



# **CITY OF SOUTH PORTLAND, MAINE**

## **Comprehensive Annual Financial Report**



**For Fiscal Year Ended June 30, 2022**

**CITY OF SOUTH PORTLAND, MAINE**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For Fiscal Year Ended June 30, 2022**



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

**CITY OF SOUTH PORTLAND, MAINE**

**Annual Comprehensive Financial Report**

**For the Fiscal Year Ended  
June 30, 2022**

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

**CITY OF SOUTH PORTLAND, MAINE**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended June 30, 2022**

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# INTRODUCTORY SECTION





*FINANCE DEPARTMENT*

ELLEN SANBORN  
Director of Finance

PARKER MADDEN  
Deputy Director of Finance

March 27, 2023

Honorable Deqa Dhelac, Mayor,  
Distinguished Members of the City Council,  
and Citizens of the City of South Portland, Maine

Maine state statutes and the South Portland City Charter require that the City issue annually a financial report audited in accordance with generally accepted auditing standards. Pursuant to these requirements, we hereby issue the annual comprehensive financial report of the City of South Portland, Maine, for the fiscal year ended June 30, 2022.

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, 2022. The independent auditor’s report is located at the front of the financial section of this report.

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

The annual comprehensive financial report is presented in three sections: introductory, financial, and statistical. The introductory section, which is not audited, includes this transmittal letter, 2021 ACFR certificate of achievement, an organization chart, and a list of the City’s principal elected and appointed officials. The financial section includes management’s discussion and analysis of the City’s financial activities, the basic financial statements and the combining and individual fund financial statements and schedules, as well as the independent auditor’s report on the financial statements and schedules. The statistical section, which is not audited, includes selected financial and demographic information, generally presented on a multi-year basis.

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 26,498. Under Maine statutes, the City is empowered to levy a property tax on both real and personal property located within its boundaries.

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

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

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

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

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

The appropriated budget is prepared by fund, function (e.g., public safety) and department (e.g., police). Appropriated Governmental Funds include the General Fund and the TIF Fund. 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 and TIF 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, 2022, the amount of unassigned fund balance totaled \$15,286,137 or 12.77% of the fiscal year 2023 general fund budget, of which \$923,062 is over the 12% Policy goal.

### ***Local Economy***

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

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

The western half of the City is home to a regional mall that forms the hub of the largest shopping district in the State. Additionally, there are two world-class semiconductor factories and a number of major hotel chains. Major companies with headquarters or divisions located within the western half of the City include a semiconductor manufacturer, an international financial services company, and two insurance companies. The mall and surrounding businesses increase the population of the City to between 46,000 and 102,000 per day.

The City exhibits above average wealth and housing levels relative to the State of Maine as a whole. The property tax collection rate has been consistently high over the years, standing at 98.9% for fiscal year 2022. This City underwent a full property revaluation that went into effect in fiscal year 2022. The tax base shifted a bit more to the residential section at 60% and 40% commercial, with the largest taxpayer comprising roughly 4% of the total tax base. The ten largest taxpayers represent 16.7%. Non-taxable value is about 11% of the total valuation.

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

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

### ***Major Initiatives***

The City Council approved several major projects for funding in fiscal year 2022. The Water Resources Department will be working on the first phase of the Meetinghouse Hill Utility Project to improve storm water drainage as well as a large scale sewer lining project. The City is conducting a long term facilities plan for Mahoney and other City buildings. The fire department will be purchasing a state of the art ladder truck and the City's bus system is in the process of updating its bus fleet with three buses being purchased over the next few years. Finally, the School Department has started construction of the new \$67 million Middle School which received state funding and voter approval in November of 2019.

### ***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 annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. This was the fourteenth 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 annual comprehensive 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 we continue 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 a key role in the preparation of this report, and in particular Deputy Finance Director Parker Madden who created this document. Appreciation is also extended to the accounting firm of Runyon Kersteen Ouellette for its assistance in the preparation and review of this report. Finally, credit must be given to the South Portland City Council and City Manager for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

***Ellen Sanborn***

Ellen Sanborn  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of South Portland  
Maine**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

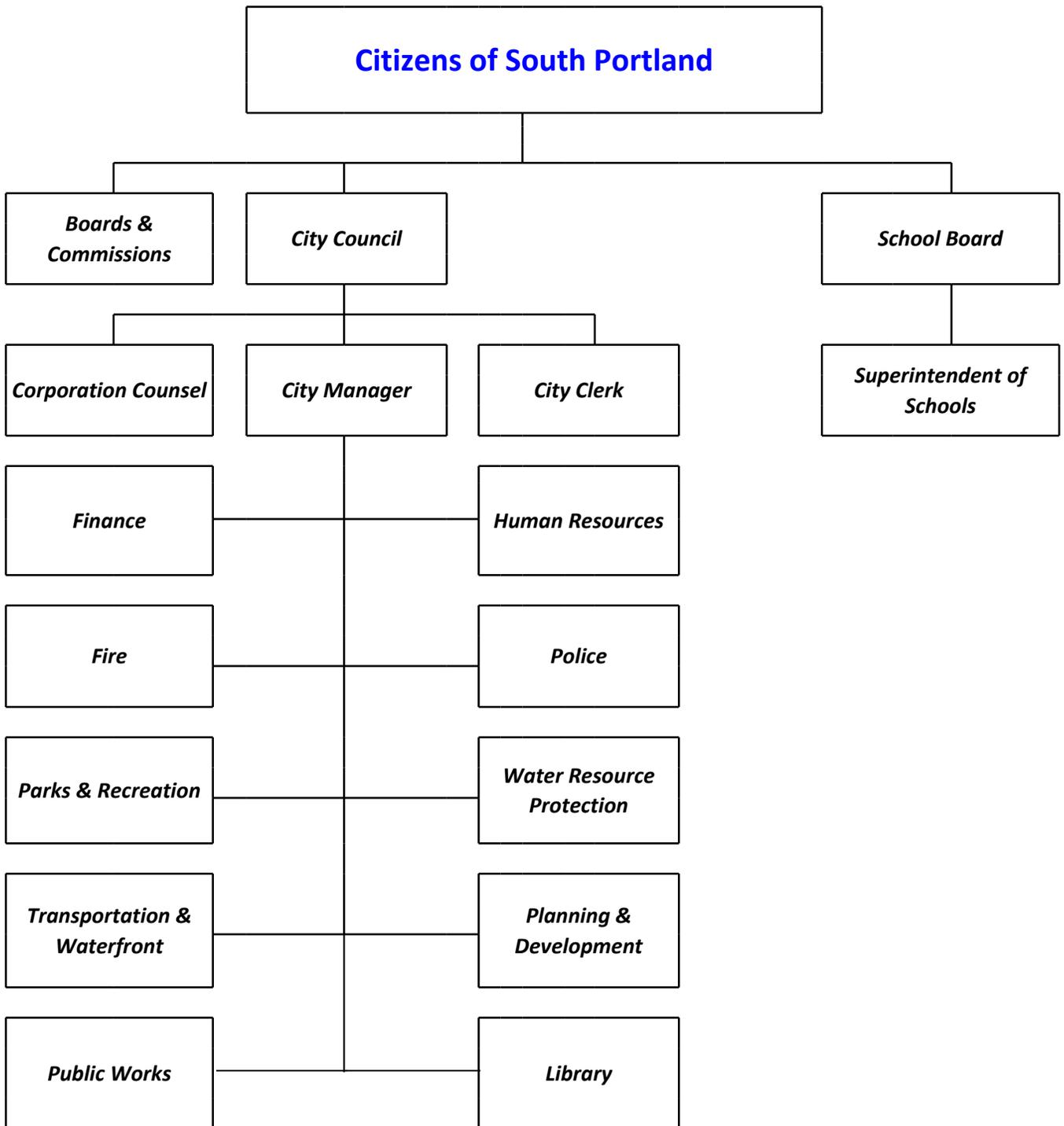
June 30, 2021

*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, 2022**

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Elected Officials

Council Member – District 1	Jocelyn E. Leighton
Council Member – At Large	Susan J. Henderson
Council Member – At Large	Vacant
Council Member – District 2	Katherine W. Lewis
Council Member – District 3	Misha C. Pride
Council Member – District 4	Linda C. Cohen
Council Member – District 5 – Mayor	Deqa A. Dhalac
Board of Education – At Large,	Jennifer Ryan
Board of Education – At Large	Clair Holman
Board of Education – District 1	Jennifer Kirk
Board of Education – District 2	Michael Faulkingham
Board of Education – District 3	Hannah Bitjoka
Board of Education – District 4	Andrea Levinsky
Board of Education – District 5 - Board Chair	Elyse Tipton

Appointed Officials

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

# FINANCIAL SECTION





Certified Public Accountants and Business Consultants

## Independent Auditor's Report

City Council  
City of South Portland, Maine

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Portland, Maine as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of South Portland, Maine's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Portland, Maine, as of June 30, 2022, 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.

