ 13,498,605	\$ 15,754,780	\$ 67,029,422	\$ 67,468,076
Capital assets	135,264,748	136,977,057	56,008,274	53,052,321	191,273,022	190,029,378
Total assets	188,795,565	188,690,353	69,506,879	68,807,101	258,302,444	257,497,454
Deferred outflows	5,710,653	5,392,814	-	-	5,710,653	5,392,814
Long-term liabilities	76,385,706	84,521,550	3,453,373	3,654,456	79,839,079	88,176,006
Other liabilities	9,988,011	9,638,606	1,245,353	703,709	11,233,364	10,342,315
Total liabilities	86,373,717	94,160,156	4,698,726	4,358,165	91,072,443	98,518,321
Deferred inflows	2,713,188	991,184	-	-	2,713,188	991,184
Net investment						
in capital assets	84,566,316	82,508,257	52,833,701	49,680,645	137,400,017	132,188,902
Restricted	11,326,214	11,510,498	5,418,253	6,901,280	16,744,467	18,411,778
Unrestricted	9,526,783	4,913,072	6,556,199	7,867,011	16,082,982	12,780,083
Total net position	\$ 105,419,313	\$ 98,931,827	\$ 64,808,153	\$ 64,448,936	\$ 170,227,466	\$ 163,380,763

\*\* As restated for Other Postemployment Benefits liability for the School Department which had been unknown.

By far, the largest portion of the City of South Portland's net position (80.71% or \$137,400,017) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, net of depreciation); less any related debt used to acquire those assets that is still outstanding. The City of South Portland uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of South Portland'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.

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

An additional portion of the City of South Portland's net position (9.84% or \$16,744,467) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (9.45% or \$16,082,982) 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 City's total net position increased by \$6,846,703 during the current fiscal year. This increase is attributable to a combination of actual revenues being in excess of estimates and management's efforts to control and reduce budgeted expenditures.

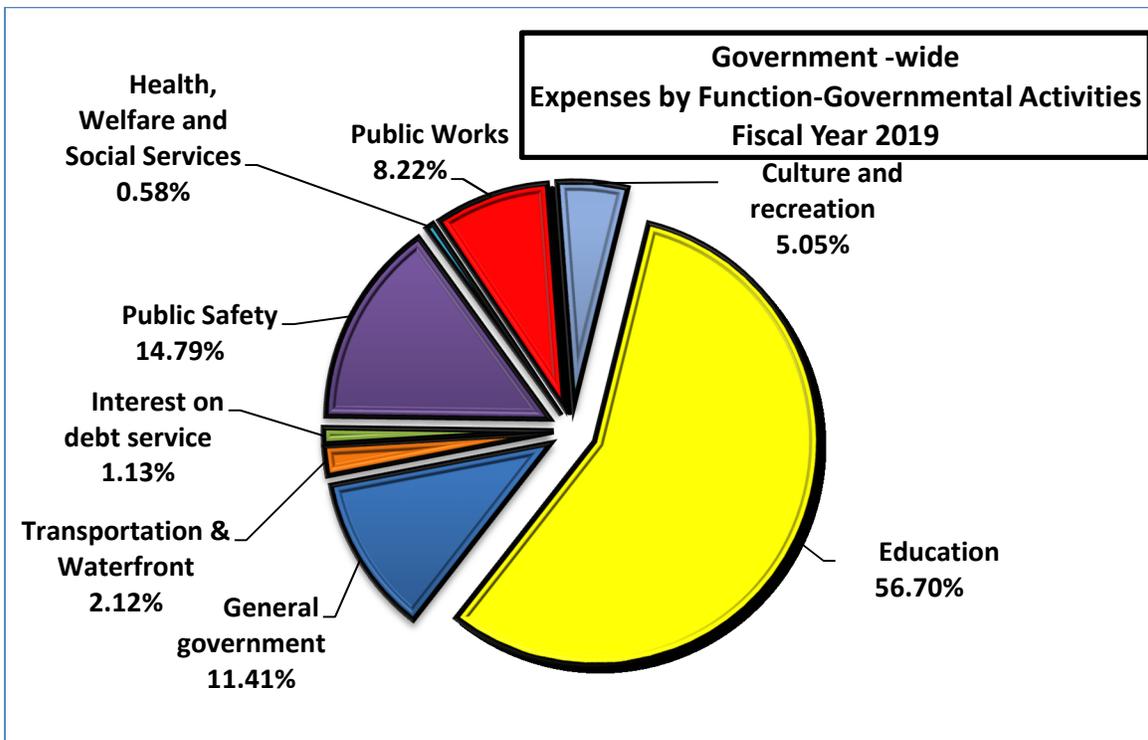
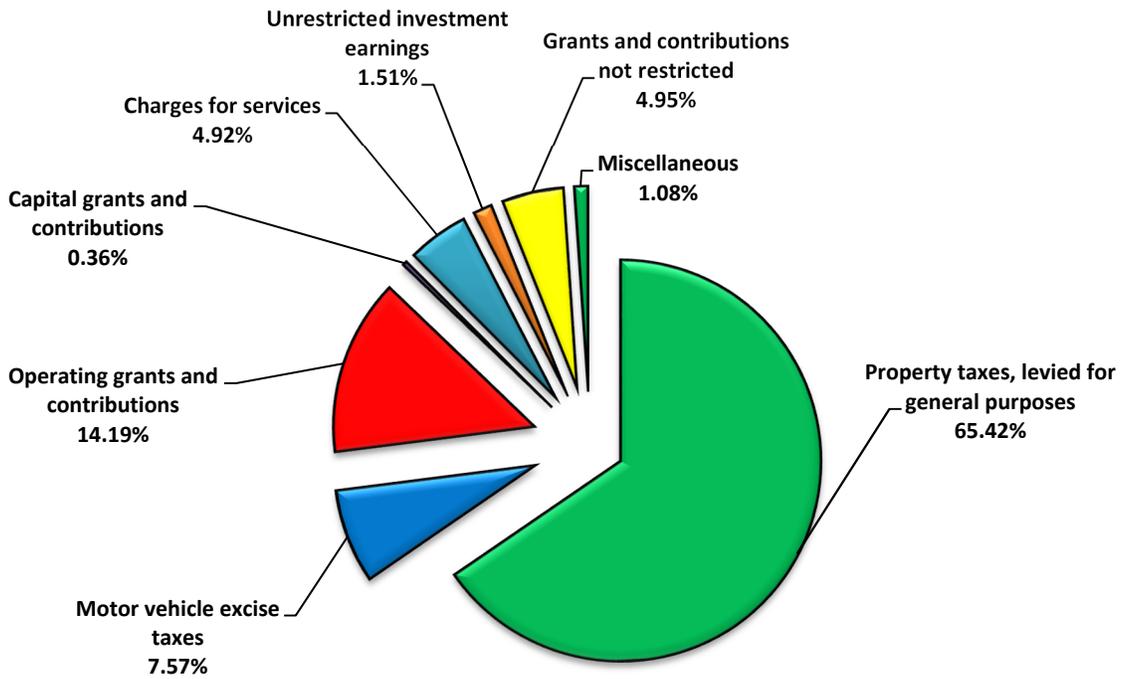
**City of South Portland's Changes in Net Position**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Activities</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program revenues:						
Charges for services	\$ 5,136,782	\$ 5,032,850	\$ 6,080,533	\$ 6,015,315	\$ 11,217,315	\$ 11,048,165
Operating grants and contributions	14,806,576	15,318,974	-	-	14,806,576	15,318,974
Capital grants and contributions	375,205	468,032	-	-	375,205	468,032
General revenues:						
Property and other taxes	76,158,961	73,115,178	-	-	76,158,961	73,115,178
Grants and contributions not restricted to specific programs	5,165,596	4,883,857	-	-	5,165,596	4,883,857
Other	2,700,653	1,352,857	113,512	78,264	2,814,165	1,431,121
Total revenues	<u>104,343,773</u>	<u>100,171,748</u>	<u>6,194,045</u>	<u>6,093,579</u>	<u>110,537,818</u>	<u>106,265,327</u>
Expenses:						
General government	11,097,687	13,958,497	-	-	11,097,687	13,958,497
Public safety	14,378,122	13,857,160	-	-	14,378,122	13,857,160
Public works	7,990,357	8,159,709	-	-	7,990,357	8,159,709
Culture and recreation	4,911,749	4,938,167	-	-	4,911,749	4,938,167
Transportation and waterfront	2,060,680	1,982,271	-	-	2,060,680	1,982,271
Health, wealth and social services	566,904	559,095	-	-	566,904	559,095
Interest on debt service	1,100,838	1,272,571	-	-	1,100,838	1,272,571
Education	55,129,009	53,720,323	-	-	55,129,009	53,720,323
Sewer	-	-	6,455,769	6,345,116	6,455,769	6,345,116
Total expenses	<u>97,235,346</u>	<u>98,447,793</u>	<u>6,455,769</u>	<u>6,345,116</u>	<u>103,691,115</u>	<u>104,792,909</u>
Increase (decrease) in net position before transfers	7,108,427	1,723,955	(261,724)	(251,537)	6,846,703	1,472,418
Transfers	(620,941)	(3,363,343)	620,941	3,363,343	-	-
Increase (decrease) in net position	<u>6,487,486</u>	<u>(1,639,388)</u>	<u>359,217</u>	<u>3,111,806</u>	<u>6,846,703</u>	<u>1,472,418</u>
Net position - beginning of year	98,931,827	109,420,684	64,448,936	61,337,130	163,380,763	170,757,814
Restatement	-	(8,849,469)	-	-	-	(8,849,469)
Net position - end of year	<u>\$ 105,419,313</u>	<u>\$ 98,931,827</u>	<u>\$ 64,808,153</u>	<u>\$ 64,448,936</u>	<u>\$ 170,227,466</u>	<u>\$ 163,380,763</u>

**Governmental activities.** During this past fiscal year, governmental activities saw an increase in the City of South Portland's net position of \$6.487 million. This amount represented an increase in the net position of 6.57%. Key elements of this increase are as follows:

- Property and other taxes increased by \$3.04 million (4.16%). This was primarily due to an increase in taxes to support the School and City budgets and an increase in motor vehicle excise revenues.
- The single largest event was the impact of a decrease in the City's pension liability, which decreased expenses by \$3 million.
- Additionally, investment income increase significantly as a result of both rising short term rates during the year, as well as an improvement in unrealized mark to market investment adjustments late in the year.

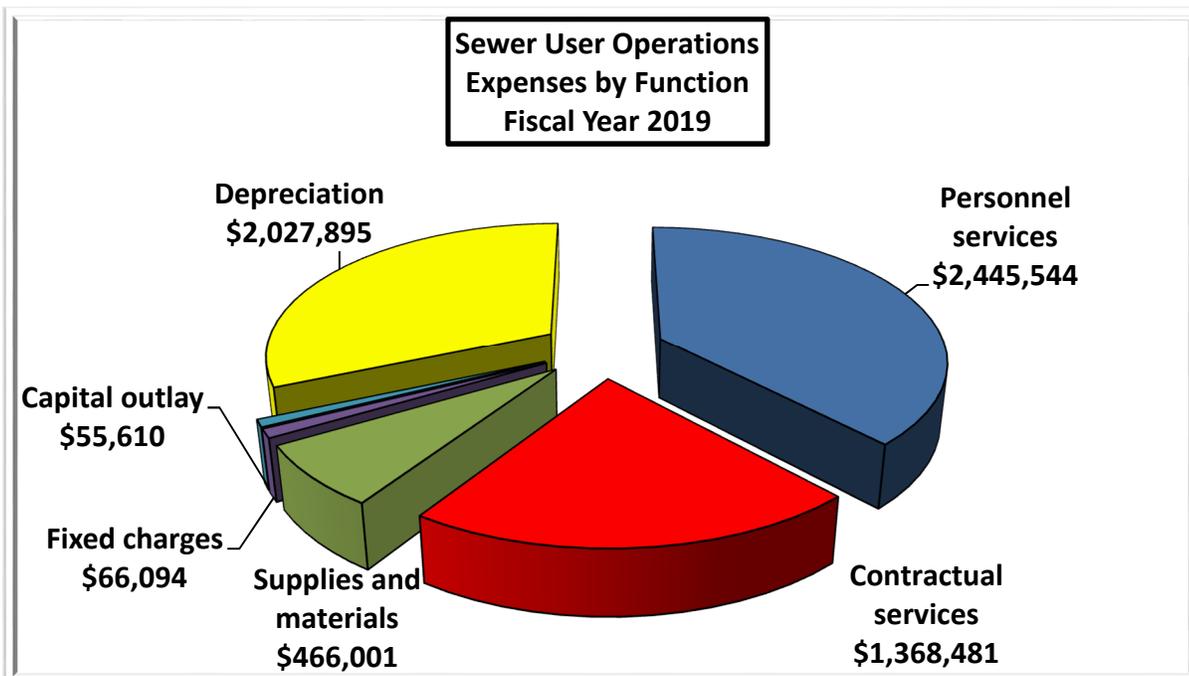
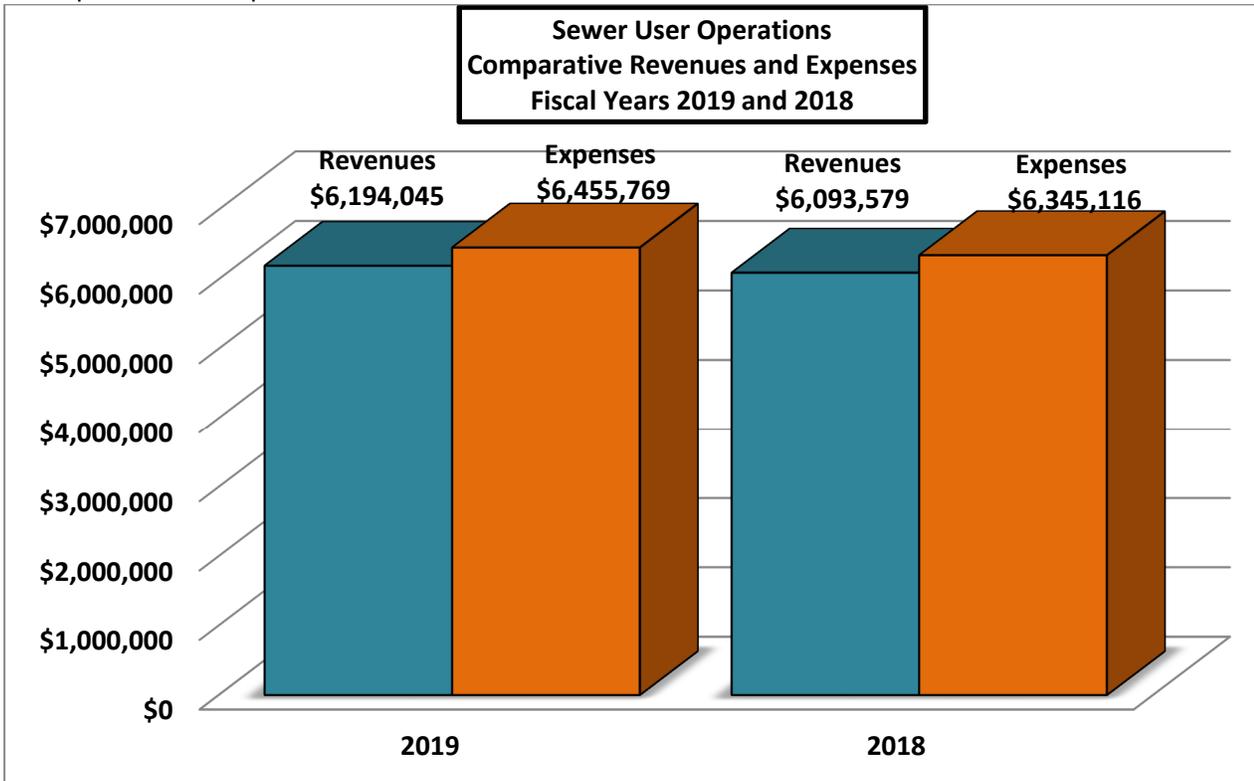
Government -wide  
 Revenues by Source -Governmental Activities  
 Fiscal Year 2019



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

**Business-type activities.** The City's business-type activities, which consists of sewer user operations, net position increased by \$359 thousand. The largest increase was the result of the transfer of TIF resources to the sewer user fund of \$620 thousand.

Revenues for business-type activities charges for services were unchanged with flat residential consumption with a small rate hike during the year. Total operating expenses for business-type activities were up \$104 thousand (1.65%) with increases in personnel services (\$48K), contractual (\$60K), and supplies (\$19K) which were offset primarily by a decreases in fixed charges (-\$25K). The below graphs provide a more visual view of the last two year's operations and expenditure components.



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

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### **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 \$43 million, an increase of \$1.5 million. With increases in the general fund of \$0.73 million, and capital projects funds of \$0.6 million.

**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 fund balance of the general fund was \$23,573,978. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. General fund fund balance represents 25.47% of total general fund expenditures (\$92,574,281). Under the breakdown of fund balance, unspent appropriations related to education are reported as restricted. At June 30, 2019, general fund restricted balance for education totaled \$2,022,736. Additionally, the City maintains various reserve and encumbrance balances for various future needs. These balances are reported as either committed or assigned and in total decreased slightly by \$71,489 during the year, primarily due to a decrease in encumbrances.

In 2011, the City Council amended its fund balance policy to better reflect the changes brought about by GASB Statement No. 54 which alters the focus and terminology used for fund balance reporting. The purpose of the fund balance policy is to help insure the future financial stability of the City and to mitigate financial risk that can occur from unforeseen revenue fluctuations or unanticipated expenditures. The City's fund balance policy, which is based on the unassigned fund balance component of fund balance, establishes a minimum unassigned fund balance of 9% of the City's general fund budget. As of June 30, 2019, the unassigned fund balance was \$13,521,328 or 14.64% of the City's FY 2020, budget (\$92,374,445).

The total fund balance of the City of South Portland's general fund increased by \$733,020 during the current fiscal year. Key factors in this change are as follows:

- Total actual revenues collected exceeded budgeted by approximately \$2,853,929. The largest budgetary surplus resulted from excise taxes collected in excess of budget totaling approximately \$1.305 million. The City collects considerable excise taxes from fleet vehicles. However, the reliability of this revenue stream is at times uncertain and as a result, the City budgets conservatively. Property taxes also exceeded budget by \$101K. Additionally, estimated budgets for various revenues were exceeded; State BETE revenues (\$161K), State Homestead reimbursement (\$248K), building permits (\$88K) and rescue billings (\$87K). With the swing in interest rates, the City's laddered fixed income investment portfolio experienced a rebound from the prior year's unrealized market losses which produced a surplus in the general fund investment income of \$470K along with improved short-term rates resulting in an additional \$369K surplus in investment income. For more detailed information on actual revenues to budget, please refer to the General Fund Highlights and Exhibit A-2.
- Total actual expenditures were less than budgeted by approximately \$978K. The major discrepancies included: unexpended education appropriations (\$621K), overall general government costs (\$55K), public safety (\$88K) and the parks and recreation department (\$88K) coming in less than anticipated. For more detailed information on actual expenditures to budget, please refer to the General Fund Highlights and Exhibit A-2.
- As part of the City's 2019-20 capital improvement budget, the City appropriated \$1.6 million from unassigned fund balance to fund certain City capital projects. Additionally, the Council set aside an additional \$470K for tax rate stabilization to reduce future property taxes.

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

**TIF** - The TIF (Tax Increment Financing) fund includes all of the activity in the City's ten tax increment financing districts. At the end of the current fiscal year, the total fund balance of the TIF fund was \$6,992,237, all of which must be used for eligible projects as defined by Maine State Law. 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.

**Capital Projects** - The capital projects fund has a total fund balance of \$6,880,033. During the year, the fund balance increased slightly. Additionally, the City incurred initial concept design costs relating to possible construction of the new consolidated middle school.

**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 detail budgetary basis.

Unrestricted net position of the sewer user fund at the end of the year amounted to \$6,556,199, a decrease of \$1.31 million. This was primarily the result of funding several large capital projects from reserves and unassigned sewer fund balance. The City sets aside funds in various reserves for future capital needs. As part of its budgetary process, annual appropriations are made to the reserves and are available to fund future improvements. On a budgetary basis, the sewer fund reported a surplus of \$241K, of which revenues came in greater than anticipated by \$39K and expenditures came in approximately \$202K under budget.

**Budgetary Highlights**

**General Fund:**

Revenue for the general fund totaled \$89,714,219 (on the budgetary basis of accounting) in the fiscal year ended June 30, 2019. Actual revenues exceeded estimates by \$2,853,929.

**General Fund Revenues Budget to Actual Summary**

	Budget	Actual	Variance
Revenues:			
Taxes	\$ 71,991,063	\$ 73,409,226	\$ 1,418,163
Intergovernmental	11,381,037	11,774,765	393,728
Licenses, permits, fees and fines	981,750	1,106,919	125,169
Charges for services	1,909,900	2,001,441	91,541
Unclassified	196,540	182,712	(13,828)
Interest earned	400,000	1,239,156	839,156
Total revenues	\$ 86,860,290	\$ 89,714,219	\$ 2,853,929

The revenue sources responsible for this surplus include the following:

- A taxes surplus of \$1.418 million of which \$1.305 million is attributable to an excise tax surplus due primarily to budgeting conservatively for fleet vehicles which are susceptible to major swings. Additionally, property taxes exceeded budget by \$102K as a result of the overlay exceeding abatements.
- State BETE revenue surplus of \$161K, homestead reimbursement of \$248K, and State Revenue sharing surplus of \$86K.
- General assistance reimbursement from the State came in under budget as a result of lower expenses.
- Building permit licenses came in with a surplus of \$88K primarily the result of a few larger projects.
- As noted previously, with the drop in longer term interest rates late in the year, existing investments required a mark to market adjustment that resulted in an unrealized gain of \$470K. Additionally with the rise in short term rates, the City's overall investment income increased and resulted in a surplus of \$369K.