#### ***Basis for Opinions***

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

#### ***Change in Accounting Principle***

As described in the notes to the financial statements, in 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of South Portland, Maine's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of South Portland, Maine's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

City Council  
City of South Portland, Maine

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

***Supplementary Information***

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

***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023, 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.



March 27, 2023  
South Portland, Maine

**CITY OF SOUTH PORTLAND, MAINE**  
**Management's Discussion and Analysis**  
**June 30, 2022**

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This section of the Annual Comprehensive Financial Report of the City of South Portland presents a narrative overview and analysis of the financial activities of the City of South Portland for the fiscal year ended June 30, 2022. 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 COVID pandemic has continued to affect the City's operations including putting a large strain on the City's public safety and general assistance departments. In response to this, the City has secured federal and state grant funding to help offset the increased costs during the pandemic. The City has also secured significant pandemic related grant funding for the School Department.
- The City issued three bonds in fiscal year 2022. The bonds were issued in three series. Series A was issued in the amount of \$60,785,000 and the proceeds are to support traffic improvements (\$1,600,000) and the construction on the new Middle School (\$59,185,000). Series B was issued to support future projects of the Land Bank (\$4,490,000). Series C was issued as a refunding of prior bonds (\$5,880,000).
- 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 \$193,231,755 (*net position*). Of this amount, \$21,172,635 (*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 \$126,251,290 an increase of \$4,033,144 in comparison with the prior year of \$122,218,146. Approximately 9% of this total amount, \$10,993,663, is *available for spending* at the City's discretion (*unrestricted net position*).
- As of June 30, 2022, the General Fund unassigned fund balance was \$15,286,137 or 12.77% of the City's fiscal year 2023, budget (\$119,692,291).
- In fiscal year 2022, the City received the first half of the American Rescue Plan Act (ARPA) funding. This amounted to grant revenue of \$5,249,181, \$3,399,745 of which was deferred at year end. The ARPA funding, which will total \$10,498,362 after the second payment is processed, has been earmarked to support capital projects, pandemic related general assistance costs, as well as supporting projects around the City that have been initiated by other governments and not-for-profit entities.

**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.

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

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**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).

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*.

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

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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 113 of this report.

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42-76 of this report.

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

**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 85-113 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 \$193,231,755 at the close of the most recent fiscal year.

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

	Governmental Activities		Business-type Activities		Total Activities	
	Restated		Restated		Restated	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 113,727,099	\$ 59,638,507	\$ 12,767,996	\$ 11,026,093	\$ 126,495,095	\$ 70,664,600
Capital assets	177,873,657	149,326,985	58,384,760	57,345,239	236,258,417	206,672,224
Total assets	<u>291,600,756</u>	<u>208,965,492</u>	<u>71,152,756</u>	<u>68,371,332</u>	<u>362,753,512</u>	<u>277,336,824</u>
Deferred outflows	9,158,290	6,825,470	559,226	366,411	9,717,516	7,191,881
Long-term liabilities	135,854,225	78,846,475	3,313,986	4,535,860	139,168,211	83,382,335
Other liabilities	19,946,734	13,585,944	173,404	668,890	20,120,138	14,254,834
Total liabilities	<u>155,800,959</u>	<u>92,432,419</u>	<u>3,487,390</u>	<u>5,204,750</u>	<u>159,288,349</u>	<u>97,637,169</u>
Deferred inflows	18,706,797	1,140,397	1,244,127	116,594	19,950,924	1,256,991
Net investment						
in capital assets	99,347,533	99,288,948	55,801,493	54,564,870	155,149,026	153,853,818
Restricted	15,910,094	15,909,639	-	-	15,910,094	15,909,639
Unrestricted	10,993,663	7,019,559	11,178,972	8,851,529	22,172,635	15,871,088
Total net position	<u>\$ 126,251,290</u>	<u>\$ 122,218,146</u>	<u>\$ 66,980,465</u>	<u>\$ 63,416,399</u>	<u>\$ 193,231,755</u>	<u>\$ 185,634,545</u>

By far, the largest portion of the City of South Portland's net position (80.29% or \$155,149,026) 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 (8.23% or \$15,910,094) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (11.48% or \$22,172,635) 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 \$7,597,210 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues:						
Program revenues:						
Charges for services	\$ 6,004,628	\$ 5,050,126	\$ 6,788,661	\$ 6,268,760	\$ 12,793,289	\$ 11,318,886
Operating grants and contributions	24,456,740	24,900,449	-	-	24,456,740	24,900,449
Capital grants and contributions	1,420,388	501,471	18,100	-	1,438,488	501,471
General revenues:						
Property and other taxes	77,708,276	79,382,019	-	-	77,708,276	79,382,019
Grants and contributions not restricted to specific programs	8,987,849	7,580,955	-	-	8,987,849	7,580,955
Other	(166,261)	710,746	106,523	57,836	(59,738)	768,582
Total revenues	<u>118,411,620</u>	<u>118,125,766</u>	<u>6,913,284</u>	<u>6,326,596</u>	<u>125,324,904</u>	<u>124,452,362</u>
Expenses:						
General government	13,610,118	15,648,947	-	-	13,610,118	15,648,947
Public safety	16,888,738	15,538,227	-	-	16,888,738	15,538,227
Public works	8,141,159	8,028,758	-	-	8,141,159	8,028,758
Culture and recreation	4,958,930	4,474,919	-	-	4,958,930	4,474,919
Transportation and waterfront	2,349,034	1,937,271	-	-	2,349,034	1,937,271
Health, wealth and social services	1,001,015	735,182	-	-	1,001,015	735,182
Interest on debt service	1,952,654	1,382,369	-	-	1,952,654	1,382,369
Education	62,364,668	59,776,812	-	-	62,364,668	59,776,812
Sewer	-	-	6,461,378	6,564,090	6,461,378	6,564,090
Total expenses	<u>111,266,316</u>	<u>107,522,485</u>	<u>6,461,378</u>	<u>6,564,090</u>	<u>117,727,694</u>	<u>114,086,575</u>
Increase (decrease) in net position before transfers	7,145,304	10,603,281	451,906	(237,494)	7,597,210	10,365,787
Transfers	<u>(3,112,160)</u>	<u>(120,138)</u>	<u>3,112,160</u>	<u>120,138</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	4,033,144	10,483,143	3,564,066	(117,356)	7,597,210	10,365,787
Net position - beginning of year	122,218,146	110,522,392	63,416,399	64,746,366	185,634,545	175,268,758
Prior period restatement	-	1,212,611	-	(1,212,611)	-	-
Net position - end of year	<u>\$ 126,251,290</u>	<u>\$ 122,218,146</u>	<u>\$ 66,980,465</u>	<u>\$ 63,416,399</u>	<u>\$ 193,231,755</u>	<u>\$ 185,634,545</u>

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

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**Governmental activities.** During this past fiscal year, governmental activities saw an increase in the City of South Portland's net position of \$4,033,144. This amount represented an increase in the net position of 3.30%. Key elements of this increase are as follows:

- City ARPA funding that was applied against capital and government services totaled \$1,849,436. This provided surplus to the City as these costs would have been incurred regardless of grant funding in the fiscal year.
- The City also experienced increased State revenues including; State Revenue Sharing (\$1,188,900), State BETE (\$538,049), and State Education Subsidy (\$2,107,239).
- The amounts above were offset by a sharp decrease in investment income from the prior year (\$1,650,698), which was the result of decreased unrealized gains on fixed income investments.

**Business-type activities.** The City's business-type activities, which consists of sewer user operations, net position increased by \$3,564,066.

In fiscal year 2022, the operating loss improved from (\$485,575) in 2021 to a gain in operating of \$345,938 in 2022. This was attributable to increased revenue, which was driven by user rate increases in 2022. Operating expenses also decreased slightly over the prior year. Non-operating revenues increase in the current year by \$54,804. This was caused by a large increase in interest revenue as rates on cash equivalents increase dramatically in the second half the fiscal year. Finally, the largest driver of the increase in net position for the Sewer Fund was a transfer of \$2,992,425 into the fund from the City's TIF funds that will be used to support a large sewer separation project that is currently underway.

#### **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 \$87,348,610, an increase of \$41,369,761. This increase was the result of issuing bonds late in the fiscal year and having excess proceeds over capital expenditures at year end. At June 30, 2022, the Middle School bond has excess proceeds of \$32,498,820, the Public Works bond has excess proceeds of \$1,299,177, and the Land Bank bond has excess proceeds of \$4,495,178. Additionally, the General Fund of the City generated a surplus of \$1,403,016 due to higher than anticipated revenues and less than anticipated expenditures.

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

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**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 \$32,320,541. 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 31.82% of total general fund expenditures (\$101,574,427). Under the breakdown of fund balance, unspent appropriations related to education are reported as restricted. At June 30, 2022, general fund restricted balance for education totaled \$5,918,840. 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 by \$1,198,596 during the year, primarily due to utilization of the City's tax stabilization fund in the amount of \$1,200,000 to help balance the 2022 budget.

The City has an established General Fund fund balance policy which was established to help ensure the future financial stability of the City and to mitigate financial risk that can occur from unforeseen revenue fluctuations or unanticipated expenditures. The 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, 2022, the unassigned fund balance was \$15,286,137 or 12.77% of the City's FY 2023, budget (\$119,692,291). Additionally, amounts in excess of 12% of the City's general fund budget can be used for capital improvements or other one-time expenditures as identified by the City Council. At the end of FY 2022, the City had \$923,062 that was available for this purpose in unassigned fund balance.

In 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). In fiscal year 2022, the City utilized \$1,200,000 of this reserve.

The total fund balance of the City of South Portland's general fund increased by \$1,403,016 during the current fiscal year. Key factors in this change are as follows:

- Total actual revenues collected were \$3,176,902 higher than in fiscal year 2022. Primary drivers of the increased revenues include increases in intergovernmental revenue (\$3,682,849). This increase was caused by increases in State Revenue Sharing, State BETE, and State Education Subsidy. Additionally, the City experienced a \$1,564,664 increase in charges for service. This increase was driven by moving parks and recreation operating activities out of special revenues and into the general fund.
- Total actual expenditures increased by \$5,839,861 from fiscal years 2021 to 2022. This increase was driven by overall inflation in costs that was experienced throughout the operating budget. Specifically the City's insurance and benefit costs increased \$384,712, which was the result of health insurance increases. The City saw an increase of \$254,807 in public safety costs as the pandemic continues to drive those costs up. Finally, the City's parks and recreation increased by \$800,099, which was the result of moving parks and recreation operations into the General Fund.

**TIF** - The TIF (Tax Increment Financing) fund includes all of the activity in the City's twelve tax increment financing districts. At the end of the current fiscal year, the total fund balance of the TIF fund was \$7,483,530 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. In fiscal year 2022, the total TIF fund balance decreased by \$1,033,426. This was driven by a large transfer of \$2,992,425 to the Sewer Fund to support a large capital project.

**Capital Projects** - The Capital Projects fund has a total fund balance of \$37,953,434. During the year, the fund balance increased by \$36,720,096, which was the result of issuing bonds (including premium) in the amount of \$67,840,169 however expending only \$32,379,715 of the proceeds on capital projects.

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

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**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 \$11,178,972, an increase of \$2,327,443. This increase was driven by the interfund transfer of \$2,992,425 from the TIF Funds. 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 \$625,318, of which revenues came in \$252,921 higher than anticipated while expenditures came in \$363,395 under budget.

**Budgetary Highlights**

**General Fund:**

Revenue for the general fund totaled \$98,930,085 (on the budgetary basis of accounting) in the fiscal year ended June 30, 2022. Actual revenues exceeded estimates by \$2,293,049. The revenue sources responsible for this surplus include the following:

- Intergovernmental revenues had a surplus of \$867,490. This was the result of changes in state revenue sharing and BETE after the final budget was passed.
- Licenses, permits, fees and fines came in \$245,866 above the budgeted amount. This was driven by high demand for residential construction during the pandemic as well as strong revenue related to business licensing.
- Charges for services came in \$785,289 higher than anticipated. The was caused by continued high demand for the ambulance service, a trend that has been experienced throughout the pandemic. Additionally, Culture, Parks, and Recreation came in \$260,637 higher than budget as citizens have begun utilizing these services at near pre-pandemic levels.
- The City's unclassified revenue category came in \$377,887 above the budgeted amount due to a large insurance reimbursement of \$184,135 that was related to water damage experienced at City Hall during the winter of 2022.

Expenditures for the general fund totaled \$94,566,360 (on the budgetary basis of accounting) in the fiscal year ended June 30, 2022. The general fund expenditures came in \$2,838,180 under what was budgeted.

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

- Citywide insurance and benefit costs came in \$311,479 under budget. This was caused by conservative budgeting around employee insurance and pension cost increases.

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

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- The Police Department came in \$183,986 under budget due to staffing shortages that caused positions to be open for long periods of time during the fiscal year.
- Parks and Recreation ended the year \$351,804 under budget due to more efficient use of staff time and materials to support programs.
- The City's bus service was \$144,844 under budget, as service has not yet got back to pre-pandemic levels.
- Education had a surplus of \$1,348,919. This was caused by unbudgeted grants that assisted with paying for pandemic related costs.

A detailed budget presentation can be found on Exhibit A-2 of these financial statements.

**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, 2022 amounts to \$236,258,417 (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 14.32% (a 19.12% increase for governmental activities and a 1.81% increase for business-type activities).

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

- Completion of the School Transportation Bus Garage (\$2,062,017).
- Continued construction at the Middle School (\$28,126,475).
- Broadway Street multi-use path and pedestrian Improvements (\$1,172,168).
- Purchase of new firetruck (\$1,491,000).

Additional information on the City of South Portland's capital assets can be found in the notes to the financial statements on pages 51-52 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 \$5,183,800,000 for 2022, the debt limit would be over \$770 million. Our current debt is \$108,776,290 or about 2.10% of State Valuation or approximately 13.99% of the City's debt limit. Another measure of a municipality's debt load is debt per capita. As of June 30, 2022, the City of South Portland's debt per capita (including financed purchases and debt premium) was \$4,569 as compared to the prior year of \$2,048. In fiscal year 2022, the City issued \$71.2 million in new bonds to finance a new middle school, traffic improvements, land bank future projects, and refund prior issued bonds.

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.

In adopting the budget for the ensuing fiscal year 2023, 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.

During the upcoming fiscal year (2023), the City's management will continue to monitor and evaluate local economic conditions. In the forefront of our revenue and expenditure concerns are:

**Revenue Projections:**

- The City was realistic with revenue projections for fiscal year 2023. Excise tax revenues, which had seen increases over the past couple of years, appeared to have flattened. However, increases in EMS calls for service, interest income as rates begin to climb and an increase in State Revenue Sharing provided additional income to offset expenses.
- The City continues to see robust economic development activity, resulting in strong building permit revenue.
- FY23 revenue estimates include expected reimbursement for increased General Assistance costs, driven by effects of the pandemic and an increase in asylum seeking families coming to the City for help.

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

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Property Values and Business Development:

- The regional economy has seen fairly strong growth in property values. Business models have shifted some after the pandemic, and while malls in general are experiencing vacancies, the mall area in South Portland is stable. The City has been working with businesses to assist in business development.
- Housing prices for coastal properties is especially strong. Available rental housing stock is limited with rates rising significantly. The City is working with a number of developers who are planning or have interest in housing development within the City.

Employee Wages and Benefits:

- The cost of health insurance continues to rise. The City is proactive about improving the City's health insurance experience rating, which has resulted in 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 no more than 7%.
- The employer cost for funding the City's defined benefit retirement plan has seen modest increases in the past few years.
- The City, like many other communities and businesses, increased employee wages significantly for FY23 to keep up with market wages in order to maintain current experienced staff and to attract quality talent to fill vacancies.

Other Costs:

- Inflationary increases in supplies and materials increase the cost of maintaining services, facilities and infrastructure, which is reflected in the FY23 budget.
- The City has experienced an unprecedented increase in people seeking General Assistance. The FY23 budget includes an additional staff person for the GA office, as well as an increase in the cost for housing, food and medical assistance of about \$12m. The City will receive reimbursement for 70% of these costs through the State, and has allocated the local share cost from its funding from the American Rescue Plan Act (ARPA).

The fiscal year 2023 budget was approved in June 2022 with a \$16,872,961 (39.1%) increase in the overall general fund expenditure budget. This increase, as described above, is primarily due to the increase in GA costs. With changes in various revenues, the impact to property taxes for the City general fund operations was an increase of about \$1.7m, or 6.7%. County Tax added another \$1.2m, for a total tax levy increase of 11.1%. Taxes to support the municipal School District increased by \$2.25m, or 5%, as approved by voter referendum. The final impact on the tax rate for City, County and Schools was an increase of 5.9%.