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

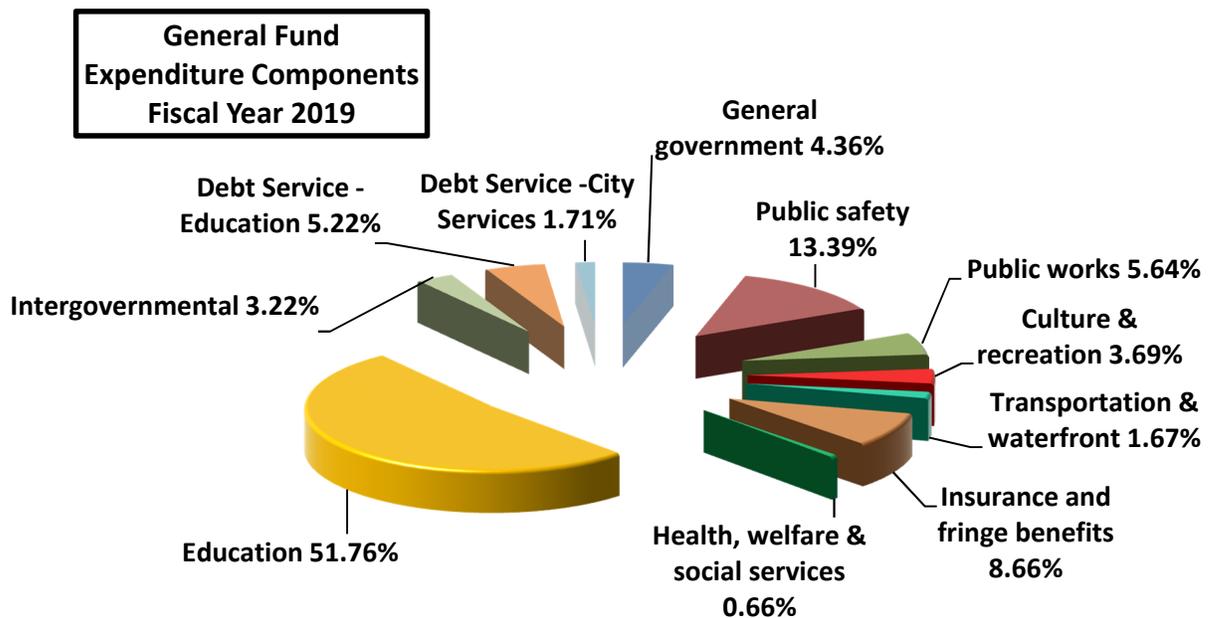
Expenditures for the general fund totaled \$86,394,562 (on the budgetary basis of accounting) in the fiscal year ended June 30, 2019.

**General Fund Expenditures Budget to Actual Summary**

	Budget	Actual	Variance
Expenditures:			
General government	\$ 11,307,610	\$ 11,252,396	\$ 55,214
Public safety	11,656,804	11,568,919	87,885
Public works	4,875,186	4,874,407	779
Culture and recreation	3,277,313	3,189,364	87,949
Transportation and waterfront	1,445,042	1,441,896	3,146
Health, welfare and social services	633,345	566,904	66,441
Education	49,851,899	49,230,170	621,729
Intergovernmental	2,785,695	2,785,695	-
Other	61,500	9,915	51,585
Debt Service	1,477,912	1,474,896	3,016
<b>Total expenditures</b>	<b>\$ 87,372,306</b>	<b>\$ 86,394,562</b>	<b>\$ 977,744</b>

The following areas had expenditure surpluses attributable to management efforts to control budgeted expenditures:

- General government expenditures were lower than anticipated with a surplus to budget of \$55K with surpluses of \$22K in Finance and \$14K in Executive expenditures.
- Public safety expenditures were under budget \$88K, with Police (\$5K), Fire (\$15K) and Communications (\$66K) making up the larger components.
- Library came in under budget by \$27K, Parks and Recreation had a surplus of \$61K and social services came in with a surplus of \$66K.
- Education had a surplus of \$621K attributable to lower than anticipated expenditures for the various Elementary Schools (\$10K) Middle Schools (\$78K), High School (\$188K) and Special Education (\$125) with shortfalls in Technology (-\$18K), Business office (-\$29K) and Transportation of (-\$22K).



**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, 2019 amounts to \$191,273,022 (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 0.65% (a 1.25% decrease for governmental activities and a 5.57% increase for business-type activities). The chart below shows how the City's investment changes over time as a result of the effects of depreciation. Is the community investing and keeping up with depreciation?

**City of South Portland's Capital Assets**  
(net of depreciation)

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Land	9,416,245	9,416,245	1,221,558	1,221,558	10,637,803	10,637,803
Buildings	95,678,270	98,200,812	14,727,753	15,470,507	110,406,023	113,671,318
Improvements other than buildings	2,534,518	2,653,666	-	-	2,534,518	2,653,666
Machinery and equipment	4,370,210	4,979,075	6,169,327	5,425,407	10,539,537	10,404,482
Infrastructure	15,947,322	15,045,781	29,298,984	29,335,652	45,246,306	44,381,434
Construction in progress	2,038,634	1,309,108	4,559,611	1,539,636	6,598,245	2,848,744
Vehicles	5,279,549	5,372,370	31,041	59,563	5,310,590	5,431,933
<b>Total</b>	<b>\$ 135,264,748</b>	<b>\$ 136,977,057</b>	<b>\$ 56,008,274</b>	<b>\$ 53,052,323</b>	<b>\$ 191,273,022</b>	<b>\$ 190,029,380</b>

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

- Pleasantdale sewer and storm water phase 4 improvements for \$2.647 million.
- Various vehicles purchased included various police vehicles totaling \$71K, a new ambulance \$257K, a trackless Sidewalk tractor \$141K, four school buses totaling \$387K, and various other City and school vehicles totaling \$90K.
- Various paving and sidewalk projects totaling \$974K.
- Design cost relating to the proposed new consolidated middle school \$340K, various building improvements at various schools of \$331K and other City building improvements totaling \$222K.
- Retrofitting City Streetlights to LED and adding control systems totaling \$1.083 million and streetlight signal improvements of \$165K.
- Various equipment totaling \$108K.
- Various other projects throughout the City.

Additional information on the City of South Portland's capital assets can be found in the notes to the financial statements on pages 52-53 of this report.

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

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**Long-term debt.** The State allows municipalities to borrow up to 15% of their total valuation. With the City's State Valuation at \$4,308,100,000 for 2019, the debt limit would be over \$646.2 million. Our current debt is \$48,072,131 or about 1.11% of State Valuation or approximately 7.44% of the City's debt limit. Another measure of a municipality's debt load is debt per capita. As of June 30, 2019, the City of South Portland's debt per capita (including lease obligations and debt premium) was \$2,169 as compared to the prior year of \$2,332.

The following is a summary of bond transactions of the City for the year ended June 30, 2019:

	Governmental Activities	Business-type Activities	Total
General Obligation Bonds payable at June 30, 2018	\$ 48,854,069	3,371,676	52,225,745
Principal additions	-	-	-
Principal payments	(3,956,511)	(197,103)	(4,153,614)
<b>General Obligation Bonds payable at June 30, 2019</b>	<b>\$ 44,897,558</b>	<b>3,174,573</b>	<b>48,072,131</b>

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 53-55 of this report.

**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. Development has continued with strong building permit activity for each of the past few fiscal years.

- The October 2019 unemployment rate for the Portland/South Portland area is currently at 2.3% which is 0.4% less than the rate a year ago of 2.7%. This rate compares favorably to the state's average unemployment rate of 2.8% and the national average rate of 3.6%.
- As of July of 2019, the vacancy rate for Class A office space in the Suburban Greater Portland area was 16.16% significantly higher from 3.28% in June of 2018 and the vacancy rate for Class B office space Suburban Greater Portland area was 4.33% down from 5.37% in June of 2018.

In adopting the budget for the ensuing fiscal year 2020, 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 low.

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

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During the upcoming fiscal year (2020), 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:

- For FY20, the City expects to receive an additional \$645K in school subsidy.
- Additionally on the City side, we anticipate additional State Revenue sharing totaling approximately \$500K.
- The City continues to promote economic development and has experienced strong building permits in the past few years. Monitoring and maintain conservative estimates going forward.

Property Values and Business Development:

- The regional economy has seen fairly strong growth in property values. Vacancy rates in the mall area appear to be flat and the City has been working with businesses to assist in business development.
- Housing prices for coastal properties are especially strong. Available rental housing stock is limited with rates rising significantly.
- A strong increase in overall taxable value resulted from several development projects.

Health Insurance and Other Costs:

- The cost of health insurance continues to rise. The City is actively taking steps to improve the City's health insurance experience rating. This has allowed the City rate increases to be modest as compared to many other communities and businesses. 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 City recently received notice that the increase for the coming year will be a blended 1.98% increase, significantly below what was anticipated.
- The employer cost for funding the City's defined benefit retirement plan has increased steadily each of the past several years.
- The costs of maintaining our facilities, vehicles, and infrastructure including expanding paving streets.
- The increase in operating costs for utilities and operating costs for the new Municipal Services Facility.

The fiscal year 2020 budget was approved in June 2020 with a \$4,036,219 (4.57%) increase in the overall general fund expenditure budget. Due to changes in various revenues including increased taxable valuation, the impact to property taxes was an increase of \$2,444,353 (3.79%) after final adjustment for actual BETE and Homestead revenue. Overall the tax rate increased (3.24%) to 19.10 per thousand from the prior year 18.50.

**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.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF SOUTH PORTLAND, MAINE**  
**Statement of Net Position**  
**June 30, 2019**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 53,577,833	-	53,577,833
Investments	9,784,476	-	9,784,476
Receivables, net of allow. of \$1,003,477 and \$39,200	2,075,433	529,639	2,605,072
Taxes receivable	763,023	-	763,023
Tax liens and tax acquired property	213,396	-	213,396
Inventory	35,622	-	35,622
Internal balances	(12,968,966)	12,968,966	-
Restricted assets, cash	50,000	-	50,000
Capital assets, not being depreciated	11,454,879	5,781,169	17,236,048
Capital assets, net of accumulated depreciation	123,809,869	50,227,105	174,036,974
Total assets	188,795,565	69,506,879	258,302,444
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	3,794,358	-	3,794,358
Deferred outflows of resources related to OPEB	557,818	-	557,818
Deferred charge on refunding	1,358,477	-	1,358,477
Total deferred outflows of resources	5,710,653	-	5,710,653
<b>LIABILITIES</b>			
Accounts payable	4,029,004	1,239,523	5,268,527
Accrued liabilities	637,082	1,662	638,744
Accrued interest	567,193	4,168	571,361
Accrued teachers' summer salaries	4,754,732	-	4,754,732
Non-current liabilities:			
Due within one year	6,091,214	298,175	6,389,389
Due in more than one year	70,294,492	3,155,198	73,449,690
Total liabilities	86,373,717	4,698,726	91,072,443
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	2,116,961	-	2,116,961
Deferred inflows of resources related to OPEB	596,227	-	596,227
Total deferred inflows of resources	2,713,188	-	2,713,188
<b>NET POSITION</b>			
Net investment in capital assets	84,566,316	52,833,701	137,400,017
Restricted for:			
Permanent Funds - Nonexpendable principal	193,519	-	193,519
Permanent Funds - Expendable	149,235	-	149,235
Education	2,022,736	-	2,022,736
Other grants	1,968,487	-	1,968,487
Tax Increment Financing	6,992,237	-	6,992,237
Capital	-	5,418,253	5,418,253
Unrestricted	9,526,783	6,556,199	16,082,982
<b>Total net position</b>	<b>\$ 105,419,313</b>	<b>64,808,153</b>	<b>170,227,466</b>

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Statement of Activities**  
**For the year ended June 30, 2019**

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	\$ 11,097,687	414,772	547,471	-	(10,135,444)	-	(10,135,444)
Public safety	14,378,122	1,898,476	384,059	1,534	(12,094,053)	-	(12,094,053)
Public works	7,990,357	253,305	-	329,339	(7,407,713)	-	(7,407,713)
Culture and recreation	4,911,749	1,410,321	-	-	(3,501,428)	-	(3,501,428)
Transportation and waterfront	2,060,680	375,738	768,992	44,332	(871,618)	-	(871,618)
Health, welfare and social services	566,904	-	254,717	-	(312,187)	-	(312,187)
Education	55,129,009	784,170	12,851,337	-	(41,493,502)	-	(41,493,502)
Interest on debt service	1,100,838	-	-	-	(1,100,838)	-	(1,100,838)
Total governmental activities	97,235,346	5,136,782	14,806,576	375,205	(76,916,783)	-	(76,916,783)
Business-type activities:							
Sewer	6,455,769	6,080,533	-	-	-	(375,236)	(375,236)
Total business-type activities	6,455,769	6,080,533	-	-	-	(375,236)	(375,236)
<b>Total primary government</b>	<b>\$ 103,691,115</b>	<b>11,217,315</b>	<b>14,806,576</b>	<b>375,205</b>	<b>(76,916,783)</b>	<b>(375,236)</b>	<b>(77,292,019)</b>
General revenues:							
Property taxes, levied for general purposes					68,265,075	-	68,265,075
Motor vehicle excise taxes					7,893,886	-	7,893,886
Cable television franchise					120,000	-	120,000
Grants and contributions not restricted to specific programs:							
State Revenue Sharing					1,335,998	-	1,335,998
Homestead exemption					1,185,346	-	1,185,346
Other State aid					2,644,252	-	2,644,252
Unrestricted investment earnings					1,578,387	113,512	1,691,899
Miscellaneous					1,002,266	-	1,002,266
Transfers					(620,941)	620,941	-
Total general revenues and transfers					83,404,269	734,453	84,138,722
Change in net position					6,487,486	359,217	6,846,703
Net position - beginning as restated					98,931,827	64,448,936	163,380,763
<b>Net position - ending</b>					<b>\$ 105,419,313</b>	<b>64,808,153</b>	<b>170,227,466</b>

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	General	Tax Increment Financing	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 39,532,817	7,047,242	6,997,774	-	53,577,833
Investments	8,497,405	-	-	1,287,071	9,784,476
Due from other governments	754,967	-	9,839	912,070	1,676,876
Accounts receivable, net of allowance of \$1,003,477	230,276	-	-	168,281	398,557
Taxes receivable	763,023	-	-	-	763,023
Tax liens and tax acquired property	213,396	-	-	-	213,396
Interfund loans receivable	-	-	-	4,447,094	4,447,094
Inventory	-	-	-	35,622	35,622
Restricted assets, cash	50,000	-	-	-	50,000
<b>Total assets</b>	<b>\$ 50,041,884</b>	<b>7,047,242</b>	<b>7,007,613</b>	<b>6,850,138</b>	<b>70,946,877</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	3,585,276	55,005	127,580	228,770	3,996,631
Accrued liabilities	580,629	-	-	56,453	637,082
Interfund loans payable	17,118,707	-	-	329,726	17,448,433
Accrued teachers' summer salaries	4,503,894	-	-	250,838	4,754,732
<b>Total liabilities</b>	<b>25,788,506</b>	<b>55,005</b>	<b>127,580</b>	<b>865,787</b>	<b>26,836,878</b>
Deferred inflows of resources:					
Unavailable revenue - property taxes	679,400	-	-	-	679,400
<b>Total deferred inflows of resources</b>	<b>679,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>679,400</b>
Fund balances:					
Nonspendable	-	-	-	229,141	229,141
Restricted	2,022,736	6,992,237	356,561	2,082,100	11,453,634
Committed	3,984,988	-	7,336,201	3,720,136	15,041,325
Assigned	4,044,926	-	-	-	4,044,926
Unassigned	13,521,328	-	(812,729)	(47,026)	12,661,573
<b>Total fund balances</b>	<b>23,573,978</b>	<b>6,992,237</b>	<b>6,880,033</b>	<b>5,984,351</b>	<b>43,430,599</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 50,041,884</b>	<b>7,047,242</b>	<b>7,007,613</b>	<b>6,850,138</b>	

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.	135,264,748
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	679,400
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:	
Bond premiums	(3,575,294)
Deferred charge from refunding	1,358,477
Accrued compensated absences	(3,452,464)
Other postemployment benefits liabilities with related deferred inflows and outflows of resources	(13,702,925)
Accrued interest	(567,193)
Landfill closure	(142,000)
Capital leases	(2,582,141)
Net pension liability with related deferred inflows and outflows of resources	(6,394,336)
Bonds payable	(44,897,558)

**Net position of governmental activities**

**\$ 105,419,313**

*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, 2019**

	General	Tax Increment Financing	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 73,409,226	2,795,535	-	25,000	76,229,761
Intergovernmental	15,612,067	664,008	79,544	3,991,758	20,347,377
Licenses, permits, fees and fines	1,106,919	-	-	-	1,106,919
Charges for services	2,001,441	-	-	1,982,772	3,984,213
Unclassified	1,772,267	-	8,196	473,895	2,254,358
Interest earned	1,330,137	133,035	18,985	96,230	1,578,387
<b>Total revenues</b>	<b>95,232,057</b>	<b>3,592,578</b>	<b>106,725</b>	<b>6,569,655</b>	<b>105,501,015</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	11,723,532	227,435	-	837,571	12,788,538
Public safety	11,707,181	-	-	310,802	12,017,983
Public works	5,041,425	164,806	-	341,200	5,547,431
Culture and recreation	3,197,494	-	-	1,017,724	4,215,218
Transportation and waterfront	1,470,630	-	-	90,978	1,561,608
Health, welfare and social services	566,904	-	-	-	566,904
Education (excluding debt service)	48,820,770	-	-	2,235,174	51,055,944
School lunch program	-	-	-	1,885,962	1,885,962
Intergovernmental	2,785,695	-	-	-	2,785,695
Other	78,581	1,783,491	-	7,653	1,869,725
Debt service	5,984,308	-	-	-	5,984,308
Capital expenditures	1,197,761	-	3,316,083	-	4,513,844
<b>Total expenditures</b>	<b>92,574,281</b>	<b>2,175,732</b>	<b>3,316,083</b>	<b>6,727,064</b>	<b>104,793,160</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,657,776</b>	<b>1,416,846</b>	<b>(3,209,358)</b>	<b>(157,409)</b>	<b>707,855</b>
<b>Other financing sources (uses):</b>					
Transfers in	1,139,583	-	2,395,603	470,000	4,005,186
Transfers out	(3,064,339)	(1,373,517)	-	(188,271)	(4,626,127)
Capital lease proceeds	-	-	1,412,779	-	1,412,779
<b>Total other financing sources (uses)</b>	<b>(1,924,756)</b>	<b>(1,373,517)</b>	<b>3,808,382</b>	<b>281,729</b>	<b>791,838</b>
<b>Net change in fund balances</b>	<b>733,020</b>	<b>43,329</b>	<b>599,024</b>	<b>124,320</b>	<b>1,499,693</b>
<b>Fund balances, beginning of year</b>	<b>22,840,958</b>	<b>6,948,908</b>	<b>6,281,009</b>	<b>5,860,031</b>	<b>41,930,906</b>
<b>Fund balances, end of year</b>	<b>\$ 23,573,978</b>	<b>6,992,237</b>	<b>6,880,033</b>	<b>5,984,351</b>	<b>43,430,599</b>

*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, 2019**

Net change in fund balances - total governmental funds (from Statement 4)	\$	1,499,693
<p>Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:</p>		
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 by which book value of disposed assets (\$1,064,253) and depreciation (\$6,270,405) exceed capital acquisitions (\$5,622,351).		(1,712,307)
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.		(70,800)
Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of lease principal is an expenditure in the governmental funds, but the repayments reduces long-term liabilities in the statement of net position. Capital lease proceeds (\$1,412,779) exceeded repayments (\$774,473).		(638,306)
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 (\$142,998).		(142,998)
Change in accruals are recorded on the statement of net position, but not on the governmental fund balance sheet - accrued compensated absences (-\$92,686), accrued interest (\$39,221), net pension liability with deferred outflows and inflows of resources (\$3,089,579), and other postemployment benefits liabilities with related deferred outflows and inflows of resources (-\$3,692).		3,032,422
Bond 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. The City amortized bond premiums of \$563,271. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. For the year, the amount of repayments was \$3,956,511.		4,519,782
<b>Change in net position of governmental activities (see Statement 2)</b>	<b>\$</b>	<b>6,487,486</b>

*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, 2019**

	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	\$ 71,991,063	71,991,063	73,409,226	1,418,163	2,571,201	2,571,201	2,795,535	224,334
Intergovernmental	11,381,037	11,381,037	11,774,765	393,728	700,000	700,000	664,008	(35,992)
Licenses, permits, fees and fines	981,750	981,750	1,106,919	125,169	-	-	-	-
Charges for services	1,909,900	1,909,900	2,001,441	91,541	-	-	-	-
Unclassified	196,540	196,540	182,712	(13,828)	-	-	-	-
Interest earned	400,000	400,000	1,239,156	839,156	-	-	133,035	133,035
Total revenues	86,860,290	86,860,290	89,714,219	2,853,929	3,271,201	3,271,201	3,592,578	321,377
Expenditures:								
Current:								
General government	11,512,170	11,307,610	11,252,396	55,214	286,385	286,385	227,435	58,950
Public safety	11,448,080	11,656,804	11,568,919	87,885	-	-	-	-
Public works	4,845,680	4,875,186	4,874,407	779	171,473	171,473	164,806	6,667
Culture, parks, and recreation	3,262,693	3,277,313	3,189,364	87,949	-	-	-	-
Transportation and waterfront	1,442,832	1,445,042	1,441,896	3,146	-	-	-	-
Health, welfare and social services	633,345	633,345	566,904	66,441	-	-	-	-
Education	49,851,899	49,851,899	49,230,170	621,729	-	-	-	-
Intergovernmental	2,785,695	2,785,695	2,785,695	-	-	-	-	-
Other	112,000	61,500	9,915	51,585	1,376,711	1,376,711	1,783,491	(406,780)
Debt service (excluding education)	1,581,912	1,477,912	1,474,896	3,016	-	-	-	-
Capital expenditures	-	-	-	-	1,130,042	147,542	-	147,542
Total expenditures	87,476,306	87,372,306	86,394,562	977,744	2,964,611	1,982,111	2,175,732	(193,621)
Excess (deficiency) of revenues over (under) expenditures	(616,016)	(512,016)	3,319,657	3,831,673	306,590	1,289,090	1,416,846	127,756
Other financing sources (uses):								
Budgeted use of surplus - City	-	2,056,064	-	(2,056,064)	84,355	84,355	-	(84,355)
Budgeted use of surplus - School	500,000	500,000	-	(500,000)	-	-	-	-
Transfer in	952,936	952,936	939,036	(13,900)	-	-	-	-
Transfers out	(836,920)	(2,996,984)	(3,064,339)	(67,355)	(390,945)	(1,373,445)	(1,373,517)	(72)
Total other financing sources (uses)	616,016	512,016	(2,125,303)	(2,637,319)	(306,590)	(1,289,090)	(1,373,517)	(84,427)
Net change in fund balance - budgetary basis	-	-	1,194,354	1,194,354	-	-	43,329	43,329
Reconciliation to GAAP basis:								
Change in encumbrances - City			(178,031)				-	
Change in encumbrances - School			48				-	
Change in unbudgeted teacher summer benefits			(37,692)				-	
Change in reserves			(245,659)				-	
Net change in fund balance - GAAP basis			733,020				43,329	
Fund balance, beginning of year			22,840,958				6,948,908	
<b>Fund balance, end of year</b>	<b>\$</b>		<b>23,573,978</b>				<b>6,992,237</b>	