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

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**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, 2022**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 63,183,035	11,988,879	75,171,914
Investments	37,576,328	-	37,576,328
Receivables, net of allow. of \$1,734,293 and \$41,588	5,101,008	697,497	5,798,505
Taxes receivable	547,314	-	547,314
Tax liens and tax acquired property	136,289	-	136,289
Inventory	48,638	-	48,638
Loans receivable	30,418	-	30,418
Lease receivable	6,319,490	-	6,319,490
Restricted assets, cash	50,000	-	50,000
Net pension asset	734,579	81,620	816,199
Capital assets, not being depreciated	49,287,748	6,851,828	56,139,576
Capital assets, net of accumulated depreciation	128,585,909	51,532,932	180,118,841
Total assets	291,600,756	71,152,756	362,753,512
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	6,339,397	487,140	6,826,537
Deferred outflows of resources related to OPEB	1,811,031	72,086	1,883,117
Deferred charge on refunding	1,007,862	-	1,007,862
Total deferred outflows of resources	9,158,290	559,226	9,717,516
<b>LIABILITIES</b>			
Accounts payable	7,240,485	135,333	7,375,818
Accrued liabilities	1,904,594	27,462	1,932,056
Unearned revenues	3,399,745	-	3,399,745
Accrued interest	1,122,649	10,609	1,133,258
Accrued teachers' summer salaries	6,279,261	-	6,279,261
Non-current liabilities:			
Due within one year	6,662,890	320,898	6,983,788
Due in more than one year	129,191,335	2,993,088	132,184,423
Total liabilities	155,800,959	3,487,390	159,288,349
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	11,309,086	1,117,251	12,426,337
Deferred inflows of resources related to OPEB	1,141,886	126,876	1,268,762
Deferred inflows of resources related to leases	6,255,825	-	6,255,825
Total deferred inflows of resources	18,706,797	1,244,127	19,950,924
<b>NET POSITION</b>			
Net investment in capital assets	99,347,533	55,801,493	155,149,026
Restricted for:			
Permanent Funds - Nonexpendable principal	193,519	-	193,519
Permanent Funds - Expendable	147,447	-	147,447
Education	6,415,599	-	6,415,599
Other grants	1,669,999	-	1,669,999
Tax Increment Financing	7,483,530	-	7,483,530
Unrestricted	10,993,663	11,178,972	22,172,635
<b>Total net position</b>	<b>\$ 126,251,290</b>	<b>66,980,465</b>	<b>193,231,755</b>

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Statement of Activities**  
**For the year ended June 30, 2022**

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	\$ 13,610,118	890,999	845,945	571,902	(11,301,272)	-	(11,301,272)
Public safety	16,888,738	2,508,844	1,579,190	-	(12,800,704)	-	(12,800,704)
Public works	8,141,159	351,645	3,082	488,936	(7,297,496)	-	(7,297,496)
Culture and recreation	4,958,930	1,637,511	30,383	-	(3,291,036)	-	(3,291,036)
Transportation and waterfront	2,349,034	209,253	1,372,712	359,550	(407,519)	-	(407,519)
Health, welfare and social services	1,001,015	-	523,493	-	(477,522)	-	(477,522)
Education	62,364,668	406,376	20,101,935	-	(41,856,357)	-	(41,856,357)
Interest on debt service	1,952,654	-	-	-	(1,952,654)	-	(1,952,654)
Total governmental activities	111,266,316	6,004,628	24,456,740	1,420,388	(79,384,560)	-	(79,384,560)
Business-type activities:							
Sewer	6,461,378	6,788,661	-	18,100	-	345,383	345,383
Total business-type activities	6,461,378	6,788,661	-	18,100	-	345,383	345,383
<b>Total primary government</b>	<b>\$ 117,727,694</b>	<b>12,793,289</b>	<b>24,456,740</b>	<b>1,438,488</b>	<b>(79,384,560)</b>	<b>345,383</b>	<b>(79,039,177)</b>
General revenues:							
Property taxes, levied for general purposes					71,392,201	-	71,392,201
Motor vehicle excise taxes					6,212,025	-	6,212,025
Cable television franchise					104,050	-	104,050
Grants and contributions not restricted to specific programs:							
State Revenue Sharing					3,781,382	-	3,781,382
Homestead exemption					1,460,923	-	1,460,923
Other State aid					3,745,544	-	3,745,544
Unrestricted investment earnings (loss)					(940,127)	106,523	(833,604)
Miscellaneous					773,866	-	773,866
Transfers					(3,112,160)	3,112,160	-
Total general revenues and transfers					83,417,704	3,218,683	86,636,387
Change in net position					4,033,144	3,564,066	7,597,210
Net position - beginning, as restated					122,218,146	63,416,399	185,634,545
<b>Net position - ending</b>					<b>\$ 126,251,290</b>	<b>66,980,465</b>	<b>193,231,755</b>

*See accompanying notes to basic financial statements.*

## CITY OF SOUTH PORTLAND, MAINE

## Balance Sheet

## Governmental Funds

June 30, 2022

	General	Tax Increment Financing	Capital Projects	ARPA Grant	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 648,476	7,388,713	41,651,751	5,253,403	8,240,692	63,183,035
Investments	37,200,799	-	-	-	375,529	37,576,328
Due from other governments	693,145	-	-	-	3,591,398	4,284,543
Accounts receivable, net of allowance of \$1,734,293	590,786	119,358	-	-	106,321	816,465
Taxes receivable	547,314	-	-	-	-	547,314
Tax liens and tax acquired property	136,289	-	-	-	-	136,289
Interfund loans receivable	4,540,187	-	-	-	-	4,540,187
Loans receivable	-	-	-	-	30,418	30,418
Lease receivable	6,319,490	-	-	-	-	6,319,490
Inventory	-	-	-	-	48,638	48,638
Restricted assets, cash	50,000	-	-	-	-	50,000
<b>Total assets</b>	<b>\$ 50,726,486</b>	<b>7,508,071</b>	<b>41,651,751</b>	<b>5,253,403</b>	<b>12,392,996</b>	<b>117,532,707</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	3,827,043	21,664	2,946,876	91,174	272,567	7,159,324
Accrued liabilities	1,870,274	2,877	260	857	30,326	1,904,594
Interfund loans payable	-	-	751,181	1,757,405	2,112,762	4,621,348
Unearned revenue	-	-	-	3,399,745	-	3,399,745
Accrued teachers' summer salaries	5,888,803	-	-	-	390,458	6,279,261
<b>Total liabilities</b>	<b>11,586,120</b>	<b>24,541</b>	<b>3,698,317</b>	<b>5,249,181</b>	<b>2,806,113</b>	<b>23,364,272</b>
Deferred inflows of resources:						
Unavailable revenue - property taxes	564,000	-	-	-	-	564,000
Lease related	6,255,825	-	-	-	-	6,255,825
<b>Total deferred inflows of resources</b>	<b>6,819,825</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,819,825</b>
Fund balances:						
Nonspendable	63,665	-	-	-	242,157	305,822
Restricted	5,918,840	7,483,530	34,443,994	4,222	6,756,523	54,607,109
Committed	5,036,637	-	3,533,230	-	2,940,974	11,510,841
Assigned	6,015,262	-	-	-	-	6,015,262
Unassigned	15,286,137	-	(23,790)	-	(352,771)	14,909,576
<b>Total fund balances</b>	<b>32,320,541</b>	<b>7,483,530</b>	<b>37,953,434</b>	<b>4,222</b>	<b>9,586,883</b>	<b>87,348,610</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 50,726,486</b>	<b>7,508,071</b>	<b>41,651,751</b>	<b>5,253,403</b>	<b>12,392,996</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.	177,873,657
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	564,000
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:	
Bond premiums	(10,540,744)
Deferred charge from refunding	1,007,862
Accrued compensated absences	(2,846,343)
Other postemployment benefits liabilities with related deferred inflows and outflows of resources	(12,835,577)
Accrued interest	(1,122,649)
Landfill closure	(113,600)
Financed purchases	(1,739,391)
Net pension liability with related deferred inflows and outflows of resources	(5,151,512)
Bonds and notes payable	(106,193,023)

**Net position of governmental activities**

**\$ 126,251,290**

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, 2022**

	General	Tax Increment Financing	Capital Projects	ARPA Grant	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	74,795,720	2,877,506	-	-	25,000	77,698,226
Intergovernmental	23,259,495	1,507,011	267,040	1,849,436	7,591,694	34,474,676
Licenses, permits, fees and fines	1,234,166	-	-	-	-	1,234,166
Charges for services	3,994,337	-	-	-	880,175	4,874,512
Unclassified	701,985	-	82,991	-	390,301	1,175,277
Investment income (loss)	(1,074,870)	86,416	25,298	4,222	18,807	(940,127)
<b>Total revenues</b>	<b>102,910,833</b>	<b>4,470,933</b>	<b>375,329</b>	<b>1,853,658</b>	<b>8,905,977</b>	<b>118,516,730</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	12,915,503	360,064	-	32,598	848,699	14,156,864
Public safety	12,683,696	-	-	1,061,015	498,706	14,243,417
Public works	5,278,111	24,437	-	3,082	421,664	5,727,294
Culture and recreation	4,128,028	-	-	14,815	187,328	4,330,171
Transportation and waterfront	1,525,485	-	-	-	385,904	1,911,389
Health, welfare and social services	834,991	-	-	166,024	-	1,001,015
Education (excluding debt service)	53,772,332	-	-	-	4,021,401	57,793,733
School lunch program	-	-	-	-	2,310,607	2,310,607
Intergovernmental	3,119,820	-	-	-	-	3,119,820
Other	37,608	1,545,012	-	-	1,886	1,584,506
Debt service	6,238,900	-	-	-	-	6,238,900
Capital expenditures	1,039,953	-	32,379,715	571,902	-	33,991,570
<b>Total expenditures</b>	<b>101,574,427</b>	<b>1,929,513</b>	<b>32,379,715</b>	<b>1,849,436</b>	<b>8,676,195</b>	<b>146,409,286</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,336,406</b>	<b>2,541,420</b>	<b>(32,004,386)</b>	<b>4,222</b>	<b>229,782</b>	<b>(27,892,556)</b>
<b>Other financing sources (uses):</b>						
Transfers in	866,089	-	884,313	-	-	1,750,402
Transfers out	(821,150)	(3,574,846)	-	-	(466,566)	(4,862,562)
Issuance of debt	-	-	60,785,000	-	4,490,000	65,275,000
Premium on issuance of debt	-	-	7,055,169	-	22,637	7,077,806
Issuance of refunding bond debt	5,880,000	-	-	-	-	5,880,000
Payment to refunded bond escrow agent	(6,085,503)	-	-	-	-	(6,085,503)
Premium on issuance of refunded bonds	227,174	-	-	-	-	227,174
<b>Total other financing sources (uses)</b>	<b>66,610</b>	<b>(3,574,846)</b>	<b>68,724,482</b>	<b>-</b>	<b>4,046,071</b>	<b>69,262,317</b>
<b>Net change in fund balances</b>	<b>1,403,016</b>	<b>(1,033,426)</b>	<b>36,720,096</b>	<b>4,222</b>	<b>4,275,853</b>	<b>41,369,761</b>
Fund balances, beginning of year	30,917,525	8,516,956	1,233,338	-	5,311,030	45,978,849
<b>Fund balances, end of year</b>	<b>32,320,541</b>	<b>7,483,530</b>	<b>37,953,434</b>	<b>4,222</b>	<b>9,586,883</b>	<b>87,348,610</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, 2022**

Net change in fund balances - total governmental funds (from Statement 4)	\$	41,369,761
<p>Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:</p>		
<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 of:</p>		
Capitalized assets		35,724,137
Book value of disposed capital assets		(103,408)
Depreciation expense		(7,074,057)
<p>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.</p>		
		(94,000)
<p>Financed purchase proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of this principal is an expenditure in the governmental funds, but the repayments reduces long-term liabilities in the statement of net position. This is the amount of:</p>		
Financed purchase principal repayments		699,737
<p>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.</p>		
		(150,123)
<p>Bond and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Governmental funds report the effects of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of:</p>		
Bond premium amortization		534,922
Bond premium proceeds		(7,304,980)
Bond and note principal repayments		4,231,511
Issuance of bonds and notes		(65,275,000)
Issuance of refunding bonds		(5,880,000)
Payment to escrow agent		6,085,503
<p>Change in accruals are recorded on the statement of net position, but not on the governmental fund balance sheet. This is the amount of:</p>		
Accrued compensated absences		462,889
Accrued interest		(538,363)
Other post employment benefits and deferred inflows and outflows		(220,772)
Net pension liability and deferred inflows and outflows		1,551,187
<p>Changes in long-term liabilities on the statement of net position, are expenditures in the governmental funds. This is the change of the landfill closure liability.</p>		
		14,200
<b>Change in net position of governmental activities (see Statement 2)</b>		<b>\$ 4,033,144</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, 2022**

	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	\$ 74,991,739	74,991,739	74,795,720	(196,019)	2,505,051	2,505,051	2,877,506	372,455
Intergovernmental	17,379,846	17,379,846	18,247,336	867,490	900,000	900,000	1,507,011	607,011
Licenses, permits, fees and fines	988,300	988,300	1,234,166	245,866	-	-	-	-
Charges for services	1,982,275	2,903,551	3,688,840	785,289	-	-	-	-
Unclassified	73,600	73,600	451,487	377,887	-	-	-	-
Interest earned	300,000	300,000	512,536	212,536	-	-	86,416	86,416
<b>Total revenues</b>	<b>95,715,760</b>	<b>96,637,036</b>	<b>98,930,085</b>	<b>2,293,049</b>	<b>3,405,051</b>	<b>3,405,051</b>	<b>4,470,933</b>	<b>1,065,882</b>
Expenditures:								
Current:								
General government	12,884,982	12,884,982	12,671,923	213,059	-	-	360,064	(360,064)
Public safety	12,729,263	12,729,263	12,316,125	413,138	-	-	-	-
Public works	5,202,839	5,202,839	5,087,286	115,553	45,000	45,000	24,437	20,563
Culture, parks, and recreation	3,453,098	4,374,374	3,927,611	446,763	-	-	-	-
Transportation and waterfront	1,672,636	1,672,636	1,526,942	145,694	-	-	-	-
Health, welfare and social services	893,661	893,661	834,300	59,361	-	-	-	-
Education	54,592,298	54,592,298	53,243,379	1,348,919	-	-	-	-
Intergovernmental	3,119,820	3,119,820	3,119,820	-	-	-	-	-
Other	120,000	120,000	28,294	91,706	2,107,485	2,107,485	1,545,012	562,473
Debt service (excluding education)	1,814,667	1,814,667	1,810,680	3,987	-	-	-	-
<b>Total expenditures</b>	<b>96,483,264</b>	<b>97,404,540</b>	<b>94,566,360</b>	<b>2,838,180</b>	<b>2,152,485</b>	<b>2,152,485</b>	<b>1,929,513</b>	<b>222,972</b>
Excess (deficiency) of revenues over (under) expenditures	(767,504)	(767,504)	4,363,725	5,131,229	1,252,566	1,252,566	2,541,420	1,288,854
Other financing sources (uses):								
Budgeted use of surplus - City	-	-	-	-	200,205	200,205	-	(200,205)
Tax rate stabilization fund	1,200,000	1,200,000	1,200,000	-	-	-	-	-
Transfer in	348,296	348,296	866,089	517,793	-	-	-	-
Transfers out	(780,792)	(780,792)	(683,035)	97,757	(1,452,771)	(1,452,771)	(3,574,846)	(2,122,075)
<b>Total other financing sources (uses)</b>	<b>767,504</b>	<b>767,504</b>	<b>1,383,054</b>	<b>615,550</b>	<b>(1,252,566)</b>	<b>(1,252,566)</b>	<b>(3,574,846)</b>	<b>(2,322,280)</b>
Net change in fund balance - budgetary basis	-	-	5,746,779	5,746,779	-	-	(1,033,426)	(1,033,426)
Reconciliation to GAAP basis:								
Change in encumbrances - City			(613,728)				-	
Change in encumbrances - School			108,521				-	
Change in reserves			(3,838,556)				-	
Net change in fund balance - GAAP basis			1,403,016				(1,033,426)	
Fund balance, beginning of year			30,917,525				8,516,956	
<b>Fund balance, end of year</b>	<b>\$</b>		<b>32,320,541</b>				<b>7,483,530</b>	

*See accompanying notes to basic financial statements.*

CITY OF SOUTH PORTLAND, MAINE  
 Statements of Net Position  
 Proprietary Funds  
 June 30, 2022, with comparative totals for June 30, 2021

Business-type Activities - Enterprise Funds		Sewer	
	2022	Restated 2021	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 11,988,879	10,481,955	
Receivables, net of allowance of \$41,588 and \$42,991, respectively	694,838	538,077	
Sewer liens	2,659	6,061	
Total current assets	12,686,376	11,026,093	
Noncurrent assets:			
Net pension asset	81,620	-	
Capital assets, not being depreciated	6,851,828	4,508,437	
Capital assets	109,018,475	108,800,445	
Accumulated depreciation	(57,485,543)	(55,963,643)	
Total noncurrent assets	58,466,380	57,345,239	
<b>Total assets</b>	<b>71,152,756</b>	<b>68,371,332</b>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	487,140	301,032	
Deferred outflows of resources related to OPEB	72,086	65,379	
<b>Total Deferred Outflows of resources</b>	<b>559,226</b>	<b>366,411</b>	
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	135,333	638,227	
Accrued wages	27,462	19,796	
Accrued interest	10,609	10,867	
Current portion of noncurrent liabilities:			
Compensated absences	123,796	122,945	
Notes payable	197,102	197,102	
Total current liabilities	494,302	988,937	
Noncurrent liabilities:			
Compensated absences	173,517	170,118	
Net pension liability	-	1,026,191	
Total OPEB liability	433,406	436,237	
Notes payable	2,386,165	2,583,267	
Total noncurrent liabilities	2,993,088	4,215,813	
<b>Total liabilities</b>	<b>3,487,390</b>	<b>5,204,750</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	1,117,251	-	
Deferred inflows of resources related to OPEB	126,876	116,594	
<b>Total Deferred Outflows of resources</b>	<b>1,244,127</b>	<b>116,594</b>	
<b>NET POSITION</b>			
Net investment in capital assets	55,801,493	54,564,870	
Unrestricted	11,178,972	8,851,529	
<b>Total net position</b>	<b>\$ 66,980,465</b>	<b>63,416,399</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 fiscal year ended June 30, 2022, with comparative totals**  
**for the fiscal year ended June 30, 2021**