**CITY OF SOUTH PORTLAND, MAINE**  
**Statements of Net Position**  
**Proprietary Funds**  
**June 30, 2019 and 2018**

<b>Business-type Activities - Enterprise Funds</b>		
	<b>Sewer</b>	
	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Current assets:		
Receivables, net of allowance of \$39,200 and \$41,200, respectively	\$ 524,958	\$ 628,526
Sewer liens	4,681	2,228
Interfund loans receivable	12,968,966	15,124,026
Total current assets	13,498,605	15,754,780
Noncurrent assets:		
Capital assets, not being depreciated	5,781,169	2,761,194
Capital assets	102,095,386	100,169,505
Accumulated depreciation	(51,868,281)	(49,878,378)
Total noncurrent assets	56,008,274	53,052,321
<b>Total assets</b>	<b>69,506,879</b>	<b>68,807,101</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	1,239,523	696,935
Accrued wages	1,662	2,361
Accrued interest	4,168	4,413
Current portion of noncurrent liabilities:		
Compensated absences	101,073	99,506
Bonds payable	197,102	197,102
Total current liabilities	1,543,528	1,000,317
Noncurrent liabilities:		
Compensated absences	177,727	183,274
Bonds payable	2,977,471	3,174,574
Total noncurrent liabilities	3,155,198	3,357,848
<b>Total liabilities</b>	<b>4,698,726</b>	<b>4,358,165</b>
<b>NET POSITION</b>		
Net investment in capital assets	52,833,701	49,680,645
Restricted for capital projects	5,418,253	6,901,280
Unrestricted	6,556,199	7,867,011
<b>Total net position</b>	<b>\$ 64,808,153</b>	<b>64,448,936</b>

*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 years ended June 30, 2019 and 2018**

<b>Business-type Activities - Enterprise Funds</b>		
	<b>Sewer</b>	
	<b>2019</b>	<b>2018</b>
<b>Operating revenues:</b>		
Charges for services	\$ 6,015,680	5,940,533
Interest and penalties	498	516
Licenses	64,355	74,266
Total operating revenues	6,080,533	6,015,315
<b>Operating expenses:</b>		
Personnel services	2,445,544	2,397,401
Contractual services	1,368,481	1,307,847
Supplies and materials	466,001	447,168
Fixed charges	66,094	90,751
Capital outlay	55,610	47,914
Depreciation	2,027,895	2,034,088
Total operating expenses	6,429,625	6,325,169
Operating income (loss)	(349,092)	(309,854)
<b>Nonoperating revenues (expenses):</b>		
Interest revenue	113,512	78,264
Gain (loss) on disposal of capital assets	(5,600)	1,220
Interest expense	(20,544)	(21,167)
Total nonoperating revenues (expenses)	87,368	58,317
Income (loss) before transfers	(261,724)	(251,537)
Transfers in	621,805	3,364,207
Transfer out	(864)	(864)
Total transfers	620,941	3,363,343
Change in net position	359,217	3,111,806
Net position, beginning of year	64,448,936	61,337,130
<b>Net position, end of year</b>	<b>\$ 64,808,153</b>	<b>64,448,936</b>

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Statements of Cash Flows**  
**Proprietary Funds**  
**For the years ended June 30, 2019 and 2018**

	Sewer	
	2019	2018
<b>Business-type Activities - Enterprise Funds</b>		
Cash flows from operating activities:		
Receipts from customers and users	\$ 6,181,648	6,055,685
Payments to suppliers	(1,413,598)	(1,661,933)
Payments to employees	(2,450,223)	(2,383,582)
Net cash provided by (used in) operating activities	2,317,827	2,010,170
Cash flows from noncapital financing activities:		
Transfer from other funds	621,805	3,364,207
Interfund loan	2,155,060	(3,454,797)
Transfers to other funds	(864)	(864)
Net cash provided by (used in) noncapital financing activities	2,776,001	(91,454)
Cash flows from capital and related financing activities:		
Purchase of capital assets	(4,989,448)	(1,778,465)
Interest paid on bonds	(20,789)	(21,413)
Principal payments on bonds	(197,103)	(197,102)
Net cash provided by (used in) capital and related financing activities	(5,207,340)	(1,996,980)
Cash flows from investing activities:		
Interest revenue	113,512	78,264
Net cash provided by (used in) investing activities	113,512	78,264
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>-</b>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (349,092)	(309,854)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	2,027,895	2,034,088
(Increase) decrease in receivables	103,568	35,766
(Increase) decrease in liens	(2,453)	4,604
Increase (decrease) in accounts payable	542,588	231,747
Increase (decrease) in accrued wages	(699)	39
Increase (decrease) in compensated absences	(3,980)	13,780
Net cash provided by (used in) operating activities	\$ 2,317,827	2,010,170

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

		Private- purpose Trust Funds	Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$	16,202	128,741
Investments		2,118,336	-
Due from others		32,373	-
<b>Total assets</b>		<b>2,166,911</b>	<b>128,741</b>
<b>LIABILITIES</b>			
Accounts payable		1,000	-
Due to others		-	128,741
<b>Total liabilities</b>		<b>1,000</b>	<b>128,741</b>
<b>NET POSITION</b>			
Held in trust	\$	<b>2,165,911</b>	-

*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, 2019**

		<b>Private- purpose Trust Funds</b>
<b>Additions:</b>		
Donations	\$	123,654
<b>Investment earnings:</b>		
Interest		32,497
Unrealized gain (loss)		86,005
<b>Total additions</b>		<b>242,156</b>
<b>Deductions:</b>		
Scholarships and other		133,788
<b>Total deductions</b>		<b>133,788</b>
Change in net position		108,368
Net position, beginning of year		2,057,543
<b>Net position, end of year</b>	<b>\$</b>	<b>2,165,911</b>

*See accompanying notes to basic financial statements.*

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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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.

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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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.

**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, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

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 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**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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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, and public library funds.

*Agency funds* are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. The student activity funds are used to account for assets that the government holds for others in an agency capacity.

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".

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**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.

**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. Capital Assets**

Capital 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment 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

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**J. 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.

**K. 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.

**L. Fund Equity**

Governmental Fund 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.
- *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.

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**M. 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.

**N. 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.

**O. 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.

**P. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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.

**Q. 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.

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**R. 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 position 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 only report one type of deferred inflow of resources, unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The governmental activities 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.

**S. 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 and capital leases 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, 2019:

	<u>Governmental activities</u>	<u>Business-type activities</u>
Capital assets	\$ 245,730,557	107,876,555
Accumulated depreciation	(110,465,809)	(51,868,281)
Bonds payable and premiums	(48,472,852)	(3,174,573)
Add back bond proceeds unexpended	356,561	-
Capital leases	(2,582,141)	-
<b><u>Net investment in capital assets</u></b>	<b><u>\$ 84,566,316</u></b>	<b><u>52,833,701</u></b>

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

**STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

An annual budget is adopted by the City Council for the General Fund, Sewer Use Fund, and the TIF 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 vs. reporting under accounting principles generally accepted in the United States of America of \$3,837,302.

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 were \$1,131,072 in the General Fund.

Additionally, the City does not budget for certain benefits that are accrued at year end by the School Department for teachers during the summer vacation.

**B. Excess of Expenditures over Appropriations**

Per City Charter, the level of budgetary control is at the department level. For the year ended June 30, 2019, all departments were within their charter level budget limits.

**C. Deficit Fund Balances**

At June 30, 2019, the following funds had deficit fund balances:

Special Revenue Funds:

Staff Computer Training	\$ 476
Sustainability Committee	87
Future Builders / Summer School	22,920
Wellness Committee	3,801
National Semiconductor - Brown	3,683
Heating Assistance	199
Robotics	8,625
Learning Results	405
Memorial Tech Grant - Koelker	1,237

E-Rate	5,593
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Private-purpose Trust Funds:

A Varanelli Scholarship	273
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Capital Project Funds:

Middle School Project	494,169
Planning CIP	318,560

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

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

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**DEPOSITS AND INVESTMENTS**

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As of June 30, 2019, 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	\$ 3,893,098	1,000,000	1,990,652	902,446
Federal Home Loan Mort. Corp.	3,874,278	-	2,783,561	1,090,717
Federal Farm Credit Bank	1,003,791	499,117	504,674	-
Federal National Mortgage	1,011,489	398,493	497,085	115,911
Federal Home Loan Bank	2,002,819	400,004	602,528	1,000,287
Certificates of Deposit	41,008,499	12,859,130	27,899,041	250,328
Stock Mutual Fund	72,299	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, 2019, the City had bank balances of \$56,333,981. 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. As of June 30, 2019, the City had no deposits which were subject to custodial credit risk because they were not insured or collateralized.

*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, 2019, the City had fair value investment balances of \$11,857,774 of which only the stock mutual fund 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, 2019, the City’s investments in Federal Home Loan Banks, Federal Farm Credit Bank, Federal Home Loan 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, 2018 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 \$850,422 for the year ended June 30, 2019.

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>2019</u>	<u>2018</u>
Assessed value	\$ 3,685,265,060	3,641,513,160
Tax rate (per \$1,000)	18.50	18.00
Commitment	68,177,403	65,547,237
Less:		
Abatements	242,160	202,288
Collections	67,337,460	64,686,257
Current year taxes receivable at end of year	597,783	658,692
Taxes and liens receivable - prior years	378,636	371,442
<b>Total taxes and liens receivable</b>	<b>\$ 976,419</b>	<b>1,030,134</b>

Due dates:	1st quarter	August 16, 2018	August 31, 2017
	2nd quarter	November 15, 2018	November 16, 2017
	3rd quarter	February 14, 2019	February 15, 2018
	4th quarter	May 9, 2019	May 10, 2018

	<u>2019</u>	<u>2018</u>
Interest rate on delinquent taxes	8.00%	7.00%
Collection rate	98.77%	99.00%

**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, 2019 was as follows:

	Balance June 30, <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2019</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 9,416,245	-	-	9,416,245
Construction in progress	1,309,108	1,814,111	1,084,585	2,038,634
Total capital assets not being depreciated	10,725,353	1,814,111	1,084,585	11,454,879
Capital assets, being depreciated:				
Buildings	143,459,034	311,261	-	143,770,295
Improvements other than buildings	6,454,862	115,352	-	6,570,214
Machinery and equipment	17,196,800	203,441	1,738,568	15,661,673
Vehicles	15,729,930	2,009,670	1,630,501	16,109,099
Infrastructure	49,911,294	2,253,103	-	52,164,397
Total capital assets being depreciated	232,751,920	4,892,827	3,369,069	234,275,678
Less accumulated depreciation for:				
Buildings	45,258,222	2,833,803	-	48,092,025
Improvements other than buildings	3,801,195	234,501	-	4,035,696
Machinery and equipment	12,217,726	812,305	1,738,568	11,291,463
Vehicles	10,357,562	1,038,234	566,246	10,829,550
Infrastructure	34,865,513	1,351,562	-	36,217,075
Total accumulated depreciation	106,500,218	6,270,405	2,304,814	110,465,809
Total capital assets being depreciated, net	126,251,702	(1,377,578)	1,064,255	123,809,869
<b>Governmental activities capital assets, net</b>	<b>\$ 136,977,055</b>	<b>436,533</b>	<b>2,148,840</b>	<b>135,264,748</b>

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

Governmental activities:	
General government	\$ 217,236
Public safety	689,222
Public works	1,633,765
Culture and recreation	664,945
Transportation and waterfront	499,072
Education	2,566,165
<b>Total depreciation expense – governmental activities</b>	<b>\$ 6,270,405</b>

**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, 2019 was as follows:

	Balance June 30, <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2019</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,221,558	-	-	1,221,558
<u>Construction in progress</u>	<u>1,539,636</u>	<u>3,191,420</u>	<u>171,445</u>	<u>4,559,611</u>
Total capital assets not being depreciated	2,761,194	3,191,420	171,445	5,781,169
Capital assets, being depreciated:				
Buildings	36,490,621	24,674	48,090	36,467,205
Improvements other than buildings	80,331	-	-	80,331
Machinery and equipment	16,965,080	1,261,708	-	18,226,788
Vehicles	1,082,507	-	-	1,082,507
<u>Infrastructure</u>	<u>45,550,966</u>	<u>687,589</u>	<u>-</u>	<u>46,238,555</u>
Total capital assets being depreciated	100,169,505	1,973,971	48,090	102,095,386
Less accumulated depreciation for:				
Buildings	21,020,115	757,328	37,991	21,739,452
Improvements other than buildings	80,331	-	-	80,331
Machinery and equipment	11,539,671	517,790	-	12,057,461
Vehicles	1,022,943	28,523	-	1,051,466
<u>Infrastructure</u>	<u>16,215,317</u>	<u>724,254</u>	<u>-</u>	<u>16,939,571</u>
Total accumulated depreciation	49,878,377	2,027,895	37,991	51,868,281
<u>Total capital assets being depreciated, net</u>	<u>50,291,128</u>	<u>(53,924)</u>	<u>10,099</u>	<u>50,227,105</u>
<b><u>Business-type activities capital assets, net</u></b>	<b><u>\$ 53,052,322</u></b>	<b><u>3,137,496</u></b>	<b><u>181,544</u></b>	<b><u>56,008,274</u></b>

Depreciation expense (\$2,027,895) for proprietary funds was charged entirely to the sewer fund.

**LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2019 was as follows:

	Beginning <u>balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>balance</u>	Due within <u>one year</u>
<b>Governmental activities:</b>					
General obligation bonds	\$ 48,854,069	-	3,956,511	44,897,558	3,801,512
Bond premiums	4,138,565	-	563,271	3,575,294	546,229
Capital leases	1,943,835	1,412,779	774,473	2,582,141	757,567
Landfill closure	142,000	-	-	142,000	14,200
Other post-employment benefits*	14,155,807	-	491,291	13,664,516	-
Net pension liability	11,927,496	-	3,855,763	8,071,733	-
Compensated absences	3,359,778	1,704,540	1,611,854	3,452,464	971,706
<b><u>Governmental activity long-term liabilities</u></b>	<b><u>\$ 84,521,550</u></b>	<b><u>3,117,319</u></b>	<b><u>11,253,163</u></b>	<b><u>76,385,706</u></b>	<b><u>6,091,214</u></b>

\*Beginning balance was restated due to the addition of other postemployment benefits pertaining to health insurance at the School Department (\$9,195,246), which was unknown previously.

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

**LONG-TERM DEBT, CONTINUED**

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
<b>Business-type activities:</b>					
General obligation bonds	\$ 3,371,676	-	197,103	3,174,573	197,102
Compensated absences	282,780	198,363	202,343	278,800	101,073
<b>Business-type activities long-term liabilities</b>	<b>\$ 3,654,456</b>	<b>198,363</b>	<b>399,446</b>	<b>3,453,373</b>	<b>298,175</b>

Long-term debt payable at June 30, 2019 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, 2019</u>
<b>Governmental activities:</b>					
2010 HS & MS Renovations - School	1/26/2010	\$ 4,613,000	11/1/2029	2.00-4.00%	230,000
2011 Refund 2002 & 2003 Elem Sch.	10/26/2011	8,905,000	7/15/2023	2.00-4.375%	3,270,000
2012 HS Construction – School	5/30/2012	30,000,000	7/15/2032	2.00-4.00%	7,500,000
2013 HS SRRF – School	12/1/2013	664,450	12/1/2023	0.00%	232,558
2014 HS Construction – School	4/10/2014	8,850,000	4/15/2034	2.25-3.25%	6,625,000
2017 Municipal Service Facility – City	9/8/2017	12,700,000	3/1/2037	2.00-5.00%	11,430,000
2017 Advance Refund 2010 & 2012	9/13/2017	15,700,000	7/15/2029	2.375-4.00%	15,610,000
Total governmental activities					44,897,558
<b>Business-type activities:</b>					
2009 SRF (Long Creek)	10/7/2009	749,716	10/1/2029	0.00%	284,573
2015 CWSRF	8/30/2015	3,500,000	8/1/2035	0.35%	2,890,000
Total business-type activities					3,174,573
<b>Total bonds payable</b>					<b>\$ 48,072,131</b>

Advance Refunding -Prior year defeasance of debt. In September of 2017, the City defeased certain general obligation 2010 and 2012 school bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments and the related call premiums on the old bonds. The trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2019, \$15,800,000 of defeased bonds remain outstanding.

Authorized but Unissued Bonds In June of 2019 voters approved a \$7,000,000 bond referendum. \$6,000,000 is for the purpose of renovations at the Cash Corner Fire Station including demolition and construction of a new building; \$700,000 for renovations to the Broadway and West End Fire Stations; and \$300,000 for renovations of the Police Station on Anthoine Street. At June 30, 2019, these bonds were authorized but unissued.

Subsequent to year-end Authorized but Unissued Bonds In November of 2019, voters approved bonding for \$69,269,073 for the construction of a new consolidated middle school. The School Department had previously received State of Maine approval for State "Participation" in the funding of \$59,269,073. City taxpayers will only be responsible for repayment of the \$10,000,000 portion. Voters also approved \$2,075,000 for pedestrian improvements and \$200,000 for dynamic traffic signalization engineering and installation. At June 30, 2019, these bonds were unauthorized and unissued.

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

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**LONG-TERM DEBT, CONTINUED**

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The annual requirements to amortize long-term debt outstanding as of June 30, 2019 are as follows:

June 30,	Governmental activities			Business-type activities		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 3,801,512	1,404,800	5,206,312	197,102	18,808	215,910
2021	3,776,512	1,288,400	5,064,912	197,102	18,184	215,286
2022	3,766,512	1,161,725	4,928,237	197,102	17,559	214,661
2023	3,161,511	1,047,662	4,209,173	197,102	16,934	214,036
2024	3,111,511	934,050	4,045,561	197,103	16,309	213,412
2025-2029	13,785,000	3,067,788	16,852,788	985,511	72,176	1,057,687
2030-2034	11,590,000	979,575	12,569,575	863,551	56,557	920,108
2035-2037	1,905,000	69,850	1,974,850	340,000	18,250	358,250
<b>Total</b>	<b>\$ 44,897,558</b>	<b>9,953,850</b>	<b>54,851,408</b>	<b>3,174,573</b>	<b>234,777</b>	<b>3,409,350</b>

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, 2019, the statutory limit for the City was \$646,215,000. The City's outstanding long-term debt of \$48,072,131 at June 30, 2019 was \$598,142,869 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, 2019:

<u>Governmental Unit</u>	<u>Net debt outstanding</u>	<u>Applicable to South Portland</u>	<u>City of South Portland's share of debt</u>
Cumberland County	\$ 37,893,997	9.19%	\$ 3,481,402
Portland Water District	53,286,036	13.68%	7,289,530

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**JOINTLY GOVERNED ORGANIZATION**

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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 59 municipalities in Cumberland, Oxford, and York counties in Maine. Owned and controlled by 21 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.

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

**JOINTLY GOVERNED ORGANIZATION, CONTINUED**

Selected balance sheet information for Ecomaine for the year ended June 30, 2019 includes total assets of \$63,227,321, and total liabilities of \$18,166,889 and unrestricted net position of \$14,041,866. The liabilities include an accrual for landfill closure and postclosure care amounting to \$15,082,777. Ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2019 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.

**CAPITAL LEASES**

The City has entered into lease agreements as lessee for financing the acquisition of equipment and has also entered into an energy performance lease arrangement. These leases qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of future minimum lease payments as of the date of its inception. The value of assets capitalized under these leases as of June 30, 2019 was \$5,713,170.

The following is a schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payment at June 30, 2019.

	Governmental activities
2020	\$ 827,616
2021	777,277
2022	430,247
2023	339,040
2024	134,653
<u>2025-2026</u>	<u>269,308</u>
Total minimum lease payments	2,778,141
<u>Less: amount representing interest</u>	<u>196,000</u>
<b>Present value of future minimum lease payments</b>	<b><u>\$ 2,582,141</u></b>

**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, 2019, the City had recorded approximately \$142,000 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.

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

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**INTERFUND BALANCES AND TRANSFERS**

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As of June 30, 2019, interfund loans receivable and payable were as follows:

<u>Fund</u>	<u>Interfund receivable</u>	<u>Interfund payable</u>
General Fund	\$ -	17,118,707
Sewer Fund	12,968,966	-
Nonmajor Special Revenue Funds:		
City Special Revenues	4,194,216	-
School Grant Funds	218,079	327,726
School Adult Education	9,736	-
School Lunch Fund	25,040	-
Permanent Funds	23	2,000
Private-purpose Trust Funds	32,373	-
	<hr/>	<hr/>
<b>Total interfund balances</b>	<b>\$ 17,448,433</b>	<b>17,448,433</b>

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, 2019, interfund transfers were as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 1,139,583	3,064,339
Sewer Fund	621,805	864
Tax Increment Financing	-	1,373,517
Capital Projects	2,395,603	-
Nonmajor Special Revenue Funds:		
City Special Revenues	-	195,071
School Grant Fund	6,800	-
School Lunch Fund	470,000	-
	<hr/>	<hr/>
<b>Total interfund transfers</b>	<b>\$ 4,633,791</b>	<b>4,633,791</b>

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, 2019, the City maintained an unassigned general fund balance of \$13,521,328, which is 14.64% of the fiscal year 2020 budget of \$92,374,445.

**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 \$1,500,681 tax rate stabilization reserve at June 30, 2019 with \$500,000 anticipated to be used in the funding of fiscal year ending June 30, 2020 budget.