<b>Business-type Activities - Enterprise Funds</b>		
	<b>Sewer</b>	
	<b>2022</b>	<b>Restated 2021</b>
<b>Operating revenues:</b>		
Charges for services	\$ 6,729,930	6,210,998
Interest and penalties	281	238
Licenses	56,678	56,234
Other	1,772	1,290
Total operating revenues	6,788,661	6,268,760
<b>Operating expenses:</b>		
Personnel services	2,262,880	2,750,016
Contractual services	1,396,971	1,222,599
Supplies and materials	597,653	535,014
Fixed charges	71,022	72,261
Capital outlay	2,130	40,748
Depreciation	2,112,067	2,133,697
Total operating expenses	6,442,723	6,754,335
Operating income (loss)	345,938	(485,575)
<b>Nonoperating revenues (expenses):</b>		
Interest revenue	106,523	57,836
Gain (loss) on disposal of capital assets	-	(5,491)
Interest expense	(18,655)	(19,281)
Total nonoperating revenues (expenses)	87,868	33,064
Income (loss) before transfers	433,806	(452,511)
Capital contributions	18,100	-
Transfers in	3,113,024	121,002
Transfer out	(864)	(864)
Total transfers and contributions	3,130,260	120,138
Change in net position	3,564,066	(332,373)
Net position, beginning of year, as restated	63,416,399	63,748,772
<b>Net position, end of year</b>	<b>\$ 66,980,465</b>	<b>63,416,399</b>

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Statements of Cash Flows**  
**Proprietary Funds**  
**For the fiscal year ended June 30, 2022, with comparative totals**  
**for the fiscal year ended June 30, 2021**

	Sewer	
	2022	Restated 2021
<b>Business-type Activities - Enterprise Funds</b>		
Cash flows from operating activities:		
Receipts from customers and users	\$ 6,635,302	6,229,133
Payments to suppliers	(2,570,670)	(1,436,032)
Payments to employees	(2,426,888)	(2,563,278)
Net cash provided by (used in) operating activities	1,637,744	2,229,823
Cash flows from noncapital financing activities:		
Transfer from other funds	3,113,024	121,002
Transfers to other funds	(864)	(864)
Net cash provided by (used in) noncapital financing activities	3,112,160	120,138
Cash flows from capital and related financing activities:		
Purchase of capital assets	(3,133,488)	(3,122,215)
Interest paid on notes	(18,913)	(19,188)
Principal payments on notes	(197,102)	(197,102)
Net cash provided by (used in) capital and related financing activities	(3,349,503)	(3,338,505)
Cash flows from investing activities:		
Interest revenue	106,523	57,836
Net cash provided by (used in) investing activities	106,523	57,836
Net increase (decrease) in cash	1,506,924	(930,708)
Cash and cash equivalents, beginning of year, as restated	10,481,955	11,412,663
<b>Cash and cash equivalents, end of year</b>	<b>\$ 11,988,879</b>	<b>10,481,955</b>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 345,938	(485,575)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	2,112,067	2,133,697
(Increase) decrease in receivables	(156,761)	(35,562)
(Increase) decrease in liens	3,402	(4,065)
Increase (decrease) in accounts payable	(502,894)	434,590
Increase (decrease) in accrued wages	7,666	5,058
Increase (decrease) in compensated absences	4,250	(33,337)
Increase (decrease) in pension and OPEB	(175,924)	215,017
Net cash provided by (used in) operating activities	\$ 1,637,744	2,229,823

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2022**

		<b>Private- purpose Trust Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$	34,297
Investments		1,804,855
Due from others		81,161
<b>Total assets</b>		<b>1,920,313</b>
<b>LIABILITIES</b>		
Accounts payable		-
<b>Total liabilities</b>		<b>-</b>
<b>NET POSITION</b>		
Restricted for:		
Individuals and organizations		1,920,313
<b>Total net position</b>	<b>\$</b>	<b>1,920,313</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, 2022**

		<b>Private- purpose Trust Funds</b>
<b>Additions:</b>		
Donations	\$	29,850
Investment earnings:		
Interest		40,383
Unrealized gain (loss)		(169,139)
<b>Total additions</b>		<b>(98,906)</b>
<b>Deductions:</b>		
Scholarships and other		86,475
<b>Total deductions</b>		<b>86,475</b>
Net increase (decrease) in fiduciary net position		(185,381)
Net position, beginning of year		2,105,694
<b>Net position, end of year</b>	<b>\$</b>	<b>1,920,313</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.

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

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due. General capital asset acquisitions, including entering into contracts giving the City of South Portland, Maine the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

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

The City reports the following major governmental funds:

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

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

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

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

The City 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, land bank, and public library funds.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary fund is charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Cash, Cash Equivalents, and Investments**

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

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

**E. Interfund Loans**

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

**F. Inventories and Prepaid Items**

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

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

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**G. Allowance for Doubtful Accounts**

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

**H. Restricted Assets**

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

**I. Leases**

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

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

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

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

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

**J. Capital Assets**

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, sewer system and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of three years.

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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

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

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

**K. Compensated Absences**

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

**L. Long-term Obligations**

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

**M. Fund Equity**

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

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

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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

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

**N. Interfund Transactions**

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

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

**O. Comparative Data**

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

**P. Use of Estimates**

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

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**Q. Pensions**

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

**R. Other Post-Employment Benefits (OPEB)**

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

**S. Deferred Inflows and Outflows of Resources**

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

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**T. Net Position**

Net position represents assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds payable, notes payable, bond premiums, and financed purchases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net investment in capital assets was calculated as follows at June 30, 2022:

	Governmental activities	Business-type activities
Capital assets	\$ 304,771,050	115,870,303
Accumulated depreciation	(126,897,393)	(57,485,543)
Bonds/notes payable and premiums	(116,733,767)	(2,583,267)
Add back bond proceeds unexpended	38,939,172	-
Deferred outflows related to refunding of debt	1,007,862	-
Financed purchases	(1,739,391)	-
<b>Net investment in capital assets</b>	<b>\$ 99,347,533</b>	<b>55,801,493</b>

**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 versus reporting under accounting principles generally accepted in the United States of America of \$5,012,159.

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

The City employs encumbrance accounting in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year is \$311,877 in the General Fund.

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

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

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STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

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**B. Deficit Fund Balances**

At June 30, 2022, the following funds had deficit fund balances:

Special Revenue Funds:

Wellness Committee	\$ 699	Staff Computer Training	476
Sustainability Grants	88	Future Builders/Summer School	20,920
Justice Assistance Grant	11,424	Robotics	19,602
Drug Free Community	1,198	21 <sup>st</sup> Century Donations	15,066
PW Other State Grants	200,961	Friends Skillin Library	472
Friends of South Portland Libraries	2,853	Brown Friends	693
Adult Basic Education	49		
AE College Transitions	31	<u>Private-purpose Trusts</u>	
E-Rate	5,593	Harvie Scholarship	241
Sustainability Committee	87	Varanelli Scholarship	215
Memorial Tech Grant Koelker	1,237		
National Semiconductor (Brown)	3,683	<u>Capital Project Funds</u>	
TI STEM Grant	3	School FY 02 Projects	10,794
United Way Brick/Beam	1,273	Facilities/Bus Garage	12,966
United Way Adopt A School	1,763		

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

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DEPOSITS AND INVESTMENTS

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As of June 30, 2022, 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	\$ 2,969,264	-	2,314,080	655,184
Federal National Mortgage Assoc.	86,945	-	86,945	-
Federal Agriculture Mortgage Corp	1,131,713	-	328,163	803,550
Federal Farm Credit Bank	482,350	-	482,350	-
Federal Home Loan Bank	2,130,551	-	2,130,551	-
Certificates of Deposit	32,499,639	13,824,927	18,092,084	582,628
Stock Mutual Fund	80,721	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, 2022, the City had bank balances of \$108,680,318. 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, 2022, the City had deposits being held in an investment account in the amount of \$297,185 which were subject to custodial credit risk because they were not insured or collateralized.

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

**DEPOSITS AND INVESTMENTS, CONTINUED**

*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, 2022, the City had fair value investment balances of \$6,881,273 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, 2022, the City’s investments in Federal Home Loan Banks, Federal Farm Credit Bank, Federal Agriculture Mortgage Corporation, and Federal National Mortgage Associations were rated AA+ by Standard & Poor’s. In accordance with its investment policy, the City minimizes credit risk by limiting the types of investments to be purchased and diversifying the investment portfolio so that the impact of potential losses will be minimalized.