As of June 30, 2019, fund balance components consisted of the following:

	General Fund	Other Governmental Funds	Total
<b>Nonspendable:</b>			
Inventory	\$ -	35,622	35,622
<u>Principal for permanent funds</u>	-	<u>193,519</u>	<u>193,519</u>
<u>Total nonspendable</u>	-	<u>229,141</u>	<u>229,141</u>
<b>Restricted:</b>			
Education	2,022,736	327,684	2,350,420
TIF funds	-	6,992,237	6,992,237
Capital projects – unspent bond proceeds	-	356,561	356,561
Grants – Housing and business development	-	122,492	122,492
Grants – Other planning and general government	-	10,477	10,477
Grants – Fire and police	-	52,150	52,150
Grants – FEMA equipment	-	134,714	134,714
Grants – State highway block	-	575,250	575,250
Donations – Parks and recreation operations	-	615,325	615,325
Other grants and donations	-	94,773	94,773
<u>Permanent funds</u>	-	<u>149,235</u>	<u>149,235</u>
<u>Total restricted</u>	<u>2,022,736</u>	<u>9,430,898</u>	<u>11,453,634</u>

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

**FUND BALANCES, CONTINUED**

	General <u>Fund</u>	Other Governmental <u>Funds</u>	<u>Total</u>
Committed:			
General government:			
Tax stabilization reserve	\$ 1,500,681	-	1,500,681
Climate action plan	30,320	-	30,320
Equipment replacement reserve	200,384	-	200,384
Unemployment reserve	103,971	-	103,971
Self-Insurance reserve	103,816	-	103,816
Safety reserve	231,617	-	231,617
Computerization reserve	140,814	-	140,814
Litigation legal reserve	254,928	-	254,928
Municipal buildings and land acquisition	32,260	-	32,260
Other reserves	40,190	260,371	300,561
South Portland Community TV	-	754,492	754,492
Freshwater Wetland Fund	-	253,008	253,008
Land Bank Trust	-	1,001,798	1,001,798
Public safety:			
Fire equipment and vehicle reserve	207,413	-	207,413
Police equipment reserves	3,755	-	3,755
Call company retirement reserve	54,448	-	54,448
Hazardous materials fund	-	113,536	113,536
Other	5,845	67,117	72,962
Public works:			
Snow removal reserve	407,629	-	407,629
Cummings road sewer reserve	221,183	-	221,183
Solid waste reserve	36,220	-	36,220
Other reserves	219,516	5,763	225,279
Street openings and recycling funds	-	386,788	386,788
Sewer impact fund	-	379,580	379,580
Transit and waterfront:			
Bus reserve	186,108	-	186,108
Portland Street Pier and Thomas Knight	-	205,074	205,074
Culture and recreation:			
Library donations	3,890	163,599	167,489
Other	-	129,010	129,010
Capital projects	-	7,336,201	7,336,201
<b>Total committed</b>	<b>3,984,988</b>	<b>11,056,337</b>	<b>15,041,325</b>

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

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**FUND BALANCES, CONTINUED**

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	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Assigned:			
Compensated absences reserve	\$ 2,679,319	-	2,679,319
Phone system reserve	94,741	-	94,741
Outside overtime - fire	22,258	-	22,258
Public works fuel distribution	117,536	-	117,536
Encumbrances	1,131,072	-	1,131,072
Total assigned	4,044,926	-	4,044,926
Unassigned	13,521,328	(859,755)	12,661,573
<b>Total fund balance</b>	<b>\$ 23,573,978</b>	<b>19,856,621</b>	<b>43,430,599</b>

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**CONSTRUCTION COMMITMENTS**

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The City has entered into a contract in connection with the Front Street and West High Phase II construction project. The following is a summary of the commitments at June 30, 2019:

	<u>Contract Total</u>	<u>Percentage Complete</u>	<u>Billed to Date</u>	<u>Balance Remaining</u>
Front St & West High Sewer Construction:				
Construction contracts	\$ 1,471,500	30.23%	444,789	1,026,711

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**TAX INCREMENT FINANCING DISTRICTS**

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

	<u>Original value</u>	<u>Increase in value</u>	<u>TIF cap</u>	<u>Captured value</u>	<u>Captured tax</u>
Fairchild TIF	\$ 33,512,500	3,034,600	100%	3,034,600	56,140
Texas Instruments TIF	20,509,000	154,603,800	50%	77,301,900	1,430,085
One Wallace TIF	2,178,200	4,281,300	100%	4,281,300	79,204
Cummings TIF	1,697,100	25,184,200	0%	-	-
Long Creek TIF	1,066,300	11,543,900	100%	11,543,900	213,562
Brick Hill TIF	-	36,059,660	100%	36,059,660	667,104
Jared TIF	957,500	1,172,800	100%	1,172,800	21,697
Hannaford TIF	343,000	8,856,479	100%	8,856,479	163,845
Downtown TIF	139,691,570	8,188,130	100%	8,188,130	151,480
Transit TIF	18,373,000	2,684,900	25%	671,225	12,418

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

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**TAX INCREMENT FINANCING DISTRICTS, CONTINUED**

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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 ten (10) approved Tax Increment Financing Districts as of June 30, 2019. For FY 2019, the City captured \$2,795,535 in TIF tax revenues and disbursed \$1,783,491 in C.E.A. payments to three (3) developers. The remaining \$1,012,044 was applied toward eligible local expenses. 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 \$1,430,085 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 must meet annually 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 FY2019 reimbursement was at a 100% reimbursement of taxes captured rate.

The City disbursed \$346,387 in C.E.A. payments to Long Creek Redevelopment LLC (Brick Hill TIF) to reimburse the eligible infrastructure investment for affordable housing relating to the Affordable Housing TIF based on a tax shift calculation formula that for FY2019 was at 51.92% of taxes captured.

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**NET PENSION LIABILITY**

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***General Information about the Pension Plan***

**Plan Description** - Employees of the City are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD) and teaching-certified employees of the City are provided with pensions through the Maine Public Employees Retirement System State Employee and Teacher Plan (SET), cost-sharing multiple-employer defined benefit pension plans, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at [www.maineopers.org](http://www.maineopers.org).

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

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**NET PENSION LIABILITY, CONTINUED**

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**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.

**PLD Plan** - Employees are required to contribute 8.0% to 9.5% of their annual pay. The City's contractually required contribution rate for the year ended June 30, 2019, was 10.0% of annual payroll for the regular plan and 12.7% of annual payroll for the special plan. Contributions to the pension plan from the City were \$1,565,840 for the year ended June 30, 2019.

**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, 2019, was 15.05% of annual payroll of which 3.97% of payroll was required from the City and 11.08% was required from the State. Contributions to the pension plan from the City were \$1,017,746 for the year ended June 30, 2019.

***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, 2018, 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, 2019, the City reported a liability of \$6,899,904 for its proportionate share of the net pension liability. At June 30, 2018, the City's proportion of the PLD Plan was 2.5212%.

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

**NET PENSION LIABILITY, CONTINUED**

**SET Plan** - At June 30, 2019, the City reported a liability 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	\$ 1,171,829
State's proportionate share of the net pension liability	
associated with the City	26,564,893
<b>Total</b>	<b>\$ 27,736,722</b>

At June 30, 2018, the City's proportion of the SETP was 0.0868%.

For the year ended June 30, 2019 the City recognized pension gain of \$1,437,126 for the PLD Plan. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the PLD plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	54,181
Changes of assumptions	1,101,271	-
Net difference between projected and actual earnings on pension plan investments	-	1,666,052
Changes in proportion and differences between City contributions and proportionate share of contributions	-	110,897
City contributions subsequent to the measurement date	1,565,840	-
<b>Total</b>	<b>\$ 2,667,111</b>	<b>1,831,130</b>

\$1,565,840 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ 817,497
2021	16,652
2022	(1,133,408)
2023	(430,600)

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

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**NET PENSION LIABILITY, CONTINUED**

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For the year ended June 30, 2019 the City recognized pension expense of \$3,771,695 for the SET Plan with revenue of \$2,840,562 for support provided by the State. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the SET Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 35,790	-
Changes of assumptions	73,711	-
Net difference between projected and actual earnings on pension plan investments	-	152,338
Changes in proportion and differences between City contributions and proportionate share of contributions	-	133,493
City contributions subsequent to the measurement date	1,017,746	-
<b>Total</b>	<b>\$ 1,127,247</b>	<b>285,831</b>

\$1,017,746 is reported 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ 50,465
2021	(77,422)
2022	(108,448)
2023	(40,925)

**Actuarial Assumptions** - The total pension liability in the June 30, 2018 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% to 9.0%	2.75% to 14.5%
Investment return, per annum, compounded annually	6.75%	6.75%
Cost of living benefit increases, per annum	1.91%	2.20%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2012 to June 30, 2015.

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

**NET PENSION LIABILITY, CONTINUED**

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, 2018 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	7.5%	2.3%
Private equity	15.0%	7.6%
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	4.2%
Diversifiers	10.0%	5.9%

**Discount Rate** - The discount rate used to measure the total pension liability was 6.75% 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 6.75% 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 (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

<u>PLD Plan</u>	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
City's proportionate share of the net pension liability	\$ 16,262,159	\$ 6,899,904	\$ (1,851,234)
 <u>SET Plan</u>	 1% Decrease (5.75%)	 Current Discount Rate (6.75%)	 1% Increase (7.75%)
City's proportionate share of the net pension liability	\$ 2,165,539	\$ 1,171,829	\$ 344,228

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

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NET PENSION LIABILITY, CONTINUED

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**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, 2019.

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OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE

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***General Information about the OPEB Plans***

**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](http://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 \$0.46 per \$1,000 of coverage per month during the post-employment retirement period. Contributions to the PLD OPEB plan from the City were \$11,681 for the year ended June 30, 2019.

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 \$81,504 for the year ended June 30, 2019. 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, 2018, and the net OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as of 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, 2019, the City reported a liability of \$634,111 for its proportionate share of the net OPEB liability. At June 30, 2018, the City's proportion was 3.1390%.

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

**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED**

SET OPEB Plan - At June 30, 2019, 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 \$893,199 as of June 30, 2019. At June 30, 2018, the City's proportion was 0.00%.

For the year ended June 30, 2019, the City recognized OPEB expense of \$10,353 for the PLD OPEB Plan. For the year ended June 30, 2019, the City recognized OPEB expense of \$81,504 and revenues of \$81,504 for support provided by the State related to the SET OPEB Plan. At June 30, 2019, the City reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB Plan.

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 53,512	-
Changes of assumptions	-	76,354
Net difference between projected and actual earnings on OPEB plan investments	-	33,277
Changes in proportion and differences between City contributions and proportionate share of contributions	16,875	-
City contributions subsequent to the measurement date	11,681	-
<b>Total</b>	<b>\$ 82,068</b>	<b>109,631</b>

An amount of \$11,681 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, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended June 30:</b>	
2020	\$ (15,758)
2021	(15,758)
2022	(15,758)
2023	(9,475)
2024	17,505

**Actuarial Assumptions** - The net OPEB liability in the June 30, 2018 actuarial valuations 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% - 9.00%	2.75% - 14.50%
Investment rate of return	6.75%	6.75%

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

**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED**

Mortality rates for each plan were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2018 valuations were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

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 liability for the PLD OPEB Plan was 5.13% which is a blend of the assumed long-term expected rate of return of 6.75% and a municipal bond index rate of 3.87%, based on the Bond Buyer GO 20-Year Municipal Bond Index as of June 30, 2018. Projections of the plan’s fiduciary net position indicate that it is not expected to be sufficient to make projected benefit payments for current members beyond 2047. Therefore, the portion of the future projected benefit payments after 2047 are discounted at the municipal bond index rate. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.

The rate used to measure the net OPEB liability for the SET OPEB Plan was 6.75%. 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 plan’s 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 5.13%, 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 (4.13%) or 1 percentage-point higher (6.13%) than the current rate:

	1% Decrease (4.13%)	Discount Rate (5.13%)	1% Increase (6.13%)
Net OPEB liability	\$ 837,756	634,111	473,551

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

**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED**

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.

**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 June 30, 2019, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	36
Inactive employee entitled to but not yet receiving benefits	-
Active employees	237
Total	273

**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 \$4,150,577 was measured as of January 1, 2019, and was determined by an actuarial valuation as of January 1, 2018.

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

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

*Changes in the Total Health Plan OPEB Liability*

	<b>Total OPEB Liability</b>
Balance at June 30, 2018	\$ 4,429,665
Changes for the year:	
Service cost	119,463
Interest	153,762
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(392,360)
Benefit payments	(159,953)
Net changes	<u>(279,088)</u>
Balance at June 30, 2019	\$ <u>4,150,577</u>

Change in assumptions reflects a change in the discount rate from 3.44% to 4.10%.

For the year ended June 30, 2019, the City recognized OPEB expense of \$258,880 related to the Health Plan. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 37,617	-
Changes of assumption or other inputs	-	172,729
City contributions subsequent to the measurement date	79,977	-
Total	\$ <u>117,594</u>	<u>172,729</u>

\$79,977 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, 2020. 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:

<b>Year ended June 30:</b>	
2020	\$ (14,345)
2021	(14,345)
2022	(14,345)
2023	(14,345)
2024	(14,345)
Thereafter	(63,387)

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

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

The total OPEB liability in the January 1, 2018 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	4.10% per annum
Healthcare cost trend rates	8.27% for 2018, decreasing to 4.00% for 2032
Retirees' share of the benefit related costs	5%-100% of projected health insurance premiums

Mortality rates for the Health Plan were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the January 1, 2018 valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

**Discount Rate** - The rate used to measure the total OPEB liability for the Health Plan was 4.10%. 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 4.10%, 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 (3.10%) or 1 percentage-point higher (5.10%) than the current rate:

	1% Decrease (3.10%)	Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB liability	\$ 4,767,678	4,150,577	3,649,693

**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	\$ 3,744,926	4,150,577	4,622,016

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

**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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	224
Inactive employee entitled to but not yet receiving benefits	-
Active employees	485
Total	709

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

The City’s total OPEB liability of \$8,879,828 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

*Changes in the Total OPEB Liability*

Balance at June 30, 2018	\$ 9,195,246
Changes for the year:	
Service cost	81,043
Interest	325,956
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(376,640)
Benefit payments	(345,777)
Net changes	(315,418)
Balance at June 30, 2019	\$ 8,879,828

Change in assumptions reflects a change in the discount rate from 3.58% to 3.87%.

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

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

For the year ended June 30, 2019, The City recognized OPEB expense of \$344,226. At June 30, 2019, The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumption or other inputs	\$ -	313,867
City contributions subsequent to the measurement date	358,156	-
Total	\$ 358,156	313,867

\$358,156 is reported 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, 2020. 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:	
2020	\$ (62,773)
2021	(62,773)
2022	(62,773)
2023	(62,773)
2024	(62,775)

**Actuarial Assumptions** - The total OPEB liability in the June 30, 2018 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	Not reported
Salary increases	2.75% - 14.50% per year
Discount rate	3.87% per annum
Healthcare cost trend rates - Pre-Medicare	5.55% for 2018 grading over 15 years to 3.73%
Healthcare cost trend rates – Medicare	3.72% for 2018 grading over 15 years to 2.81%
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 RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

**Discount Rate** - The rate used to measure the total OPEB liability was 3.87% 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.

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

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

**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 3.87%, 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 (2.87%) or 1 percentage-point higher (4.87%) than the current rate:

	<u>1% Decrease (2.87%)</u>	<u>Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
Total OPEB liability	\$ 10,287,885	8,879,828	7,747,346

**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:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 7,684,574	8,879,828	10,366,887

**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 \$378,477 to the plans during the year ended June 30, 2019.

**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 2019, 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, 2019. 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.

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

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**RISK MANAGEMENT, CONTINUED**

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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 2019:

	<u>Workers'</u> <u>Compensation</u>	<u>Unemployment</u>
<u>Unpaid claims as of the beginning of year</u>	<u>\$ 9,813</u>	<u>-</u>
Provision for current year events	-	4,063
<u>Increase in provision for prior year events</u>	<u>11,803</u>	<u>-</u>
Total incurred claims	11,803	4,063
Payments:		
Claims attributable to current year	-	4,063
<u>    Claims attributable to prior year</u>	<u>14,266</u>	<u>-</u>
Total payments	14,266	4,063
<b><u>Unpaid claims, end of year</u></b>	<b><u>7,350</u></b>	<b><u>-</u></b>

The following summarizes the claims activity with respect to the City's self-insurance programs during 2018:

	<u>Workers'</u> <u>Compensation</u>	<u>Unemployment</u>
<u>Unpaid claims as of the beginning of year</u>	<u>\$ 16,525</u>	<u>-</u>
Provision for current year events	-	7,019
<u>Increase in provision for prior year events</u>	<u>6,763</u>	<u>-</u>
Total incurred claims	6,763	7,019
Payments:		
Claims attributable to current year	-	7,019
<u>    Claims attributable to prior year</u>	<u>13,475</u>	<u>-</u>
Total payments	13,475	7,019
<b><u>Unpaid claims, end of year</u></b>	<b><u>\$ 9,813</u></b>	<b><u>-</u></b>

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

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

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**CONTINGENT LIABILITIES**

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**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.

The City is defending a lawsuit brought against it by Portland Pipe Line Corp. and American Waterways Operators based on the local citizen-led enactment of the "Clear Skies Ordinance," (the "Ordinance") which prohibits the bulk loading of crude oil onto marine tank vessels in South Portland and affects the ability of Portland Pipe Line Corp. to reverse the flow of the South Portland-to-Montreal pipeline to instead bring Canadian tar sands oil into Maine. The plaintiffs seek declaratory and injunctive relief, but no money damages are alleged. The City has earmarked just over \$2,500,000 for its own legal fees to date, and may incur additional fees and costs. To the extent that the plaintiffs prevail on one of their constitutional claims, the City may be responsible under 42 U.S.C. §1988 to reimburse the plaintiffs for some or all of their attorney's fees and costs. The City could use its unassigned fund balance and reserves to cover legal fees and does not expect the lawsuit to have a material adverse effect on its financial condition or budgetary performance. In June of 2018, the Courts ruled in favor of the City but subsequently the plaintiffs appealed the case to the United States Court of Appeals for the 1<sup>st</sup> Circuit in Boston.

**RESTATEMENT OF NET POSITION**

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For the fiscal year ended June 30, 2019, the City has restated beginning net position in the government-wide statement of net position to account for the addition of the City's total OPEB liability in regards to an implicit liability for retiree health insurance through the Maine Education Association Benefits Trust (MEABT), which effectively decreased the City's net position as of July 1, 2018 by \$8,849,469.

**CITY OF SOUTH PORTLAND, MAINE**  
**Required Supplementary Information**

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**Schedule of Changes in the City's Total Health Plan OPEB Liability and Related Ratios**  
Last 10 Fiscal Years\*  
*(Only two years of information available)*

	<u>2019</u>	<u>2018</u>
Service cost	\$ 119,463	100,023
Interest	153,762	154,034
Changes in benefit terms	-	-
Differences between expected and actual experience	-	50,155
Changes of assumption	(392,360)	227,448
<u>Benefit payments</u>	<u>(159,953)</u>	<u>(152,457)</u>
Net change in total OPEB liability	(279,088)	379,203
<u>Total OPEB liability – beginning</u>	<u>4,429,665</u>	<u>4,050,462</u>
<u>Total OPEB liability – ending</u>	<u>\$ 4,150,577</u>	<u>4,429,665</u>
Covered-employee payroll	12,670,169	12,670,169
Total OPEB liability as a percentage of covered-employee payroll	32.8%	35.0%

**CITY OF SOUTH PORTLAND, MAINE**  
**Required Supplementary Information, Continued**

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

Last 10 Fiscal Years\*

*(Only one year of information available)*

	<u>2019</u>
Service cost	\$ 81,043
Interest	325,956
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumption	(376,640)
<u>Benefit payments</u>	<u>(345,777)</u>
Net change in total OPEB liability	(315,418)
<u>Total OPEB liability – beginning</u>	<u>9,195,246</u>
<u>Total OPEB liability – ending</u>	<u>\$ 8,879,828</u>
Covered-employee payroll	22,722,666
Total OPEB liability as a percentage of covered-employee payroll	39.1%

**CITY OF SOUTH PORTLAND, MAINE**  
**Required Supplementary Information, Continued**

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**Schedule of City's Proportionate Share of the Net OPEB Liability**  
 Last 10 Fiscal Years\*  
 (Only two years of information available)

	<u>2019</u>	<u>2018</u>
<b><u>PLD OPEB Plan</u></b>		
City's proportion of the net OPEB liability	3.1390%	3.1749%
City's proportionate share of the net OPEB liability	\$ 634,111	530,896
City's covered-employee payroll	12,667,956	12,293,702
City's proportion share of the net OPEB liability as a percentage of its covered-employee payroll	5.01%	4.32%
Plan fiduciary net position as a percentage of the total OPEB liability	43.92%	47.42%
<b><u>SET OPEB Plan</u></b>		
City's proportion of the net OPEB liability	0.00%	0.00%
City's proportionate share of the net OPEB liability	-	-
State's proportionate share of the net OPEB liability associated with the City	893,199	852,965
<b>Total</b>	<b>\$ 893,199</b>	<b>852,965</b>
Plan fiduciary net position as a percentage of the total OPEB liability	48.04%	47.42%

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

**Schedule of City OPEB Contributions**  
 Last 10 Fiscal Years  
 (Only two years of information available)

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 11,681	11,850
Contributions in relation to the contractually required contribution	(11,681)	(11,850)
<b>Contribution deficiency (excess)</b>	<b>-</b>	<b>-</b>
City's covered-employee payroll	\$ 13,675,811	12,667,956
Contributions as a percentage of covered-employee payroll	0.09%	0.09%

**CITY OF SOUTH PORTLAND, MAINE**  
**Required Supplementary Information, Continued**

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

Last 10 Fiscal Years\*  
*(Only five years of information available)*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>PLD Plan</u></b>					
City's proportion of the net pension liability	2.5212%	2.5383%	2.5640%	2.5958%	2.6531%
City's proportionate share of the net pension liability	\$ 6,899,904	10,392,557	13,623,357	8,281,849	4,082,632
City's covered payroll	12,667,956	12,293,702	11,567,444	10,562,181	9,928,201
City's proportion share of the net pension liability as a percentage of its covered payroll	54.47%	84.54%	117.77%	78.41%	41.12%
Plan fiduciary net position as a percentage of the total pension liability	91.14%	86.43%	81.61%	88.27%	94.10%
<b><u>SET Plan</u></b>					
City's proportion of the net pension liability	0.0868%	0.1057%	0.0960%	0.0951%	0.0684%
City's proportionate share of the net pension liability	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	26,564,893	28,198,719	33,940,464	25,808,454	20,178,883
<b>Total</b>	<b>27,736,722</b>	<b>29,733,658</b>	<b>35,636,229</b>	<b>27,093,010</b>	<b>20,918,034</b>
City's covered payroll	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	4.64%	6.21%	7.16%	5.61%	3.41%
Plan fiduciary net position as a percentage of the total pension liability	82.90%	80.78%	76.21%	81.18%	83.91%

\* 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 Contributions**  
**Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)**  
 Last 10 Fiscal Years  
 (Only five years of information available)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>PLD Plan</u></b>					
Contractually required contribution	\$ 1,565,840	1,398,549	1,300,791	1,197,620	1,027,150
Contributions in relation to the contractually required contribution	(1,565,840)	(1,398,549)	(1,300,791)	(1,197,620)	(1,027,150)
<b>Contribution deficiency (excess)</b>	-	-	-	-	-
City's covered payroll	\$ 13,675,811	12,667,956	12,293,702	11,567,444	10,562,181
Contributions as a percentage of covered payroll	11.45%	11.04%	10.58%	10.35%	9.72%
<b><u>SET Plan</u></b>					
Contractually required contribution	\$ 1,017,746	1,002,500	829,843	795,989	606,477
Contributions in relation to the contractually required contribution	(1,071,746)	(1,002,500)	(829,843)	(795,989)	(606,477)
<b>Contribution deficiency (excess)</b>	-	-	-	-	-
City's covered payroll	\$ 25,636,843	25,252,193	24,703,124	23,686,664	22,885,971
Contributions as a percentage of covered payroll	3.97%	3.97%	3.36%	3.36%	2.65%

**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Required Supplementary Information**

**Changes of Benefit Terms (Pension) - None**

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

	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Discount rate – PLD	6.750%	6.875%	7.125%	7.250%	7.250%
Discount rate – SET	6.750%	6.875%	7.125%	7.125%	7.250%
Inflation rate	2.75%	2.75%	3.50%	3.50%	3.50%
Salary increases – PLD	2.75-9.00%	2.75-9.00%	3.50-9.50%	3.50-9.50%	3.50-9.50%
Salary increases – SET	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%	2.20%	2.55%	3.12%	3.12%
Cost of living increases – SET	2.20%	2.20%	2.55%	2.55%	2.55%

*\* 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.*

**Mortality rates:**

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. In 2016 and going forward, mortality rates were based on the RP2014 Total Data Set Health Annuitant Mortality Table.