*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.

**PROPERTY TAX**

Property taxes for the current period were committed on July 7, 2021 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 \$694,238 for the year ended June 30, 2022.

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>2022</u>	<u>2021</u>
Assessed value	\$4,861,955,900	3,622,586,200
Tax rate (per \$1,000)	14.70	19.75
Commitment	71,470,752	71,546,077
Supplemental	12,905	-

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

**PROPERTY TAX, CONTINUED**

Less:			
Abatements		\$ 503,250	422,871
Collections		70,654,940	70,617,202
	Current year taxes receivable at end of year	325,467	506,004
	Taxes and liens receivable - prior years	358,136	371,270
	<b>Total taxes and liens receivable</b>	<b>\$ 683,603</b>	<b>877,274</b>

		<u>2022</u>	<u>2021</u>
Due dates:	1st quarter	September 2, 2021	August 20, 2020
	2nd quarter	November 18, 2021	November 19, 2020
	3rd quarter	February 17, 2022	February 18, 2021
	4th quarter	May 12, 2022	May 13, 2021
Interest rate on delinquent taxes		8.00%	7.00%
Collection rate		98.86%	98.70%

**CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended June 30, 2022 was as follows:

	Balance June 30, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2022</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 11,398,669	-	17,160	11,381,509
Construction	8,886,949	31,706,403	2,687,113	37,906,239
Total capital assets not being depreciated	20,285,618	31,706,403	2,704,273	49,287,748
Capital assets, being depreciated:				
Buildings	151,638,092	2,357,102	38,504	153,956,690
Improvements other than buildings	6,736,165	24,999	-	6,761,164
Machinery and equipment	17,724,450	1,646,829	379,440	18,991,839
Vehicles	17,770,025	1,550,847	765,511	18,555,361
Infrastructure	56,116,254	1,125,070	23,076	57,218,248
Total capital assets being depreciated	249,984,986	6,704,847	1,206,531	255,483,302
Less accumulated depreciation for:				
Buildings	53,082,847	3,050,944	21,693	56,112,098
Improvements other than buildings	4,482,047	227,606	-	4,709,653
Machinery and equipment	12,421,926	1,118,050	379,440	13,160,536
Vehicles	11,984,760	1,265,073	719,150	12,530,683
Infrastructure	38,972,039	1,412,384	-	40,384,423
Total accumulated depreciation	120,943,619	7,074,057	1,120,283	126,897,393
Total capital assets being depreciated, net	129,041,367	(369,210)	86,248	128,585,909
<b>Governmental activities capital assets, net</b>	<b>\$ 149,326,985</b>	<b>31,337,193</b>	<b>2,790,521</b>	<b>177,873,657</b>

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

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CAPITAL ASSETS, CONTINUED

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

Governmental activities:	
General government	\$ 288,572
Public safety	888,034
Public works	1,775,477
Culture and recreation	626,873
Transportation and waterfront	437,645
Education	3,057,456
<b>Total depreciation expense – governmental activities</b>	<b>\$ 7,074,057</b>

Capital asset activity for business-type activities for the year ended June 30, 2022 was as follows:

	Balance June 30, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2022</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,221,558	-	-	1,221,558
<u>Construction in progress</u>	<u>3,286,879</u>	<u>2,404,421</u>	<u>61,030</u>	<u>5,630,270</u>
Total capital assets not being depreciated	4,508,437	2,404,421	61,030	6,851,828
Capital assets, being depreciated:				
Buildings	36,467,205	30,850	-	36,498,055
Improvements other than buildings	80,331	-	-	80,331
Machinery and equipment	18,744,631	596,001	590,167	18,750,465
Vehicles	1,156,890	-	-	1,156,890
<u>Infrastructure</u>	<u>52,351,388</u>	<u>181,346</u>	<u>-</u>	<u>52,532,734</u>
Total capital assets being depreciated	108,800,445	808,197	590,167	109,018,475
Less accumulated depreciation for:				
Buildings	23,243,639	749,367	-	23,993,006
Improvements other than buildings	80,331	-	-	80,331
Machinery and equipment	13,212,504	556,880	590,167	13,179,217
Vehicles	971,973	26,081	-	998,054
<u>Infrastructure</u>	<u>18,455,196</u>	<u>779,739</u>	<u>-</u>	<u>19,234,935</u>
Total accumulated depreciation	55,963,643	2,112,067	590,167	57,485,543
<u>Total capital assets being depreciated, net</u>	<u>52,836,802</u>	<u>(1,303,870)</u>	<u>-</u>	<u>51,532,932</u>
<b><u>Business-type activities capital assets, net</u></b>	<b><u>\$ 57,345,239</u></b>	<b><u>1,100,551</u></b>	<b><u>61,030</u></b>	<b><u>58,384,760</u></b>

Depreciation expense (\$2,112,067) for proprietary funds was charged entirely to the sewer fund.

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

**LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2022 was as follows:

	Restated 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	\$ 45,130,000	71,155,000	10,185,000	106,100,000	3,660,000
Bond premiums	3,770,686	7,304,980	534,922	10,540,744	1,199,419
Notes from direct borrowing	139,534	-	46,511	93,023	46,512
Financed purchases	2,439,128	-	699,737	1,739,391	527,656
Landfill closure	127,800	-	14,200	113,600	14,200
Other post-employment benefits	13,404,768	99,954	-	13,504,722	-
Net pension liability	10,525,326	-	10,343,503	181,823	-
Compensated absences	3,309,232	756,756	1,219,645	2,846,343	1,215,103
<b>Governmental activities long-term liabilities</b>	<b>\$ 78,846,474</b>	<b>79,316,690</b>	<b>23,043,518</b>	<b>135,119,646</b>	<b>6,662,890</b>

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

<b>Business-type activities:</b>					
Notes from direct borrowing	\$ 2,780,369	-	197,102	2,583,267	197,102
Net pension liability (asset)	1,026,191	-	1,107,811	(81,620)	-
Total OPEB liability	436,237	-	2,831	433,406	-
Compensated absences	293,063	122,945	118,695	297,313	123,796
<b>Business-type activities long-term liabilities</b>	<b>\$ 4,535,860</b>	<b>122,945</b>	<b>1,426,439</b>	<b>3,232,366</b>	<b>320,898</b>

Bonds payable and notes from direct borrowing at June 30, 2022 is comprised of the following:

	Date of <u>issue</u>	Original amount <u>issued</u>	Date of <u>maturity</u>	Interest <u>rate</u>	Balance June 30, <u>2022</u>
<b>Governmental activities:</b>					
2011 Refund 2002 & 2003 Elem Sch.	10/26/2011	\$ 8,905,000	7/15/2023	2.00-4.38%	600,000
2013 HS SRRF – School*	12/1/2013	664,450	12/1/2023	0.00%	93,023
2014 HS Construction – School	4/10/2014	8,850,000	4/15/2034	2.25-3.25%	5,290,000
2017 Municipal Service Facility – City	9/8/2016	12,700,000	9/1/2036	2.00-5.00%	9,525,000
2017 Advance Refund 2010 & 2012	9/13/2017	15,700,000	7/15/2029	2.375-4.00%	12,045,000
2021 General Obligation Bond	8/20/2020	7,950,000	8/15/2040	2.00-5.00%	7,485,000
2022 Middle School and Traffic Bond	4/7/2022	60,785,000	10/1/2042	3.00-5.00%	60,785,000
2022 Open Space Bond	4/7/2022	4,490,000	4/1/2043	3.25-3.86%	4,490,000
2022 Refund 2012 HS Construction	4/19/2022	5,880,000	7/15/2032	2.50-3.00%	5,880,000
<b>Total governmental activities</b>					<b>106,193,023</b>

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

**LONG-TERM DEBT, CONTINUED**

Business-type activities:					
2009 SRF (Long Creek) *	10/7/2009	\$ 749,716	10/1/2029	0.00%	203,267
2015 CWSRF *	8/30/2015	3,500,000	8/1/2035	0.35%	2,380,000
Total business-type activities					2,583,267
<b>Total bonds and notes payable</b>					<b>\$ 108,776,290</b>

\* Notes from direct borrowing.

Advance refunding. In the current fiscal year, the City of South Portland, Maine issued \$5,880,000 in general obligation bonds with interest rates ranging from 2.50% – 3.00%. The proceeds were used to advance refund \$6,000,000 of outstanding 2011 bonds related to the construction of the High School, which had interest rates ranging from 2.00% – 4.00%. The net proceeds of \$6,085,503 (including premium of \$227,174 and after payment of \$31,693 in underwriting fees and other issuance costs) were deposited into an irrevocable trust with an escrow agent to provide funds for future debt service payments on the refunded bonds. As a result, a portion of the 2011 bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old bonds by \$85,503. This is reported as a deferred outflow of resources and amortized over the remaining life of the refunding debt, which had a shorter remaining life than the refunded debt. The advance refunding reduced its total debt service payments by \$453,910 to obtain an economic gain (difference between present value of the debt service payments on the old and new debt) of \$237,313.