**Changes of Benefit Terms (OPEB) - None**

**Changes of Assumptions (OPEB)** - The following are changes in actuarial assumptions used in the most recent valuations regarding the MPERS life insurance plans:

	<u>2018</u>	<u>2017</u>
Discount rate – PLD	5.13%	5.410%
Discount rate – SET	6.75%	6.875%

The following are changes in actuarial assumptions used in the most recent valuations regarding the health insurance plans:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate – MMEHT	4.10%	3.44%	3.78%
Discount rate – MEABT	3.87%	3.58%	N/A

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

## **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, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 39,532,817	39,626,055
Investments	8,497,405	9,090,461
Due from other governments	754,967	682,682
Receivables, net of allowance of \$993,735 and \$774,540	230,276	192,808
Taxes receivable	763,023	818,389
Tax liens and tax acquired property	213,396	211,745
Restricted assets, cash	50,000	50,000
<b>Total assets</b>	<b>\$ 50,041,884</b>	<b>50,672,140</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	3,585,276	3,341,017
Accrued liabilities	580,629	550,805
Interfund loans payable	17,118,707	18,888,480
Accrued teachers' summer salaries and benefits	4,503,894	4,300,680
<b>Total liabilities</b>	<b>25,788,506</b>	<b>27,080,982</b>
Deferred inflows of resources:		
Unavailable revenue - property taxes	679,400	750,200
<b>Total deferred inflows of resources</b>	<b>679,400</b>	<b>750,200</b>
Fund balances:		
Restricted	2,022,736	2,338,747
Committed	3,984,988	3,972,242
Assigned	4,044,926	4,129,161
Unassigned	13,521,328	12,400,808
<b>Total fund balances</b>	<b>23,573,978</b>	<b>22,840,958</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 50,041,884</b>	<b>50,672,140</b>

**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, 2019**  
**(with comparative actual amounts for the year ended June 30, 2018)**

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
<b>Revenues:</b>				
<b>Taxes:</b>				
Property	\$ 65,049,613	65,151,305	101,692	62,593,719
Excise	6,588,400	7,893,886	1,305,486	7,595,421
Interest and penalties	75,000	84,380	9,380	66,097
Payments in lieu of taxes	278,050	279,655	1,605	278,171
Total taxes	71,991,063	73,409,226	1,418,163	70,533,408
<b>Intergovernmental:</b>				
State revenue sharing	1,250,000	1,335,998	85,998	1,296,113
State BETE Revenue	1,800,000	1,960,942	160,942	1,753,640
Homestead reimbursement	937,000	1,185,346	248,346	986,940
State education subsidy	6,165,597	6,123,432	(42,165)	6,988,219
State agency client	45,000	25,115	(19,885)	61,208
MaineCare	25,000	50,288	25,288	17,732
Section 5307	708,200	709,894	1,694	678,027
General assistance	320,000	254,717	(65,283)	296,491
Other State revenue	130,240	129,033	(1,207)	145,197
Total intergovernmental	11,381,037	11,774,765	393,728	12,223,567
<b>Licenses, permits, fees, and fines:</b>				
Cable franchise fee	120,000	120,000	-	120,000
City clerk	176,050	189,556	13,506	163,640
Planning	21,500	41,469	19,969	59,913
Police	68,000	72,475	4,475	62,829
Code enforcement	580,000	668,499	88,499	659,468
Public library	16,200	14,920	(1,280)	15,223
Total licenses, permits, fees, and fines	981,750	1,106,919	125,169	1,081,073
<b>Charges for services:</b>				
Rent and leases	90,800	95,591	4,791	86,633
Finance and information technology	150,900	160,729	9,829	157,122
Fire	908,000	994,628	86,628	941,708
Public works - transfer facility	100,000	83,817	(16,183)	91,497
Parks and recreation	241,300	285,314	44,014	247,940
Bus service	290,000	250,882	(39,118)	261,820
Other	3,900	5,484	1,584	4,678
Education	125,000	124,996	(4)	126,000
Total charges for services	1,909,900	2,001,441	91,541	1,917,398
<b>Unclassified:</b>				
City clerk	20,000	20,528	528	19,181
Finance	12,000	11,408	(592)	14,757
Police and fire	13,000	13,637	637	16,830
Planning and code enforcement	20,000	14,580	(5,420)	9,652
Public works	18,500	23,716	5,216	28,172
Other	4,200	4,797	597	4,556
Education	108,840	94,046	(14,794)	98,820
Total unclassified	196,540	182,712	(13,828)	191,968
Interest earned	400,000	1,239,156	839,156	158,002
Total revenues	86,860,290	89,714,219	2,853,929	86,105,416

**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, 2019**  
**(with comparative actual amounts for the year ended June 30, 2018)**

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
Expenditures:				
Current:				
General government:				
City council	\$ 171,061	161,549	9,512	140,339
Executive	277,778	263,776	14,002	224,679
City clerk	253,567	252,363	1,204	227,509
Corporation council	233,253	232,782	471	193,669
Finance	1,053,137	1,031,131	22,006	1,044,579
Information technology	384,215	384,035	180	378,849
Planning	301,619	301,580	39	254,718
Sustainability	118,992	118,994	(2)	104,573
Human resources	395,758	394,719	1,039	370,949
City building	628,055	627,971	84	248,032
Citywide insurance and benefit costs	7,490,175	7,483,496	6,679	7,118,949
Total general government	11,307,610	11,252,396	55,214	10,306,845
Public safety:				
Police department	4,631,004	4,625,831	5,173	4,503,330
Fire department	5,343,109	5,328,044	15,065	5,146,689
Communications	1,086,229	1,019,705	66,524	1,042,996
Code enforcement	578,682	577,589	1,093	714,592
Civil service	17,780	17,750	30	13,469
Total public safety	11,656,804	11,568,919	87,885	11,421,076
Public works:				
Administration	233,020	211,240	21,780	234,832
Streets and sidewalks	2,712,973	2,721,522	(8,549)	2,582,284
Rubbish disposal	1,332,940	1,347,563	(14,623)	1,334,452
Public works garage	302,586	276,564	26,022	277,343
Transfer facility	293,667	317,518	(23,851)	284,812
Total public works	4,875,186	4,874,407	779	4,713,723
Culture:				
Main library	657,066	637,051	20,015	623,864
Branch library	58,615	51,187	7,428	52,531
Total culture	715,681	688,238	27,443	676,395
Parks and recreation:				
Administration	157,157	157,570	(413)	221,161
Parks	1,291,300	1,266,990	24,310	1,192,977
Pool	356,313	345,647	10,666	360,029
Recreation	756,862	730,919	25,943	842,018
Total parks and recreation	2,561,632	2,501,126	60,506	2,616,185
Total culture, parks, and recreation	3,277,313	3,189,364	87,949	3,292,580
Transportation and waterfront:				
Bus service	1,403,985	1,401,896	2,089	1,331,000
Waterfront	41,057	40,000	1,057	40,000
Total transportation and waterfront	1,445,042	1,441,896	3,146	1,371,000

**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, 2019**  
**(with comparative actual amounts for the year ended June 30, 2018)**

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Health, welfare, and social services:				
Welfare:				
Administration	\$ 116,045	110,767	5,278	107,337
General assistance	458,300	397,137	61,163	432,758
Total welfare	574,345	507,904	66,441	540,095
Health	59,000	59,000	-	19,000
Total health, welfare, and social services	633,345	566,904	66,441	559,095
Intergovernmental - County tax	2,785,695	2,785,695	-	2,598,030
Other:				
Contingency and abatement reserve	61,500	9,915	51,585	99,199
Total other	61,500	9,915	51,585	99,199
Education	49,851,899	49,230,170	621,729	48,124,652
Debt service (excluding education):				
Administration (Includes bond issuance costs)	3,000	39	2,961	174,998
Principal	1,072,352	1,072,313	39	935,561
Interest	402,560	402,544	16	434,085
Total debt service	1,477,912	1,474,896	3,016	1,544,644
Total expenditures	87,372,306	86,394,562	977,744	84,030,844
Excess (deficiency) of revenues over (under) expenditures	(512,016)	3,319,657	3,831,673	2,074,572
Other financing sources (uses):				
Budgeted use of surplus - City	2,056,064	-	(2,056,064)	-
Budgeted use of surplus - School	500,000	-	(500,000)	-
Issuance of refunding bond debt	-	-	-	15,700,000
Premium on refunding bonds issued	-	-	-	1,862,444
Payment to refunded bond escrow agent	-	-	-	(17,372,974)
Transfers in	952,936	939,036	(13,900)	883,449
Transfers out	(2,996,984)	(3,064,339)	(67,355)	(3,920,609)
Total other financing sources (uses)	512,016	(2,125,303)	(2,637,319)	(2,847,690)
Net change in fund balance - budgetary basis	-	1,194,354	1,194,354	(773,118)
Reconciliation to GAAP basis:				
Change in encumbrances - City		(178,031)		132,810
Change in encumbrances - School		48		(4,181)
Change in unbudgeted teacher summer benefits		(37,692)		(74,240)
Change in reserves		(245,659)		(333,715)
Net change in fund balance - GAAP basis		733,020		(1,052,444)
Fund balance, beginning of year		22,840,958		23,893,402
<b>Fund balance, end of year</b>	<b>\$</b>	<b>23,573,978</b>		<b>22,840,958</b>

**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, 2019**  
**(with comparative actual amounts for the year ended June 30, 2018)**

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
<b>Revenues:</b>				
Local assessment	\$ 42,937,426	42,937,426	-	41,018,550
State education subsidy	6,165,597	6,123,432	(42,165)	6,988,219
State agency client	45,000	25,115	(19,885)	61,208
MaineCare	25,000	50,288	25,288	17,732
Charges for services	125,000	124,996	(4)	126,000
Other	108,840	94,046	(14,794)	98,820
<b>Total revenues</b>	<b>49,406,863</b>	<b>49,355,303</b>	<b>(51,560)</b>	<b>48,310,529</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Brown Elementary	2,026,463	1,996,888	29,575	1,939,312
Dyer Elementary	1,560,721	1,582,092	(21,371)	1,488,544
Kaler Elementary	1,636,894	1,627,992	8,902	1,525,928
Skillin Elementary	2,733,941	2,802,407	(68,466)	2,613,584
Small Elementary	1,926,667	1,864,813	61,854	1,992,929
Mahoney Middle School	2,666,063	2,607,768	58,295	2,484,701
Memorial Middle School	3,128,303	3,108,864	19,439	2,953,140
South Portland High School	6,799,035	6,611,160	187,875	6,849,639
K-12 instrumental music	113,902	95,764	18,138	114,349
6-12 athletics	938,317	890,513	47,804	823,921
Special education	9,546,373	9,421,300	125,073	9,042,194
Health	465,889	475,542	(9,653)	429,087
Board of Education	222,125	216,179	5,946	182,539
Superintendent of Schools	509,833	472,333	37,500	405,859
Assistant Superintendent	2,252,850	2,139,808	113,042	2,118,563
Curriculum	533,550	505,032	28,518	443,477
Technology	777,530	796,213	(18,683)	816,291
Business office	881,648	911,006	(29,358)	895,077
Operations/maintenance	4,374,361	4,324,999	49,362	4,271,801
Transportation	2,248,022	2,270,085	(22,063)	2,171,274
<b>Debt service:</b>				
Principal	3,351,662	3,351,662	-	3,428,408
Interest	1,157,750	1,157,750	-	1,134,035
<b>Total expenditures</b>	<b>49,851,899</b>	<b>49,230,170</b>	<b>621,729</b>	<b>48,124,652</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(445,036)</b>	<b>125,133</b>	<b>570,169</b>	<b>185,877</b>
<b>Other financing sources (uses):</b>				
Transfers in	415,036	415,036	-	359,449
Transfers out	(470,000)	(540,000)	(70,000)	(530,000)
Budgeted use of surplus	500,000	-	(500,000)	-
<b>Total other financing sources (uses)</b>	<b>445,036</b>	<b>(124,964)</b>	<b>(570,000)</b>	<b>(170,551)</b>
Net change in fund balances - budgetary basis	-	169	169	15,326
<b>Reconciliation to GAAP basis:</b>				
Change in encumbrances		48		(4,181)
Change in unbudgeted teacher summer benefits		(37,692)		(74,240)
Change in reserves		(278,537)		(261,049)
Net change in fund balance - GAAP basis		(316,012)		(324,144)
Fund balance, beginning of year		2,338,748		2,662,892
<b>Fund balance, end of year</b>	<b>\$</b>	<b>2,022,736</b>		<b>2,338,748</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**Reserves - General Fund**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2019**

		Fund balance beginning of year	Revenues		Expenditures	Other financing sources (uses)	Fund balance end of year
			Other	Investment earnings		Transfers	
<u>City committed reserves:</u>							
1801	Equipment replacement	\$ 185,401	600	3,403	15,380	26,360	200,384
1803	Unemployment - City	83,923	-	1,611	4,063	22,500	103,971
1804	Self-Insurance - City	107,232	1,121,409	3,578	1,140,903	12,500	103,816
1805	Municipal facilities	81,431	-	1,495	6,199	20,000	96,727
1806	Safety reserve	201,287	30,061	3,486	3,217	-	231,617
1807	Computerization project	71,301	23,090	1,147	39,724	85,000	140,814
1809	Litigation - legal	550,931	2,776	8,604	307,383	-	254,928
1822	Communication equipment - police	74,806	-	1,349	-	(72,400)	3,755
1824	Body armor - police	17,345	-	-	-	(11,500)	5,845
1830	Fire	26,734	63,677	1,556	3,015	118,461	207,413
1834	Traffic improvements	44,402	-	886	-	60,000	105,288
1836	Public works equipment	12,860	426	249	-	-	13,535
1840	Snow removal	400,107	-	7,522	-	-	407,629
1842	Library	3,890	-	-	-	-	3,890
1844	Parks and Recreation equipment	-	3,966	-	-	-	3,966
1845	Cummings Road sewer	217,102	-	4,081	-	-	221,183
1847	Bus	154,003	3,338	2,743	23,976	50,000	186,108
1850	Senior Property Tax Program	34,716	-	-	-	5,267	39,983
1858	Climate Action Plan	30,320	-	-	-	-	30,320
1861	Tax stabilization	1,502,461	-	28,220	-	(30,000)	1,500,681
1864	Call company retirement	59,848	-	-	5,400	-	54,448
1869	Energy efficient	207	-	-	-	-	207
1871	Solid waste	53,411	-	996	18,187	-	36,220
1872	Municipal buildings & land acq.	58,524	69,760	787	96,811	-	32,260
Subtotal City committed reserves		3,972,242	1,319,103	71,713	1,664,258	286,188	3,984,988
<u>City assigned reserves:</u>							
1828	Vehicle replacement - police	(66,454)	28,815	-	36,025	-	(73,664)
1867	Phone system	89,463	-	-	8,978	14,256	94,741
1868	Compensated absences	2,679,319	-	-	-	-	2,679,319
2172	Outside OT - Police	2,536	99,197	-	101,733	-	-
2173	Outside OT - Fire	16,844	5,652	-	238	-	22,258
2176	Fuel distribution	98,350	19,186	-	-	-	117,536
Subtotal City assigned reserves		2,820,058	152,850	-	146,974	14,256	2,840,190
Total City reserves		6,792,300	1,471,953	71,713	1,811,232	300,444	6,825,178
<u>School reserves:</u>							
0202	Restricted school reserve funds:						
	School consolidation	296,026	-	5,475	-	-	301,501
	School tech upgrade	273,122	50,551	5,021	24,083	(49,897)	254,714
	Unemployment - School	55,386	-	1,016	1,115	-	55,287
	School bus	93,570	-	1,730	-	-	95,300
	School elementary	19,511	-	-	4,138	-	15,373
	Self-insurance - School	10,008	-	-	655	-	9,353
	Musical program	93,661	-	-	14,751	-	78,910
	Maintenance	428,523	-	5,442	173,650	50,000	310,315
	Adult education	4,147	-	-	-	-	4,147
	Student educational support	24,350	30,622	-	22,665	-	32,307
	Laptop repair	69,062	36,429	-	33,803	(50,000)	21,688
	Special education	200,000	-	-	-	(50,000)	150,000
0456	School facility	65,446	-	584	40,650	-	25,380
Total School reserves		1,632,812	117,602	19,268	315,510	(99,897)	1,354,275
<b>Total reserves</b>		<b>\$ 8,425,112</b>	<b>1,589,555</b>	<b>90,981</b>	<b>2,126,742</b>	<b>200,547</b>	<b>8,179,453</b>

## **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, 2019**

	2501	2502	2503	2504	2505	2507	2508	2509	2510	2511	Total
	Fairchild	Texas	One Wallace	Cummings	Long Creek	Brick Hill	Jared	Hannaford	Downtown	Transit	
	Semiconductor	Instruments	Avenue	Road							
<b>Revenues:</b>											
Taxes	\$ 56,140	1,430,085	79,204	-	213,562	667,104	21,697	163,845	151,480	12,418	2,795,535
State BETE revenue	664,008	-	-	-	-	-	-	-	-	-	664,008
Investment earnings	46,920	24,995	15,086	7,630	7,185	6,216	2,005	13,200	8,340	1,458	133,035
<b>Total revenues</b>	<b>767,068</b>	<b>1,455,080</b>	<b>94,290</b>	<b>7,630</b>	<b>220,747</b>	<b>673,320</b>	<b>23,702</b>	<b>177,045</b>	<b>159,820</b>	<b>13,876</b>	<b>3,592,578</b>
<b>Expenditures:</b>											
<b>Current:</b>											
General government	58,107	44,322	39,433	43,016	42,128	-	-	359	70	-	227,435
Public works	54,132	54,132	-	30,497	18,601	-	7,444	-	-	-	164,806
Other	-	1,430,085	7,019	-	-	346,387	-	-	-	-	1,783,491
<b>Total expenditures</b>	<b>112,239</b>	<b>1,528,539</b>	<b>46,452</b>	<b>73,513</b>	<b>60,729</b>	<b>346,387</b>	<b>7,444</b>	<b>359</b>	<b>70</b>	<b>-</b>	<b>2,175,732</b>
Excess (deficiency) of revenues over (under) expenditures	654,829	(73,459)	47,838	(65,883)	160,018	326,933	16,258	176,686	159,750	13,876	1,416,846
<b>Other financing sources (uses):</b>											
Transfers out	(703,628)	(46,750)	(5,000)	(30,000)	(10,750)	(245,139)	(5,000)	(327,250)	-	-	(1,373,517)
<b>Total other financing sources (uses)</b>	<b>(703,628)</b>	<b>(46,750)</b>	<b>(5,000)</b>	<b>(30,000)</b>	<b>(10,750)</b>	<b>(245,139)</b>	<b>(5,000)</b>	<b>(327,250)</b>	<b>-</b>	<b>-</b>	<b>(1,373,517)</b>
<b>Net change in fund balances</b>	<b>(48,799)</b>	<b>(120,209)</b>	<b>42,838</b>	<b>(95,883)</b>	<b>149,268</b>	<b>81,794</b>	<b>11,258</b>	<b>(150,564)</b>	<b>159,750</b>	<b>13,876</b>	<b>43,329</b>
Fund balances, beginning of year	2,261,551	1,536,747	796,232	444,148	343,590	343,153	103,476	651,547	394,859	73,605	6,948,908
<b>Fund balances, end of year</b>	<b>\$ 2,212,752</b>	<b>1,416,538</b>	<b>839,070</b>	<b>348,265</b>	<b>492,858</b>	<b>424,947</b>	<b>114,734</b>	<b>500,983</b>	<b>554,609</b>	<b>87,481</b>	<b>6,992,237</b>

## **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, 2019**

	Fund balance beginning of year	Revenues			Expenditures	Other financing sources (uses)		Fund balance end of year
		Other	Intergov- ernmental	Investment earnings		Issuance of debt	Transfers	
City capital projects:								
4011 Paving	\$ 491,660	-	-	8,439	132,797	-	-	367,302
4012 Bug Light Park	17,621	447	-	-	-	-	-	18,068
4018 Chlorination/dechlorinate	17,227	-	-	-	-	-	-	17,227
4045 City FY 03 projects	1,932	-	-	-	-	-	(1,800)	132
4059 City Facilities	-	-	-	-	-	-	22,000	22,000
4061 Library CIP	103,782	-	-	-	-	-	15,218	119,000
4063 Police CIP	122,746	-	1,534	-	73,102	-	178,279	229,457
4064 Fire CIP	1,126,855	-	-	-	322,376	963,882	(1,103,461)	664,900
4072 Public works CIP	2,507,121	-	16,851	-	206,746	-	925,283	3,242,509
4077 Parks and recreation CIP	191,125	-	-	-	99,749	-	271,259	362,635
4079 Municipal services facility	227,986	-	39,727	2,806	6,548	-	-	263,971
4080 Bus CIP	162,781	-	21,432	-	35,622	-	-	148,591
4081 Waterfront CIP	12,990	-	-	-	-	-	-	12,990
4151 Municipal projects CIP	9,569	-	-	-	1,300	-	116,875	125,144
4155 Information technology CIP	19,474	-	-	-	-	-	60,000	79,474
4156 Planning CIP	571,927	-	-	-	1,302,437	-	411,950	(318,560)
4157 Sustainability CIP	165,000	-	-	-	73,443	-	-	91,557
4164 Cash Corner Fire Station	-	-	-	-	-	-	1,500,000	1,500,000
<b>Total City capital projects</b>	<b>5,749,796</b>	<b>447</b>	<b>79,544</b>	<b>11,245</b>	<b>2,254,120</b>	<b>963,882</b>	<b>2,395,603</b>	<b>6,946,397</b>
School capital projects:								
0300 Middle School Project	(153,967)	-	-	-	340,202	-	-	(494,169)
0301 School FY 02 projects	108,361	-	-	1,316	67,343	-	-	42,334
0303 SPS construction/renovation	38,131	7,749	-	341	38,428	-	-	7,793
0400 School FY 03 projects	37,557	-	-	649	21,340	-	-	16,866
0401 School FY 04 projects	145,204	-	-	2,305	27,325	-	-	120,184
0402 School FY 01 projects	61,261	-	-	472	45,172	-	-	16,561
0403 School FY 05 projects	64,371	-	-	1,211	-	-	-	65,582
0404 School FY 07 projects	2,334	-	-	-	-	-	-	2,334
0455 School FY 08 projects	26,409	-	-	-	-	-	-	26,409
0405 School FY 10 projects	201,552	-	-	1,446	73,256	-	-	129,742
0406 School FY 19 projects	-	-	-	-	448,897	448,897	-	-
<b>Total School capital projects</b>	<b>531,213</b>	<b>7,749</b>	<b>-</b>	<b>7,740</b>	<b>1,061,963</b>	<b>448,897</b>	<b>-</b>	<b>(66,364)</b>
<b>Total capital projects</b>	<b>\$ 6,281,009</b>	<b>8,196</b>	<b>79,544</b>	<b>18,985</b>	<b>3,316,083</b>	<b>1,412,779</b>	<b>2,395,603</b>	<b>6,880,033</b>

**ALL OTHER GOVERNMENTAL FUNDS**

**CITY OF SOUTH PORTLAND, MAINE**  
**All Other Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
<b>ASSETS</b>			
Investments	\$ 942,340	344,731	1,287,071
Due from other governments	912,070	-	912,070
Accounts receivable, net of allowance of \$3,445	168,281	-	168,281
Interfund loans receivable	4,447,071	23	4,447,094
Inventory	35,622	-	35,622
<b>Total assets</b>	<b>\$ 6,505,384</b>	<b>344,754</b>	<b>6,850,138</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	228,770	-	228,770
Accrued liabilities	56,453	-	56,453
Interfund loans payable	327,726	2,000	329,726
Accrued teachers' summer salaries	250,838	-	250,838
<b>Total liabilities</b>	<b>863,787</b>	<b>2,000</b>	<b>865,787</b>
Fund balances:			
Nonspendable	35,622	193,519	229,141
Restricted	1,932,865	149,235	2,082,100
Committed	3,720,136	-	3,720,136
Unassigned	(47,026)	-	(47,026)
<b>Total fund balances</b>	<b>5,641,597</b>	<b>342,754</b>	<b>5,984,351</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,505,384</b>	<b>344,754</b>	<b>6,850,138</b>

**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, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
Revenues:			
Taxes	\$ 25,000	-	25,000
Intergovernmental	3,991,758	-	3,991,758
Charges for services	1,982,772	-	1,982,772
Investment income (loss)	76,372	19,858	96,230
Other	473,895	-	473,895
Total revenues	6,549,797	19,858	6,569,655
Expenditures:			
General government	837,571	-	837,571
Public safety	310,802	-	310,802
Public works	341,200	-	341,200
Culture and recreation	1,017,724	-	1,017,724
Transportation and waterfront	90,978	-	90,978
Education	2,235,174	-	2,235,174
School lunch program	1,885,962	-	1,885,962
Other	-	7,653	7,653
Total expenditures	6,719,411	7,653	6,727,064
Excess (deficiency) of revenues over (under) expenditures	(169,614)	12,205	(157,409)
Other financing sources (uses):			
Transfers in	281,729	-	281,729
Total other financing sources (uses)	281,729	-	281,729
Net change in fund balances	112,115	12,205	124,320
Fund balances, beginning of year	5,529,482	330,549	5,860,031
<b>Fund balances, end of year</b>	<b>\$ 5,641,597</b>	<b>342,754</b>	<b>5,984,351</b>

## **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, 2019**

	City Special Revenues Fund	School Grant Funds	School Adult Education	School Lunch Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>					
Investments	\$ 942,340	-	-	-	942,340
Due from other governments	235,894	631,222	-	44,954	912,070
Accounts receivable, net of allowance of \$3,445	165,914	2,367	-	-	168,281
Interfund loans receivable	4,194,216	218,079	9,736	25,040	4,447,071
Inventory	-	-	-	35,622	35,622
<b>Total assets</b>	<b>\$ 5,538,364</b>	<b>851,668</b>	<b>9,736</b>	<b>105,616</b>	<b>6,505,384</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	167,002	43,629	489	17,650	228,770
Accrued liabilities	50,045	-	3,379	3,029	56,453
Interfund loans payable	-	327,726	-	-	327,726
Accrued teachers' summer salaries	-	250,838	-	-	250,838
<b>Total liabilities</b>	<b>217,047</b>	<b>622,193</b>	<b>3,868</b>	<b>20,679</b>	<b>863,787</b>
Fund balances:					
Nonspendable	-	-	-	35,622	35,622
Restricted	1,605,181	272,501	5,868	49,315	1,932,865
Committed	3,720,136	-	-	-	3,720,136
Unassigned	(4,000)	(43,026)	-	-	(47,026)
<b>Total fund balances</b>	<b>5,321,317</b>	<b>229,475</b>	<b>5,868</b>	<b>84,937</b>	<b>5,641,597</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,538,364</b>	<b>851,668</b>	<b>9,736</b>	<b>105,616</b>	<b>6,505,384</b>

**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, 2019**

	City Special Revenues Funds	School Grant Funds	School Adult Education	School Lunch Fund	Total Nonmajor Special Revenue Funds
Revenues:					
Taxes	\$ -	-	25,000	-	25,000
Intergovernmental	1,166,253	2,035,280	10,305	779,920	3,991,758
Charges for services	1,323,598	53,714	-	605,460	1,982,772
Investment income	76,372	-	-	-	76,372
Other	430,715	43,180	-	-	473,895
Total revenues	2,996,938	2,132,174	35,305	1,385,380	6,549,797
Expenditures:					
Current:					
General government	837,571	-	-	-	837,571
Public safety	310,802	-	-	-	310,802
Public works	341,200	-	-	-	341,200
Culture and recreation	1,017,724	-	-	-	1,017,724
Transportation and waterfront	90,978	-	-	-	90,978
Education	-	2,199,627	35,547	-	2,235,174
School lunch program	-	-	-	1,885,962	1,885,962
Total expenditures	2,598,275	2,199,627	35,547	1,885,962	6,719,411
Excess (deficiency) of revenues over (under) expenditures	398,663	(67,453)	(242)	(500,582)	(169,614)
Other financing sources (uses):					
Transfers in (out)	(195,071)	6,800	-	470,000	281,729
Total other financing sources and (uses)	(195,071)	6,800	-	470,000	281,729
Net change in fund balances	203,592	(60,653)	(242)	(30,582)	112,115
Fund balances, beginning of year	5,117,725	290,128	6,110	115,519	5,529,482
<b>Fund balances, end of year</b>	<b>\$ 5,321,317</b>	<b>229,475</b>	<b>5,868</b>	<b>84,937</b>	<b>5,641,597</b>

## **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, 2019**

	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
<b>ASSETS</b>									
Investments	\$ 29,118	(23)	2,918	3,956	98,562	133,020	46,524	30,656	344,731
Interfund loans receivable	-	23	-	-	-	-	-	-	23
<b>Total assets</b>	<b>\$ 29,118</b>	<b>-</b>	<b>2,918</b>	<b>3,956</b>	<b>98,562</b>	<b>133,020</b>	<b>46,524</b>	<b>30,656</b>	<b>344,754</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Interfund loans payable	-	-	-	-	2,000	-	-	-	2,000
Total liabilities	-	-	-	-	2,000	-	-	-	2,000
Fund balances:									
Nonspendable principal	16,406	-	1,566	3,150	52,238	70,502	24,657	25,000	193,519
Restricted	12,712	-	1,352	806	44,324	62,518	21,867	5,656	149,235
Total fund balances	29,118	-	2,918	3,956	96,562	133,020	46,524	30,656	342,754
<b>Total liabilities and fund balances</b>	<b>\$ 29,118</b>	<b>-</b>	<b>2,918</b>	<b>3,956</b>	<b>98,562</b>	<b>133,020</b>	<b>46,524</b>	<b>30,656</b>	<b>344,754</b>

CITY OF SOUTH PORTLAND, MAINE  
 Nonmajor Permanent Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the year ended June 30, 2019

	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
Revenues:									
Interest income	\$ 470	92	47	63	1,585	2,139	749	300	5,445
Unrealized gain/(loss)	1,195	147	120	162	4,044	5,459	1,909	1,377	14,413
<b>Total revenues</b>	<b>1,665</b>	<b>239</b>	<b>167</b>	<b>225</b>	<b>5,629</b>	<b>7,598</b>	<b>2,658</b>	<b>1,677</b>	<b>19,858</b>
Expenditures:									
Other	140	4,014	14	19	2,476	643	225	122	7,653
<b>Total expenditures</b>	<b>140</b>	<b>4,014</b>	<b>14</b>	<b>19</b>	<b>2,476</b>	<b>643</b>	<b>225</b>	<b>122</b>	<b>7,653</b>
Net change in fund balances	1,525	(3,775)	153	206	3,153	6,955	2,433	1,555	12,205
Fund balances, beginning of year	27,593	3,775	2,765	3,750	93,409	126,065	44,091	29,101	330,549
<b>Fund balances, end of year</b>	<b>\$ 29,118</b>	<b>-</b>	<b>2,918</b>	<b>3,956</b>	<b>96,562</b>	<b>133,020</b>	<b>46,524</b>	<b>30,656</b>	<b>342,754</b>

**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, 2019**

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services	\$ 5,975,665	5,975,665	6,015,680	40,015
Interest and penalties	-	-	498	498
Licenses	65,875	65,875	64,355	(1,520)
Total operating revenues	6,041,540	6,041,540	6,080,533	38,993
<b>Operating expenses:</b>				
Administration	171,291	171,291	204,064	(32,773)
Treatment plant	1,019,297	1,019,297	994,220	25,077
Pump stations	562,147	562,147	541,432	20,715
Billing	200,142	200,142	199,295	847
Sewer maintenance	849,128	849,128	825,917	23,211
Engineering	252,604	252,604	244,589	8,015
Debt service	96,087	96,087	96,085	2
Compliance	104,045	104,045	92,831	11,214
Sludge disposal	379,469	379,469	330,248	49,221
Insurance	894,466	894,466	798,005	96,461
Total operating expenses	4,528,676	4,528,676	4,326,686	201,990
Operating income	1,512,864	1,512,864	1,753,847	240,983
<b>Nonoperating expenses:</b>				
Equipment reserve	(1,512,000)	(1,512,000)	(1,512,000)	-
Total nonoperating expenses	(1,512,000)	(1,512,000)	(1,512,000)	-
Income before transfers	864	864	241,847	240,983
<b>Other financing uses:</b>				
Transfers out	(864)	(864)	(864)	-
Total other financing uses	(864)	(864)	(864)	-
Change in net position - budgetary basis	-	-	240,983	240,983
<b>Reconciliation to GAAP basis:</b>				
Revenues and expenditures in the reserve funds are included on the GAAP basis, but not the budgetary basis:				
Reserve revenues			113,512	
Reserve expenditures			(441,849)	
Transfers into reserves			1,512,000	
Transfers in from other funds			500,000	
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			270,718	
Gain (loss) on disposal of capital assets			(5,600)	
Depreciation expense			(2,027,895)	
Change in accruals are recorded on the GAAP basis, but not on the budgetary basis:				
Interest expense			245	
Bond 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:				
Bond principal			197,103	
Change in net position - GAAP basis			359,217	
Net position, beginning of year			64,448,936	
<b>Net position, end of year</b>			<b>\$ 64,808,153</b>	

## **AGENCY FUNDS**

**CITY OF SOUTH PORTLAND, MAINE**  
**Agency Funds**  
**Statement of Changes in Assets and Liabilities**  
**Fiduciary Funds**  
**For the year ended June 30, 2019**

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<b>ASSETS</b>				
Cash and cash equivalents	\$ 129,809	196,253	197,321	128,741
<b>Total assets</b>	<b>129,809</b>	<b>196,253</b>	<b>197,321</b>	<b>128,741</b>
<b>LIABILITIES</b>				
Due to others	129,809	196,253	197,321	128,741
<b>Total liabilities</b>	<b>\$ 129,809</b>	<b>196,253</b>	<b>197,321</b>	<b>128,741</b>

## **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, 2019**

		Fund balance (deficit) beginning of year	Revenues		Expenditures	Transfers	Fund balance (deficit) end of year
			Inter- governmental	Other			
General Government:							
Federal grants:							
2115	CDBG - Entitlement Community	\$ 9,657	294,780	-	294,597	-	9,840
2155	Housing Revolving Loan	107,113	-	5,539	-	-	112,652
State grants:							
2031	Watershed Plan	18,106	37,089	450	29,151	-	26,494
2138	Greater Portland Public Development	62,404	-	-	5,434	-	56,970
2154	Land Use Regulation Grant	233	-	-	-	-	233
Other:							
2008	Restoration of Records	1,254	-	-	-	-	1,254
2042	Business Development Revolving Loan	59,109	-	63	-	-	59,172
2044	Employee Appreciation Fund	13,499	-	21,367	4,406	-	30,460
2053	Wallace Avenue Directional	2,277	-	43	-	-	2,320
2057	Downeast Energy Traffic Improvement	4,890	-	92	-	-	4,982
2058	NE Audio/Tweeter Sidewalks	10,375	-	195	-	-	10,570
2067	Toys "R" Us Sidewalks	10,857	-	204	-	-	11,061
2088	SPCTV	773,537	-	254,852	266,953	(6,944)	754,492
2094	Gannett Traffic Signal Escrow	26,702	-	502	-	-	27,204
2097	Wellness Committee	(3,294)	-	11,783	12,290	-	(3,801)
2108	Longhorn Steakhouse Escrow	19,262	-	362	-	-	19,624
2114	Millcreek Traffic Impact	10,709	-	201	-	-	10,910
2120	Evan/Highland Toddle Inn Escrow	23,588	-	443	-	-	24,031
2129	Westbrook/Western Escrow	51,025	-	959	-	-	51,984
2136	Knightville/Mill Creek Plan	7,981	-	-	-	-	7,981
2139	Brick Hill Traffic Escrow	1,232	-	23	-	-	1,255
2146	Heating Assistance	(524)	-	325	-	-	(199)
2149	Westbrook/South Portland Assessing	3,846	207,926	-	207,817	(144)	3,811
2161	War Memorial	2,001	-	-	-	-	2,001
2165	Freshwater Wetland Fund	210,819	-	49,848	7,659	-	253,008
2169	John Roberts Road Escrow	2,550	-	-	-	-	2,550
2179	Land Bank Trust	891,147	-	80,055	4,404	35,000	1,001,798
2188	Long Creek Tragedy Memorial	237	-	-	-	-	237
2257	Sustainability Grants	-	4,900	-	4,860	-	40
Total General Government		2,320,592	544,695	427,306	837,571	27,912	2,482,934

**CITY OF SOUTH PORTLAND, MAINE**  
**City Special Revenues**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2019**

		Fund balance beginning of year	Revenues		Expenditures	Transfers	Fund balance end of year
			Inter- governmental	Other			
Public Safety:							
Federal grants:							
2023	Impaired & Distracted Driver Grants	\$ 918	5,854	-	5,854	-	918
2050	Asset Forfeiture - Federal	8,617	-	162	-	-	8,779
2064	Seat Belt Enforcement Grant	2,228	6,562	-	6,562	-	2,228
2102	Body Armor	680	-	-	-	-	680
2121	Supplemental Homeland Security	-	126,317	-	126,317	-	-
2125	County Hazmat Grant	3,607	31,448	-	23,219	-	11,836
2126	State Hazmat Grant	5,226	-	-	-	-	5,226
2151	Justice Assistance Grant	7,398	-	-	-	-	7,398
2160	Speed Enforcement	2,165	1,600	-	1,600	-	2,165
2167	Underage Drinking Enforcement	568	-	-	-	-	568
2181	Language Access New America	1,711	-	-	-	-	1,711
2195	Drug Free Community	-	124,053	-	124,053	-	-
State grants:							
2049	Asset Forfeiture - State	19,970	3,867	261	13,457	-	10,641
Other:							
2018	Hazardous Materials	113,536	-	-	-	-	113,536
2086	Police Donations	7,129	-	1,849	1,496	-	7,482
2107	Tobacco Cessation	8,775	-	-	-	-	8,775
2142	SP Police Youth Program	4,764	-	-	-	-	4,764
2174	Fire Donation	12,466	-	6,054	8,119	-	10,401
2178	Outside OT - Code Enforcement	5,041	-	-	-	-	5,041
2182	Compliance Check	970	-	-	-	-	970
2186	County Underage Drinking Enforcement	8,927	-	-	-	-	8,927
2194	Fire Training	14,007	-	6,875	125	-	20,757
Total Public Safety		228,703	299,701	15,201	310,802	-	232,803

**CITY OF SOUTH PORTLAND, MAINE**  
**City Special Revenues**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2019**

		Fund balance beginning of year	Revenues		Expenditures	Transfers	Fund balance end of year
			Inter- governmental	Other			
Public Works:							
Federal grants:							
2096	FEMA Disaster Relief	\$ 121,321	13,393	-	-	-	134,714
State grants:							
2046	State Aid Highway Block Grant	503,290	259,368	12,592	-	(200,000)	575,250
Other:							
2024	Recycling	5,621	-	142	-	-	5,763
2082	Street Openings	374,615	-	85,270	73,025	(72)	386,788
2084	Sewer Impact	548,558	-	99,197	268,175	-	379,580
Total Public Works		1,553,405	272,761	197,201	341,200	(200,072)	1,482,095
Culture and Recreation:							
Other:							
2035	Tree Fund	300	-	22,340	15,758	-	6,882
2037	Debevoise Tennis Court	2,127	-	-	-	-	2,127
2056	Library Donations	48,515	-	5,098	447	-	53,166
2071	Golf Course	141,135	-	155,817	150,281	16,928	163,599
2072	Recreation	436,923	-	895,275	806,530	-	525,668
2073	Donations to Parks and Recreation	66,549	-	25,981	11,039	(45,000)	36,491
2076	Art in the Park	41,575	-	24,447	20,461	-	45,561
2116	GE Erskine Park	1,987	-	-	-	-	1,987
2152	Friends of South Portland Libraries	-	-	13,208	13,208	-	-
2189	Communities Promoting Health	575	-	-	-	-	575
2317	Brown Hill Cemetery	70,649	-	1,229	-	-	71,878
Total Culture and Recreation		810,335	-	1,143,395	1,017,724	(28,072)	907,934
Transportation and Waterfront:							
Federal grants:							
2041	Planning/Capital Grants	13,194	22,900	-	27,900	-	8,194
2093	Rural Transit Assistance Grant	2,283	-	-	-	-	2,283
2166	Shore and Harbor Management Grant	-	26,196	-	26,196	-	-
Other:							
2074	Boat Ramp	-	-	18,627	19,871	5,161	3,917
2075	Portland Street Pier	187,256	-	25,655	16,516	-	196,395
2117	Thomas Knight Boat Landing	1,957	-	3,300	495	-	4,762
Total Transportation and Waterfront		204,690	49,096	47,582	90,978	5,161	215,551
<b>Total</b>		<b>\$ 5,117,725</b>	<b>1,166,253</b>	<b>1,830,685</b>	<b>2,598,275</b>	<b>(195,071)</b>	<b>5,321,317</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**School Grant Funds**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2019**

		Fund balance (deficit) beginning of year	Revenues	Expenditures	Transfers	Fund balance (deficit) end of year
Federal Grants:						
0230	Title IA - Disadvantaged	\$ -	745,909	745,909	-	-
0240	Title IV -Every Student Succeeds Act	-	34,813	34,813	-	-
0247	Local Entitlement	-	1,035,676	1,035,676	-	-
0251	Preschool Grant	-	14,555	14,555	-	-
0264	Title V	348	-	-	-	348
0268	Title III - Language Acquisition	-	20,215	20,215	-	-
0270	Title II A - Supporting Effective Instruction	14,087	143,789	143,789	-	14,087
0275	Elementary School Program	500	-	-	-	500
0295	Adult Basic Education	-	18,030	18,030	-	-
Total federal grants		14,935	2,012,987	2,012,987	-	14,935
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	-	6,293	6,293	-	-
0223	State Proficiency Grants	3,762	16,000	16,000	-	3,762
0224	Partners in Arts & Learning	735	-	-	-	735
0225	Reading Recovery	1,248	-	-	-	1,248
0226	Learning Results	(405)	-	-	-	(405)
0228	Art Department Grant	2,000	-	-	-	2,000
0229	State Agency Clients	17,082	-	-	-	17,082
0284	E-Rate	(5,593)	-	-	-	(5,593)
Total state grants		25,690	22,293	22,293	-	25,690
Local Grants and Other Special Funds:						
0200	SPHS Auditorium:					
	SPHS Auditorium	37,663	18,640	25,543	-	30,760
	Elaine Wolfson Memorial	1,158	-	-	-	1,158
0201	Local SPHS:					
	High School Musical	6,164	27,739	28,110	-	5,793
	High School Aspirations	7,465	7,500	2,004	-	12,961
	SPHS Friends	6,816	-	-	-	6,816
	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, 2019**

	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)	35,125	-	12,295	-	22,830
Innovative Idea (Thurlow)	1,558	-	-	-	1,558
Summer Music (Memorial)	1,554	1,645	1,696	-	1,503
Kids Consortium Memorial	477	-	-	-	477
Memorial Friends	4,619	-	223	-	4,396
Great Bay Foundation - Kaler	600	-	156	-	444
Target Kaler Prof. Development Grant	750	-	-	-	750
Girls Leadership Initiative	31	-	-	-	31
Donations	5,213	5,000	-	-	10,213
Transition Books	1,414	-	-	-	1,414
School Nutrition Donations	2,208	5,900	1,333	-	6,775
Project Based Learning	900	-	-	-	900
MEA Wellness Program	627	-	-	-	627
Unum/Skillin/Mem Stem Reg	-	2,500	1,262	-	1,238
0205 Local Boosters:					
Baseball Boosters	500	-	-	-	500
Lacrosse Club Boys	1,891	-	-	-	1,891
Lacrosse Club Girls	1,886	-	-	-	1,886
MSSPA Playoffs	10,663	681	-	-	11,344
SPHS Athletic Shed	5,000	-	-	-	5,000
Johnson Athletic	7,584	-	5,408	-	2,176
Athletic Sponsorship Program	13,000	900	9,100	-	4,800
Pape Chevrolet Truck Raffle	4,328	-	-	-	4,328
0206 Southern Maine (LCA) Project	137	-	-	-	137
0207 Dyer Friends	(154)	2,000	1,084	-	762
0208 Staff Computer Training	(476)	-	-	-	(476)
0209 Future Builders/Summer School	(23,908)	6,994	6,006	-	(22,920)
0211 Robotics	18,183	2,235	29,043	-	(8,625)
0212 21st Century Donations	51,909	-	22,325	-	29,584
0213 Quest	7,551	-	-	-	7,551
0214 Skillin Local:					
Skillin Playground	655	-	-	-	655
Friends Skillin Library	(168)	3,392	3,044	-	180
Skillin Natural Science	1,045	-	92	-	953
Skillin Friends	45	-	-	-	45
Skillin Winterkids Games	-	3,000	2,212	-	788
Skillin Donations	-	275	-	-	275
0215 Gates Teacher Leader Grant	1,500	-	-	-	1,500
0217 Art Donations	857	-	-	-	857
0218 Small Friends	209	5,000	3,328	-	1,881
0219 Local Friends Grants:					
Brown Friends	670	-	-	-	670
Mary F Marsh Book	5,651	-	-	-	5,651
Mahoney Friends	2,325	-	-	-	2,325
Kaler Friends	2,243	-	-	-	2,243
Donations	365	-	-	-	365
0222 Special Education Access Channel	9,207	-	7,119	6,800	8,888
0227 Teamwork for Kids - Fallon	1,000	-	-	-	1,000
0615 Adult Ed Enrichment	8,114	3,493	2,964	-	8,643
Total local grants and other special funds	249,503	96,894	164,347	6,800	188,850
<b>Total</b>	<b>\$ 290,128</b>	<b>2,132,174</b>	<b>2,199,627</b>	<b>6,800</b>	<b>229,475</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**Private-purpose Trust Funds**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**For the year ended June 30, 2019**

	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	\$ 9,576	-	163	414	49	10,104
0803 Lewis Trust (School)	1,336,284	-	20,740	58,055	79,467	1,335,612
0804 Alley Scholarship	9,054	-	141	403	553	9,045
0805 Davidson Scholarship	4,011	-	62	178	224	4,027
0806 Elliot Scholarship	5,861	-	92	263	435	5,781
0807 Friese Scholarship	4,136	-	66	190	526	3,866
0808 Harvie Scholarship	3,148	-	59	145	1,218	2,134
0809 Naylor Scholarship	5	-	-	-	-	5
0810 Norwood Scholarship	68,933	-	12	(5)	1,500	67,440
0811 Reynolds Scholarship	77	-	1	3	-	81
0812 Robinson Scholarship	32	-	1	1	-	34
0813 Schwartz Scholarship	838	-	13	36	4	883
0814 Smart Scholarship	11,171	-	161	483	1,565	10,250
0815 Super Runion Scholarship	6,847	-	106	303	340	6,916
0816 Wiggin Scholarship	7,090	-	111	316	442	7,075
0817 Paul Fiore Scholarship	6,440	-	97	278	36	6,779
0818 John Millington Scholarship	11,300	-	198	512	1,064	10,946
0819 Stu Brown Scholarship	81	-	2	-	-	83
0820 William Linskey Memorial	7,681	-	128	355	1,048	7,116
0821 SPSHS Recycle Club Scholarship	1	-	-	-	-	1
0822 Governor's Restaurant Scholarship	3	-	-	-	-	3
0823 Book Trust	1,289	-	52	22	300	1,063
0824 Eagles Association Scholarship	1	-	-	-	-	1
0825 Sherrie Libby Scholarship	8,536	-	137	379	449	8,603
0826 Gustaf W Johnson Scholarship	514,778	-	7,767	22,310	33,422	511,433
0827 A Varanelli Scholarship	(241)	-	(18)	(11)	3	(273)
0828 Downing Trust	198	-	-	-	-	198
0829 Robert Graff Scholarship	2,852	-	72	136	512	2,548
0830 Rosella Loveitt Trust	1,466	-	35	68	206	1,363
0831 Deveboise Scholarship	15,595	-	301	405	2,000	14,301
0832 TJ Michaud	336	-	5	-	341	-
0833 Walker Scholarship	3,465	840	31	74	2,005	2,405
0835 Ralph Baxter Scholarship	1,345	-	1	27	1	1,372
0836 Scholars	-	122,814	1,700	-	6,000	118,514
7506 Eleanor Hatch Trust	15,354	-	261	665	78	16,202
<b>Total private-purpose trusts</b>	<b>\$ 2,057,543</b>	<b>123,654</b>	<b>32,497</b>	<b>86,005</b>	<b>133,788</b>	<b>2,165,911</b>

# STATISTICAL SECTION



Photo Courtesy of Russ Lunt

## STATISTICAL SECTION

This part of City of South Portland's comprehensive annual 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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$ 58,877,233	\$ 65,465,039	\$ 68,914,663	\$ 72,207,636	\$ 73,600,630	\$ 75,413,372	\$ 79,523,948	\$ 82,323,833	\$ 82,508,257	\$ 84,566,316
Restricted	20,519,257	16,473,151	11,783,906	11,601,604	12,642,454	11,581,748	12,399,159	14,425,257	11,510,846	11,326,214
Unrestricted	14,161,211	14,713,818	17,843,882	18,392,216	11,423,557 (a)	15,159,920	13,880,761	15,435,585	13,762,193	9,526,783
Total governmental activities net position	\$ 93,557,701	\$ 96,652,008	\$ 98,542,451	\$ 102,201,456	\$ 97,666,641	\$ 102,155,040	\$ 105,803,868	\$ 112,184,675	\$ 107,781,296	\$ 105,419,313
Business-type activities:										
Net investment in capital assets	\$ 45,994,633	\$ 47,843,440	\$ 49,501,248	\$ 49,690,446	\$ 49,898,598	\$ 50,967,438	\$ 50,111,131	\$ 49,737,946	\$ 49,680,645	\$ 52,833,701
Restricted	9,527,765	6,884,009	5,877,132	4,543,966	4,060,384	2,152,583	4,617,231	3,434,257	6,901,280	5,418,253
Unrestricted	4,297,811	4,452,700	5,562,693	6,922,600	7,328,083	8,084,079	8,277,339	8,164,927	7,867,011	6,556,199
Total business-type activities net position	\$ 59,820,209	\$ 59,180,149	\$ 60,941,073	\$ 61,157,012	\$ 61,287,065	\$ 61,204,100	\$ 63,005,701	\$ 61,337,130	\$ 64,448,936	\$ 64,808,153
Primary government:										
Net investment in capital assets	\$ 104,871,866	\$ 113,308,479	\$ 118,415,911	\$ 121,898,082	\$ 123,499,228	\$ 126,380,810	\$ 129,635,079	\$ 132,061,779	\$ 132,188,902	\$ 137,400,017
Restricted	30,047,022	23,357,160	17,661,038	16,145,570	16,702,838	13,734,331	17,016,390	17,859,514	18,412,126	16,744,467
Unrestricted	18,459,022	19,166,518	23,406,575	25,314,816	18,751,640 (a)	23,243,999	22,158,100	23,600,512	21,629,204	16,082,982
Total primary government net position	\$ 153,377,910	\$ 155,832,157	\$ 159,483,524	\$ 163,358,468	\$ 158,953,706	\$ 163,359,140	\$ 168,809,569	\$ 173,521,805	\$ 172,230,232	\$ 170,227,466

(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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities:</b>										
General government	\$ 9,688,052	\$ 9,760,459	\$ 10,384,706	\$ 10,512,718	\$ 11,234,446	\$ 10,584,081	\$ 13,747,918	\$ 13,548,355	\$ 13,958,497	\$ 11,097,687
Public safety	11,199,775	11,475,123	11,883,029	12,030,128	12,553,773	12,766,963	13,000,756	13,344,042	13,857,160	14,378,122
Public works	8,857,599	7,919,091	7,333,922	7,282,274	7,519,818	7,510,853	6,873,549	7,641,727	8,159,709	7,990,357
Culture and recreation	4,118,351	4,271,160	4,349,852	4,333,705	4,431,468	4,440,715	4,587,976	4,372,866	4,938,167	4,911,749
Transportation and waterfront	1,114,584	1,100,308	1,220,037	1,218,546	1,381,048	1,519,381	1,596,383	1,814,621	1,982,271	2,060,680
Health, welfare and social services	422,295	346,737	321,795	329,143	335,866	369,616	521,834	506,108	559,095	566,904
Education	43,115,348	43,299,040	43,451,415	42,854,439	45,825,021	47,485,069	47,943,450	50,058,768	51,900,039	53,243,047
School lunch	1,471,687	1,471,687	1,591,951	1,547,688	1,681,737	1,693,739	1,721,538	1,803,337	1,820,284	1,885,962
Interest on debt service	1,018,182	1,020,873	853,840	1,761,281	1,464,950	1,436,958	1,328,266	1,695,611	1,272,571	1,100,838
<b>Total governmental activities expenses</b>	<b>81,005,873</b>	<b>80,664,478</b>	<b>81,390,547</b>	<b>81,869,922</b>	<b>86,428,127</b>	<b>87,807,375</b>	<b>91,321,670</b>	<b>94,785,435</b>	<b>98,447,793</b>	<b>97,235,346</b>
<b>Business-type activities:</b>										
Sewer	5,588,572	5,721,362	5,632,254	5,885,557	6,133,807	6,147,313	6,154,095	6,203,347	6,345,116	6,455,769
<b>Total business-type activities expenses</b>	<b>5,588,572</b>	<b>5,721,362</b>	<b>5,632,254</b>	<b>5,885,557</b>	<b>6,133,807</b>	<b>6,147,313</b>	<b>6,154,095</b>	<b>6,203,347</b>	<b>6,345,116</b>	<b>6,455,769</b>
<b>Total primary government expenses</b>	<b>\$ 86,594,445</b>	<b>\$ 86,385,840</b>	<b>\$ 87,022,801</b>	<b>\$ 87,755,479</b>	<b>\$ 92,561,934</b>	<b>\$ 93,954,688</b>	<b>\$ 97,475,765</b>	<b>\$ 100,988,782</b>	<b>\$ 104,792,909</b>	<b>\$ 103,691,115</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	\$ 460,562	\$ 291,417	\$ 305,479	\$ 514,857	\$ 417,451	\$ 510,092	\$ 831,509	\$ 442,734	\$ 414,864	\$ 414,772
Public safety	1,281,955	1,222,605	1,188,407	1,506,952	1,448,532	1,358,246	1,715,339	2,090,407	1,919,169	1,898,476
Public works	227,948	76,690	200,634	331,600	283,953	300,711	308,979	386,056	242,771	253,305
Culture and recreation	1,026,341	945,933	923,531	922,237	922,321	974,204	1,078,408	1,119,989	1,316,027	1,410,321
Transportation and waterfront	249,769	285,060	393,663	418,198	439,386	417,158	389,317	376,949	374,004	375,738
Education	94,400	114,136	119,035	57,030	37,159	55,695	105,425	126,000	126,463	124,996
School lunch program	617,646	559,536	559,536	559,536	559,536	559,536	559,536	556,652	639,552	659,174
Operating grants and contributions	13,495,633	11,296,237	12,254,487	10,382,263	12,995,004	13,459,862	13,373,025	14,780,259	15,318,974	14,806,576
Capital grants and contributions	438,734	1,888,618	479,280	518,319	1,574,695	382,528	1,917,714	1,783,472	468,032	375,205
<b>Total governmental activities program revenues</b>	<b>17,892,988</b>	<b>16,680,232</b>	<b>16,424,052</b>	<b>15,210,992</b>	<b>18,678,037</b>	<b>18,018,032</b>	<b>20,279,252</b>	<b>21,662,518</b>	<b>20,819,856</b>	<b>20,318,563</b>
<b>Business-type activities:</b>										
Charges for services:										
Sewer	4,934,609	5,397,938	5,436,377	5,637,193	5,927,684	5,927,684	5,922,343	6,008,622	6,015,315	6,080,533
Capital grants and contributions	207,671	63,392	110,000	138,232	-	-	100,000	254,765	-	-
<b>Total business-type activities program revenues</b>	<b>5,142,280</b>	<b>5,461,330</b>	<b>5,546,377</b>	<b>5,775,425</b>	<b>5,927,684</b>	<b>5,927,684</b>	<b>6,022,343</b>	<b>6,263,387</b>	<b>6,015,315</b>	<b>6,080,533</b>
<b>Total primary government program revenues</b>	<b>\$ 23,035,268</b>	<b>\$ 22,141,562</b>	<b>\$ 21,970,429</b>	<b>\$ 20,986,417</b>	<b>\$ 24,605,721</b>	<b>\$ 23,945,716</b>	<b>\$ 26,301,595</b>	<b>\$ 27,925,905</b>	<b>\$ 26,835,171</b>	<b>\$ 26,399,096</b>

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (63,112,885)	\$ (63,984,246)	\$ (64,966,495)	\$ (66,658,930)	\$ (67,750,090)	\$ (69,789,343)	\$ (71,042,418)	\$ (73,122,927)	\$ (77,627,937)	\$ (76,916,783)
Business-type activities	(446,292)	(260,032)	(85,877)	(110,132)	(206,123)	(326,984)	(131,752)	60,040	(329,801)	(375,236)
<b>Total primary government net (expense)/revenue</b>	<u>\$ (63,559,177)</u>	<u>\$ (64,244,278)</u>	<u>\$ (65,052,372)</u>	<u>\$ (66,769,062)</u>	<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>
<b>General Revenues and other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 54,915,627	\$ 55,589,394	\$ 57,176,484	\$ 58,939,831	\$ 59,778,935	\$ 61,874,477	\$ 63,183,208	\$ 64,164,888	\$ 65,519,757	\$ 68,265,075
Motor vehicle excise tax	4,076,731	4,942,156	5,037,900	5,453,056	5,829,497	6,374,595	7,241,370	7,100,567	7,595,421	7,893,886
Cable television franchise	175,000	180,000	185,000	176,253	166,543	151,779	120,000	120,000	120,000	120,000
Unrestricted grants and contributions	4,140,782	4,234,142	4,244,228	4,391,399	4,259,604	4,321,318	4,427,881	4,911,784	4,883,857	5,165,596
Miscellaneous	976,023	1,224,520	1,400,096	1,224,458	1,088,123	1,169,599	945,284	986,617	824,864	1,002,266
Gain (Loss) on sale of assets/property	-	289,956	(121,631)	-	-	-	-	-	-	-
Interest and investment earnings	948,180	829,187	751,519	431,930	592,776	581,216	630,112	411,583	407,993	1,578,387
Transfers	(4,726,293)	(210,802)	(1,816,658)	(298,992)	(306,075)	(195,242)	(1,856,609) (a)	1,808,295	(3,363,343)	(620,941)
<b>Total governmental activities</b>	<u>\$ 60,506,050</u>	<u>\$ 67,078,553</u>	<u>\$ 66,856,938</u>	<u>\$ 70,317,935</u>	<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>
Business-type activities:										
Interest and investment earnings	43,666	30,537	30,143	27,079	30,101	48,777	76,744	79,684	78,264	113,512
Gain (Loss) on sale of assets/property	-	(621,367)	-	-	-	-	-	-	-	-
Transfers	4,726,293	210,802	1,816,658	298,992	306,075	195,242	1,856,609 (a)	(1,808,295)	3,363,343	620,941
<b>Total business-type activities</b>	<u>4,769,959</u>	<u>(380,028)</u>	<u>1,846,801</u>	<u>326,071</u>	<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>
<b>Total primary government</b>	<u>\$ 65,276,009</u>	<u>\$ 66,698,525</u>	<u>\$ 68,703,739</u>	<u>\$ 70,644,006</u>	<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>
<b>Change in Net Position</b>										
Governmental activities	\$ (2,606,835)	\$ 3,094,307	\$ 1,890,443	\$ 3,659,005	\$ 3,659,313	\$ 4,488,399	\$ 3,648,828	\$ 6,380,807	\$ (1,639,388)	\$ 6,487,486
Business-type activities	4,323,667	(640,060)	1,760,924	215,939	130,053	(82,965)	1,801,601	(1,668,571)	3,111,806	359,217
<b>Total primary government</b>	<u>\$ 1,716,832</u>	<u>\$ 2,454,247</u>	<u>\$ 3,651,367</u>	<u>\$ 3,874,944</u>	<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>

(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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
General government	\$ 1,088,768	\$ 1,023,181	\$ 1,203,520	\$ 1,385,648	\$ 1,061,168	\$ 1,186,539	\$ 1,404,226	\$ 1,109,773	\$ 1,069,957	\$ 962,243
Public safety	1,825,941	2,370,744	1,987,659	2,240,012	2,015,605	1,765,083	1,919,288	2,472,100	2,289,257	2,284,069
Public works	676,642	420,743	551,896	828,918	887,641	683,239	1,738,026	1,187,743	517,024	582,644
Culture and recreation	1,026,341	947,023	923,531	922,237	922,321	974,204	1,078,408	1,119,989	1,316,027	1,410,321
Transportation and waterfront	438,416	1,581,186	690,767	677,047	1,560,803	883,678	1,438,633	2,084,690	1,294,208	1,189,062
Health, welfare and social services	169,058	131,513	99,697	113,648	125,937	124,747	284,231	250,007	296,491	254,717
Education	12,667,822	10,205,842	10,966,982	9,043,482	12,104,562	12,400,542	12,416,440	13,438,216	14,036,892	13,635,507
Total governmental activities	17,892,988	16,680,232	16,424,052	15,210,992	18,678,037	18,018,032	20,279,252	21,662,518	20,819,856	20,318,563
Business-type activities:										
Sewer	5,142,280	5,461,330	5,546,377	5,775,425	5,927,684	5,820,239	6,022,343	6,263,387	6,015,315	6,080,533
Total business-type activities	5,142,280	5,461,330	5,546,377	5,775,425	5,927,684	5,820,239	6,022,343	6,263,387	6,015,315	6,080,533
Total primary government	<u>\$ 23,035,268</u>	<u>\$ 22,141,562</u>	<u>\$ 21,970,429</u>	<u>\$ 20,986,417</u>	<u>\$ 24,605,721</u>	<u>\$ 23,838,271</u>	<u>\$ 26,301,595</u>	<u>\$ 27,925,905</u>	<u>\$ 26,835,171</u>	<u>\$ 26,399,096</u>

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund:										
Nonspendable	\$ -	\$ 28,138	\$ -	\$ -	\$ -	\$ 100,382	\$ 104,615	\$ -	\$ -	\$ -
Restricted	6,759,738	5,918,192	5,284,024	4,072,226	3,693,988	2,715,462	2,708,544	2,662,892	2,338,747	2,022,736
Committed	3,469,215	3,679,767	3,340,240	4,419,099	4,482,037	3,458,710	4,344,471	4,012,592	3,972,242	3,984,988
Assigned	2,492,458	2,658,767	2,820,042	3,035,817	3,117,547	3,234,394	3,273,424	4,028,667	4,129,161	4,044,926
Unassigned	8,866,245	9,686,895	10,591,915	10,144,040	10,838,800	12,827,588	13,320,584	13,189,251	12,400,808	13,521,328
Total general fund	<u>\$ 21,587,656</u>	<u>\$ 21,971,759</u>	<u>\$ 22,036,221</u>	<u>\$ 21,671,182</u>	<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>
All other governmental funds:										
Nonspendable	\$ 198,949	\$ 218,310	\$ 218,310	\$ 218,310	\$ 228,559	\$ 228,559	\$ 241,859	\$ 246,523	\$ 241,093	\$ 229,141
Restricted	13,560,570	10,356,010	39,370,502	18,401,015	16,551,026	9,578,044	9,344,141	15,821,856	9,398,675	9,430,898
Committed	7,971,945	8,528,436	7,688,035	7,003,092	6,715,850	8,160,788	8,585,144	9,154,640	9,643,676	11,056,337
Unassigned	(147,328)	(137,479)	(263,166)	(116,930)	(69,544)	(8,263)	(1,059,302)	(92,080)	(193,496)	(859,755)
Total all other governmental funds	<u>\$ 21,584,136</u>	<u>\$ 18,965,277</u>	<u>\$ 47,013,681</u>	<u>\$ 25,505,487</u>	<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>

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes	\$ 58,841,558	\$ 60,530,950	\$ 62,378,384	\$ 64,110,887	\$ 65,352,432	\$ 68,968,072	\$ 70,623,578	\$ 71,188,455	\$ 73,137,978	\$ 76,229,761
Intergovernmental	18,075,149	17,418,997	16,977,995	15,291,981	18,629,968	18,163,708	19,718,620	21,350,777	20,670,863	20,347,377
Licenses and permits	768,097	843,138	785,020	1,025,315	966,203	893,186	1,162,225	1,224,384	1,081,073	1,106,919
Charges for services	3,497,817	2,953,646	3,090,265	3,461,348	3,308,678	3,434,235	3,946,288	3,731,786	3,787,149	3,984,213
Unclassified	830,707	1,697,113	1,332,902	1,358,674	1,127,061	1,377,045	1,607,267	1,541,682	1,251,377	2,254,358
Interest	948,180	829,187	751,519	431,930	592,776	581,216	630,112	411,583	407,993	1,578,387
<b>Total revenues</b>	<b>82,961,508</b>	<b>84,273,031</b>	<b>85,316,085</b>	<b>85,680,135</b>	<b>89,977,118</b>	<b>93,417,462</b>	<b>97,688,090</b>	<b>99,448,667</b>	<b>100,336,433</b>	<b>105,501,015</b>
<b>Expenditures</b>										
General government	8,551,477	8,734,685	9,341,619	9,552,893	9,951,423	10,446,432	10,826,767	11,397,541	12,397,376	12,788,538
Public safety	9,725,959	9,889,615	10,178,386	10,816,601	10,731,258	10,860,700	11,055,139	11,456,415	11,826,761	12,017,983
Public works	4,489,408	4,963,506	4,763,557	4,673,417	4,593,184	5,170,020	4,856,565	4,521,156	5,085,171	5,547,431
Culture and recreation	3,823,890	3,765,412	3,817,090	3,853,346	3,819,006	3,848,406	3,886,368	3,893,759	4,313,069	4,215,218
Transportation and waterfront	968,877	1,065,623	1,012,745	1,084,511	1,147,881	1,214,276	1,288,456	1,465,393	1,503,217	1,561,608
Health, welfare and social services	422,295	346,737	321,795	329,143	335,866	369,616	521,834	506,108	559,095	566,904
Education	42,234,372	41,929,483	42,467,517	41,791,370	43,572,441	45,667,455	45,586,692	47,698,940	49,543,256	51,055,944
School lunch program	1,471,687	1,487,170	1,591,951	1,547,688	1,681,737	1,693,739	1,721,538	1,803,337	1,820,284	1,885,962
County tax	2,034,422	2,058,577	2,072,476	2,075,037	2,215,084	2,327,942	2,434,056	2,504,088	2,598,030	2,785,695
Other	1,822,481	1,741,346	1,526,050	1,508,810	1,474,662	1,297,458	1,036,573	991,155	1,326,066	1,869,725
Capital projects	3,445,901	7,543,276	6,948,842	28,017,777	15,811,139	9,356,651	6,148,201	14,578,120	7,633,531	4,513,844
Debt Service:										
Principal	2,425,000	2,663,000	2,686,396	2,478,832	4,077,856	4,465,751	4,466,946	4,303,499	4,363,969	4,423,975
Interest expense	1,017,285	1,066,355	767,911	1,277,701	1,708,713	1,766,373	1,625,390	1,683,605	1,743,118	1,560,333
<b>Total expenditures</b>	<b>82,433,054</b>	<b>87,254,785</b>	<b>87,496,335</b>	<b>109,007,126</b>	<b>101,120,250</b>	<b>98,484,819</b>	<b>95,454,525</b>	<b>106,803,116</b>	<b>104,712,943</b>	<b>104,793,160</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>528,454</b>	<b>(2,981,754)</b>	<b>(2,180,250)</b>	<b>(23,326,991)</b>	<b>(11,143,132)</b>	<b>(5,067,357)</b>	<b>2,233,565</b>	<b>(7,354,449)</b>	<b>(4,376,510)</b>	<b>707,855</b>

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Other financing sources (uses)</b>										
Proceeds - Bonds	\$ 4,712,173	\$ -	\$ 32,642,580	\$ -	\$ 9,747,306	\$ -	\$ -	\$ 13,707,015	\$ -	\$ -
Proceeds capital leases	1,470,637	957,800	-	1,152,750	83,000	-	190,860	-	456,948	1,412,779
Refunding bonds issued	1,934,957	-	9,584,150	-	1,928,405	-	-	-	17,562,444	-
Payment to refunded bond escrow agent	(1,921,934)	-	(9,516,956)	-	(1,927,910)	-	-	-	(17,372,974)	-
Transfers in	809,829	4,448,190	6,043,689	2,943,319	2,786,789	5,002,623	4,675,598	6,456,501	5,128,822	4,005,186
Transfers out	(5,355,458)	(4,658,992)	(7,860,347)	(3,242,311)	(3,092,864)	(5,197,865)	(6,532,207)	(4,648,206)	(8,492,165)	(4,626,127)
<b>Total other financing sources (uses)</b>	<u>1,650,204</u>	<u>746,998</u>	<u>30,893,116</u>	<u>853,758</u>	<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>
<b>Net change in fund balances</b>	<u>\$ 2,178,658</u>	<u>\$ (2,234,756)</u>	<u>\$ 28,712,866</u>	<u>\$ (22,473,233)</u>	<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>
<b>Total Debt Service including education</b>	3,442,285	3,729,355	3,454,307	3,756,533	5,786,569	6,232,124	6,092,336	5,987,104	6,107,087	5,984,308
<b>Capital Expenditures (per Statement 5)</b>	4,106,567	8,034,449	7,783,805	29,499,214	15,815,164	9,828,671	7,120,178	14,608,302	7,702,848	5,622,353
<b>Debt service as a percentage of noncapital expenditures</b>	4.39%	4.71%	4.33%	4.72%	6.21%	6.83%	6.67%	6.49%	6.30%	6.03%

**CITY OF SOUTH PORTLAND, MAINE**  
**Governmental Activities 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	Capital Project Property Taxes	Total
2010	\$ 51,925,202	4,076,731	370,741	56,372,674	2,468,884	-	58,841,558
2011	52,436,750	4,942,156	376,974	57,755,880	2,399,132	375,938	60,530,950
2012	53,525,182	5,037,900	364,869	58,927,951	2,400,433	1,050,000	62,378,384
2013	54,659,082	5,453,056	341,440	60,453,578	2,303,339	1,353,970	64,110,887
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

(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**

<b>Fiscal Year</b>	<b>State Revenue Sharing</b>	<b>School Aid</b>	<b>General Assistance</b>	<b>Homestead Reimb</b>	<b>Business Equipment Tax Exemption (a)</b>	<b>Other State Aid (b)</b>	<b>Total State Aid</b>
2010	\$ 1,896,769	3,331,791	169,058	540,909	832,201	253,495	7,024,223
2011	1,751,872	2,308,208	131,513	442,112	897,637	257,048	5,788,390
2012	1,888,773	2,350,219	99,697	466,578	921,472	244,323	5,971,062
2013	1,901,233	2,802,491	113,648	475,200	1,071,126	261,755	6,625,453
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

(a) Excludes BETE revenue recognized in the TIF fund

(b) MDEA Revenue, MDOT Revenue, Section 5307, 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							
2010	\$ 1,902,934,000	1,430,791,200	400,422,500	3,734,147,700	167,951,200	3,566,196,500	14.13	3,875,800,000	92.0%
2011	1,847,604,000	1,334,587,200	341,033,200	3,523,224,400	152,811,000	3,370,413,400	15.09	3,738,950,000	90.1%
2012	1,855,163,100	1,339,392,500	337,351,900	3,531,907,500	149,095,240	3,382,812,260	14.13	3,556,500,000	95.1%
2013	1,863,390,300	1,361,640,500	328,347,700	3,553,378,500	139,596,280	3,413,782,220	15.89	3,516,250,000	97.1%
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	15.48	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	16.42	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%

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

	Homestead Assessed Values	Homestead Estimated Actual Values	BETE Assessed Values	BETE Estimated Actual Values
2010	\$ 73,593,000	73,593,000	131,230,200	131,230,200
2011	56,320,000	56,320,000	141,235,000	141,235,000
2012	57,960,000	57,960,000	140,425,200	140,425,200
2013	57,600,000	57,600,000	164,089,100	164,089,100
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	251,486,686

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
2010	4.61	9.52	14.13	0.57	14.70
2011	4.92	10.17	15.09	0.61	15.70
2012	4.61	9.52	14.13	0.57	14.70
2013	5.10	10.79	15.89	0.61	16.50
2014	5.14	10.91	16.05	0.65	16.70
2010	5.02	10.46	15.48	0.62	16.10
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

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	2019			2010		
	Assessed Valuation	Rank	Percentage of Total Assessed Value	Assessed Valuation	Rank	Percentage of Total Assessed Value
GGP- MAINE MALL, LLC	\$ 243,315,200	1	6.60%	\$ 253,633,000	1	6.79%
TEXAS INSTRUMENTS INCORPORATED	(a) 178,799,100	2	4.85%	208,302,700	2	5.58%
PORTLAND PORTFOLIO I LLC	(c) 60,123,800	3	1.63%	56,687,300	5	1.52%
HANNAFORD/DELHAIZE AMERICA	53,807,400	4	1.46%	59,139,900	4	1.58%
CENTRAL MAINE POWER COMPANY	42,659,400	5	1.16%	30,574,300	8	0.82%
ON SEMICONDUCTOR CORP.	(b) 38,577,100	6	1.05%	72,304,000	3	1.94%
PORTLAND PIPE LINE CORP.	31,464,800	7	0.85%	47,433,000	6	1.27%
NORTHERN UTILITIES, INC	30,054,800	8	0.82%			0.00%
MACY'S/ASGREC TWO, INC.	25,567,000	9	0.69%	25,169,700	10	0.67%
WIM CORE PORTFOLIO OWNER LLC	25,313,300	10	0.69%			0.00%
PORTLAND NEWSPAPERS				43,539,800	7	1.17%
ANTHEM				29,847,200	9	0.80%
	<u>729,681,900</u>		<u>19.80%</u>	<u>826,630,900</u>		<u>22.14%</u>
Total Assessed Valuation	\$ 3,685,265,060			\$ 3,734,147,700		
Includes:						
Municipal valuation	3,534,155,066			3,566,196,500		
TIF valuation	<u>151,109,994</u>			<u>167,951,200</u>		
	\$ <u>3,685,265,060</u>			\$ <u>3,734,147,700</u>		

(a) National Semiconductor was acquired by Texas Instruments on September 23, 2011.

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

(c) 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
2010	\$ 54,605,827	53,622,159	98.20%	983,495	54,605,654	100.00%
2011	55,253,882	54,175,209	98.05%	1,020,919	55,196,128	99.90%
2012	56,829,326	55,608,726	97.85%	1,180,770	56,789,496	99.93%
2013	58,630,745	57,515,651	98.10%	1,086,972	58,602,623	99.95%
2014	59,449,469	58,468,581	98.35%	948,936	59,417,517	99.95%
2015	61,546,876	60,720,014	98.66%	795,176	61,515,190	99.95%
2016	62,846,082	62,226,796	99.01%	576,390	62,803,186	99.93%
2017	63,908,158	63,257,315	98.98%	603,414	63,860,729	99.93%
2018	65,547,237	64,890,327	99.00%	414,371	65,304,698	99.63%
2019	68,177,403	67,337,460	98.77%	-	67,337,460	98.77%

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

Fiscal Year	Governmental Activities		Business-type Activities	Total	Personal Income (a)	Percentage of Personal Income	Population (b)	Per Capita	Percentage of Estimated Actual Taxable Value of Property (c)
	General Obligation Bonds (g)	Capital Lease	General Obligation Bonds						
2010	\$ 24,943,000	1,591,184	1,138,494	27,672,678	531,344,044	5.21%	23,324	1,186	0.64%
2011	22,280,000	2,458,226	806,392	25,544,618	569,570,562	4.48%	25,002	1,022	0.60%
2012	49,590,000 (d)	2,198,587	474,289	52,262,876	569,570,562	9.18%	25,002	2,090	1.39%
2013	49,850,862	3,133,341	447,187	53,431,390	569,570,562	9.38%	25,002	2,137	1.42%
2014	55,335,688 (e)	2,870,232	420,085	58,626,005	569,570,562	10.29%	25,002	2,345	1.56%
2015	50,772,746	2,491,412	392,983	53,657,141	569,570,562	9.42%	25,002	2,146	1.42%
2016	46,348,658	2,307,319	3,765,881	52,421,858	569,570,562	9.20%	25,002	2,097	1.25%
2017	55,767,421 (f)	1,910,278	3,568,778	61,246,477	569,570,562	10.75%	25,002	2,450	1.49%
2018	52,992,634	1,943,835	3,371,676	58,308,145	569,570,562	10.24%	25,002	2,332	1.32%
2019	48,472,852	2,582,141	3,174,573	54,229,566	569,570,562	9.52%	25,002	2,169	1.13%

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

(b) For year 2010, 2000 Census, U.S. Department of Commerce, Bureau of the Census.

For years 2011 through 2019, 2010 Census, U.S. Department of Commerce, Bureau of the Census.

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

(d) \$30 Million in GOB's issued for phase one of High School Project.

(e) \$9.3 Million in GOB's issued for phase two of High School Project.

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

(g) Includes unamortized bond premiums.

**CITY OF SOUTH PORTLAND, MAINE**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2019**

Jurisdiction	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
City of South Portland General Obligation	\$ 48,472,852	100.00%	\$ 48,472,852
City of South Portland Capital Leases	2,582,141	100.00%	2,582,141
<b>Total direct debt</b>	<b>51,054,993</b>		<b>51,054,993</b>
Overlapping:			
Portland Water District	53,286,036	13.68%	7,289,530
Cumberland County	37,893,997	9.19%	3,481,402
<b>Total overlapping debt</b>	<b>91,180,033</b>		<b>10,770,932</b>
<b>Total direct and overlapping debt</b>	<b>\$ 142,235,026</b>		<b>\$ 61,825,925</b>

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, 2019**

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 2019 State Valuation of \$4,308,100,000, 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%	\$ 430,810,000	\$ 33,467,558	\$ 397,342,442
Storm or Sanitary Sewer	7.50%	323,107,500	3,174,573	319,932,927
Municipal	7.50%	323,107,500	11,430,000	311,677,500
<b>Total Maximum Debt</b>	<b>15.00%</b>	<b>\$ 646,215,000</b>	<b>\$ 48,072,131</b>	<b>\$ 598,142,869</b>

**Legal Debt Margin Calculation for Fiscal Year 2019**

State Valuation	\$ 4,308,100,000
Debt Limit - 15% of State Valuation	646,215,000
Less outstanding debt applicable to debt limit	<u>(48,072,131)</u>
<b>Legal Debt Margin</b>	<b><u>\$ 598,142,869</u></b>

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 581,370,000	\$ 560,842,500	\$ 533,475,000	\$ 527,437,500	\$ 530,655,000	\$ 537,015,000	\$ 554,452,500	\$ 560,805,000	\$ 601,207,500	\$ 646,215,000
Total debt applicable to limit	<u>26,081,494</u>	<u>23,806,392</u>	<u>50,064,289</u>	<u>47,722,187</u>	<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>
Legal debt margin	\$ 555,288,506	\$ 537,036,108	\$ 483,410,711	\$ 479,715,313	\$ 477,454,800	\$ 485,849,271	\$ 506,384,528	\$ 504,235,642	\$ 548,981,755	\$ 598,142,869
Total debt applicable to the limit as a percentage of debt limit	4.49%	4.24%	9.38%	9.05%	10.03%	9.53%	8.67%	10.09%	8.69%	7.44%

(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**

<b>Employer</b>	<b>2019</b>			<b>2010</b>		
	<b>(a) Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
UnumProvident Life Insurance Co.	2,582	1	10.33%	3,500	1	14.89%
City of South Portland	921	2	3.68%	865	4	3.68%
WEX Inc. (formerly Wright Express)	750	3	3.00%	720	5	3.06%
Hannaford	720	4	2.88%			0.00%
Southern Maine Community College	615	5	2.46%	250	7	1.06%
Anthem/Blue Cross & Blue Shield of Maine	492	6	1.97%	950	3	4.04%
Texas Instruments (formerly National Semi)	475	7	1.90%	520	6	2.21%
ON Semiconductor	409	8	1.64%	1,100	2	4.68%
United Parcel Service	290	9	1.16%	200	8	0.85%
Macy's	125	10	0.50%	150	9	0.64%
Marriott Corporation				148	10	0.63%
	7,379		29.52%	8,403		35.74%

Source for Data: State of Maine, Department of Labor, Labor Market Information Services; U.S. Department of Commerce, Bureau of Census - 2000 & 2010 data.

(a) Source for employees was each company's human resource department.

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

<b>Fiscal Year</b>	<b>Population (a)</b>	<b>Personal Income (b)</b>	<b>Per Capita Personal Income (a)</b>	<b>Median Age (a)</b>	<b>School Enrollment (d)</b>	<b>Unemployment Rate (c)</b>
2010	23,324	531,344,044	22,781	37.90	3,120	6.40%
2011	25,002	569,570,562	22,781	39.40	3,075	6.10%
2012	25,002	569,570,562	22,781	39.40	3,116	5.70%
2013	25,002	569,570,562	22,781	39.40	3,135	5.20%
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%

(a) For year 2010, 2000 Census, U.S. Department of Commerce, Bureau of the Census.

For years 2011 through 2019, 2010 Census, U.S. Department of Commerce, Bureau of the Census.

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

(c) 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.

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

Table 17

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

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Government</b>										
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	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.5	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	1.0	1.0	1.0
Finance department	17.0	16.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Information technology	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.5
Planning department	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
Human resources	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.5	4.0	4.0
City building	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	9.0
Sustainability	-	-	-	-	-	-	1.0	1.0	1.5	1.5
<b>Public Safety</b>										
Police	55.0	56.0	55.0	56.0	58.0	59.0	59.0	60.0	61.0	62.0
Fire	64.0	65.0	67.0	68.0	69.0	69.5	69.5	69.5	69.5	73.5
Dispatch	11.0	10.0	9.0	8.0	6.0	5.0	3.0	3.0	3.0	3.0
Code	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0
<b>Public Works</b>										
Public Works	21.0	20.0	20.0	20.0	21.0	22.0	22.0	22.5	23.0	23.0
<b>Parks and Recreation</b>										
Parks	11.5	11.5	11.5	11.5	11.5	13.5	13.5	13.5	13.5	14.0
Recreation	22.0	22.0	22.0	22.0	22.0	21.0	21.0	21.0	21.0	14.0
<b>Public Library</b>										
Main Library	11.0	11.0	11.0	11.0	11.0	11.0	10.0	10.0	10.0	10.0
Branch Library	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Transportation and Waterfront</b>										
Transportation and Waterfront	13.0	12.0	13.0	12.0	13.0	15.0	16.0	17.0	18.0	18.0
<b>Health and Welfare</b>										
Health and Welfare	1.5	1.5	1.5	1.5	1.5	2.0	2.0	2.0	2.0	2.0
<b>School</b>										
School	579.0	571.0	571.0	561.0	568.0	570.0	565.0	570.0	605.0	605.0
<b>Water Resource</b>										
Water Resource	26.0	28.0	29.0	29.0	29.0	29.5	29.0	29.0	29.0	29.0
<b>Total</b>	<b>866.0</b>	<b>859.0</b>	<b>862.0</b>	<b>852.0</b>	<b>862.0</b>	<b>870.5</b>	<b>864.0</b>	<b>872.0</b>	<b>912.0</b>	<b>920.5</b>

Source: Payroll Department.

Note: Neither the municipal nor the education departments have maintained their employment numbers on a full-time equivalents basis. The above represents the department's best estimates of full-time positions for the various fiscal years. Many seasonal and part-time positions have not been included or converted to full-time equivalents. Further, the determination of which positions have been counted as full-time 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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Police (b)										
Physical arrests	750	833	693	745	636	676	599	551	440	497
Calls for Service	32,028	33,009	30,740	34,071	37,391	36,361	36,337	33,738	33,577	34,825
UCR - Crime Index	1,085	946	923	1,013	923	1,012	804	620	592	565
Fire										
Fire calls	1,283	1,192	1,173	1,137	1,327	1,366	1,222	1,166	1,297	1,191
Medical calls	2,768	3,026	3,240	3,142	2,915	3,089	3,279	3,295	3,328	3,522
Inspections	1,600	1,698	1,749	1,670	1,808	1,923	1,915	2,186	2,040	2,085
Refuse Collection										
Refuse collected (tons)	6,633	6,253	6,244	5,878	5,705	5,643	5,519	6,147	5,834	5,635
Recyclables collected (tons)	2,457	2,461	2,323	2,278	2,292	2,333	2,243	2,289	2,277	2,307
Other public works										
Street resurfacing (miles)	5.21	5.01	4.50	4.00	3.50	2.90	2.90	2.90	2.25	2.30
Potholes repaired	241	250	225	235	255	220	125	220	162	260
Parks and Recreation										
Community center admissions	158,224	155,153	177,390	185,868	190,549	189,242	190,143	190,143	186,890	190,138
Library										
Items in collection (a)	106,527	104,062	99,316	102,906	103,838	103,104	107,109	107,109	107,489	109,535
Total items circulated (a)	277,641	288,602	262,125	267,654	213,668	200,337	260,865	260,865	192,021	188,391
Total items borrowed (a)	24,826	21,242	21,088	21,183	19,184	19,353	25,836	25,836	25,869	28,190
Water Resource										
Average daily sewage treatment (thousands of gallons)	7,613	6,610	6,740	6,273	6,139	6,078	5,496	6,078	5,850	6,107
Transit										
Total route miles	210,169	193,242	196,295	189,007	203,469	203,469	200,557	209,286	218,885	226,251
Passengers	219,749	211,634	247,370	263,124	258,617	259,824	246,931	270,930	273,167	259,640

**Sources:** Various city departments.

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

(b) Operating indicators are based on the calendar year from 2009-2018.

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

<b>Function</b>	<b>Fiscal Year</b>									
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>General Government</b>										
Buildings	6	7	7	7	7	7	7	7	7	7
Vehicles	1	1	1	1	1	1	1	1	1	1
<b>Police Department</b>										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	39	38	35	39	38	34	34	35	35	38
<b>Fire Department</b>										
Buildings	7	7	7	7	7	7	7	7	7	7
Vehicles	26	27	27	28	28	28	28	25	25	27
<b>Code Enforcement</b>										
Buildings	-	1	1	1	1	1	1	1	1	1
Vehicles	4	4	4	5	5	6	6	6	6	6
<b>Public Works</b>										
Buildings	7	7	7	7	7	7	7	7	8	8
Streets (miles)	115	115	115	115	115	115	115	115	115	115
Vehicles/Trucks	11	10	11	12	12	12	12	12	12	11
Heavy Vehicles	37	38	39	39	39	39	39	34	34	35
<b>Culture and recreation</b>										
Buildings	14	14	14	14	15	15	15	15	15	15
Vehicles	18	18	18	17	18	19	19	24	24	24
<b>Transportation &amp; Waterfront</b>										
Buildings	2	2	2	2	3	3	3	3	2	2
Buses	7	12	12	8	10	10	10	8	8	7
Vehicles	2	2	2	2	2	2	2	2	2	2
<b>Water Resources</b>										
Buildings	38	38	38	38	38	38	38	38	38	38
Vehicles	23	24	23	23	23	23	23	23	23	22
<b>School Department</b>										
Schools	9	8	8	8	8	8	8	8	8	8
Buildings	4	4	4	4	4	4	4	4	4	4
Portable Classrooms	2	2	3	3	3	3	3	3	3	5
School Buses	23	22	22	23	23	23	23	29	29	31
Vehicles	8	7	8	7	7	7	7	7	7	9

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