Defeased debt. The City of South Portland, Maine has also defeased general obligations in the current year and prior years by placing the proceeds of new bonds and the City’s own resources into irrevocable trust accounts to provide for all future debt service payments on the old bonds. Accordingly, those trust account assets and the liability for those defeased bonds are not included in the City’s financial statements. At June 30, 2022, \$16,705,235 of defeased bonds remain outstanding, which includes bonds refunded during the current fiscal year.

The annual requirements to amortize governmental activities long-term debt outstanding as of June 30, 2022 are as follows:

June 30,	Bonds		Notes		Total
	Principal	Interest	Principal	Interest	
2023	\$ 3,660,000	3,988,913	46,512	-	7,695,425
2024	6,800,000	3,864,425	46,511	-	10,710,936
2025	6,495,000	3,565,724	-	-	10,060,724
2026	6,490,000	3,279,236	-	-	9,769,236
2027	6,490,000	2,992,874	-	-	9,482,874
2028-2032	31,875,000	10,903,345	-	-	42,778,345
2033-2037	23,495,000	5,229,745	-	-	28,724,745
2038-2042	17,620,000	1,841,560	-	-	19,461,560
2043	3,175,000	54,663	-	-	3,229,663
<b>Total</b>	<b>\$ 106,100,000</b>	<b>35,720,485</b>	<b>93,023</b>	<b>-</b>	<b>141,913,508</b>

**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 business-type activity long-term debt outstanding as of June 30, 2022 are as follows:

<u>June 30,</u>	<u>Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 197,102	16,934	214,036
2024	197,102	16,309	213,411
2025	197,102	15,685	212,787
2026	197,102	15,060	212,162
2027	197,102	14,435	211,537
2028-2032	917,757	62,804	980,561
2033-2036	680,000	38,998	718,998
<b>Total</b>	<b>\$ 2,583,267</b>	<b>180,225</b>	<b>2,763,492</b>

Financed purchases payable at June 30, 2022 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, 2022</u>
Governmental activities:					
Energy Performance Equipment	6/30/2010	\$ 1,470,637	11/01/2022	3.79%	93,624
Energy Performance Equipment	9/27/2012	995,742	1/15/2023	1.73%	108,026
Fire Truck	10/24/2018	963,882	10/24/2025	3.28%	497,186
School Equipment	4/30/2020	561,298	4/30/2024	1.63%	226,291
Streetlights	4/30/2020	1,000,000	4/30/2030	1.83%	814,264
<u>Total governmental activities</u>					<u>\$ 1,739,391</u>

All finance purchases are secured by the underlying assets.

The annual requirements to amortize governmental activities financed purchases payable outstanding as of June 30, 2022 are as follows:

<u>June 30,</u>	<u>Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 527,656	37,162	564,818
2024	333,467	26,964	360,431
2025	225,197	19,313	244,510
2026	231,152	13,358	244,510
2027	102,623	7,234	109,857
2028-2030	319,296	10,275	329,571
<b>Total</b>	<b>\$ 1,739,391</b>	<b>114,306</b>	<b>1,853,697</b>

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

**LONG-TERM DEBT, CONTINUED**

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, 2022, the statutory limit for the City was \$777,570,000. The City's outstanding long-term debt of \$108,776,289 at June 30, 2022 was \$668,793,711 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, 2022:

<u>Governmental Unit</u>	<u>Net debt</u>	<u>Applicable</u>	<u>City's share</u>
	<u>outstanding</u>	<u>to South Portland</u>	<u>of debt</u>
Cumberland County	\$30,856,174	2,826,508	9.16%
Portland Water District	58,631,046	7,926,917	13.52%

**The JOINTLY GOVERNED ORGANIZATION**

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

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

Selected balance sheet information for ecomaine for the year ended June 30, 2022 includes total assets of \$70,688,532, and total liabilities and deferred inflows of resources of \$26,359,339 and unrestricted net position of \$13,354,272. The liabilities include an accrual for landfill closure and postclosure care amounting to \$17,442,939. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2022 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.

**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, 2022, the City had recorded approximately \$113,600 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, 2022, interfund loans receivable and payable were as follows:

<u>Fund</u>	<u>Interfund receivable</u>	<u>Interfund payable</u>
General Fund	\$ 4,540,187	-
Capital Project Funds	-	751,181
ARPA Grant	-	1,757,405
Nonmajor Special Revenue Funds:		
School Grant Funds	-	2,085,821
School Lunch Fund	-	26,941
Private-purpose Trust Funds	81,161	-
<b>Total interfund balances</b>	<b>\$ 4,621,348</b>	<b>4,621,348</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, 2022, interfund transfers were as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 866,089	821,150
Sewer Fund	3,113,024	864
Tax Increment Financing	-	3,574,846
Capital Projects	884,313	-
Nonmajor Special Revenue Funds:		
City Special Revenues	-	635,543
School Grant Fund	6,800	-
School Lunch Fund	162,177	-
<b>Total interfund transfers</b>	<b>\$ 5,032,403</b>	<b>5,032,403</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.

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**FUND BALANCES**

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**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.

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

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**FUND BALANCES, CONTINUED**

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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, 2022, the City maintained an unassigned general fund balance of \$15,286,137, which is 12.77% of the fiscal year 2023 budget of \$119,692,291.

**Stabilization arrangement.** In the periods of economic decline where valuation assessments are flat or decreasing, and/or periods of significant estimated revenue loss or periods of high increases in budgeted expenditures, the City Council may set aside funds in the tax rate stabilization reserve to be used to reduce the needs from taxation for the coming year(s). Funds set aside in the tax rate stabilization reserve should have a planned exit strategy to reduce the use of such reserves in subsequent budgets and should be fully funded to the extent necessary to properly provide a declining (tiered) use of this reserve for a period no greater than 5 years. The objective of this tiered approach is to lessen the impact in subsequent years for the lower estimated revenues from the tax rate stabilization reserve. The committed general fund balances include a \$2,259,195 tax rate stabilization reserve at June 30, 2022 with \$0 anticipated to be used in the funding of fiscal year ending June 30, 2023 budget.

As of June 30, 2022, fund balance components consisted of the following:

	General <u>Fund</u>	Other Governmental <u>Funds</u>	<u>Total</u>
<b>Nonspendable:</b>			
Lease Related	\$ 63,665	-	63,665
School lunch inventory	-	48,638	48,638
Principal for permanent funds	-	193,519	193,519
Total nonspendable	63,665	242,157	305,822
<b>Restricted:</b>			
Education	5,918,840	448,121	6,366,961
TIF funds	-	7,483,530	7,483,530
Capital projects – unspent bond proceeds	-	34,443,994	34,443,994
ARPA Fund	-	4,222	4,222
Land Bank - unspent bond proceeds	-	4,495,178	4,495,178
Grants – Housing and business development	-	139,948	139,948
Grants – Other planning and general government	-	204,850	204,850
Grants – Fire and police	-	41,843	41,843
Grants – FEMA equipment	-	1,867	1,867
Grants – State highway block	-	1,175,700	1,175,700
Grants – FTA	-	10,477	10,477
Donations – Culture and recreation	-	91,092	91,092
Permanent funds	-	147,447	147,447
Total restricted	5,918,840	48,688,269	54,607,109

**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	\$ 2,259,195	-	2,259,195
Climate action plan	29,998	-	29,998
Equipment replacement reserve	229,272	-	229,272
Unemployment reserve	70,395	-	70,395
Self-insurance reserve	189,616	-	189,616
Safety reserve	248,302	-	248,302
Computerization reserve	123,527	-	123,527
Litigation legal reserve	85,414	-	85,414
Municipal facilities reserve	74,990	-	74,990
Other reserves	40,760	229,309	270,069
South Portland Community TV	-	699,718	699,718
Freshwater Wetland Fund	-	274,494	274,494
Public safety:			
Fire equipment and vehicle reserve	628,834	-	628,834
Police equipment reserves	40,693	-	40,693
Call company retirement reserve	38,586	-	38,586
Hazardous materials fund	-	113,536	113,536
Other	-	62,361	62,361
Public works:			
Snow removal reserve	\$421,603	-	421,603
Cummings Road sewer reserve	228,765	-	228,765
Solid waste reserve	37,471	-	37,471
Other reserves	151,090	176	151,266
Street openings and recycling funds	-	435,124	435,124
Sewer impact fund	-	479,315	479,315
Transit and waterfront:			
Bus reserve	122,175	-	122,175
Portland Street Pier and Thomas Knight	-	5,926	5,926
Culture and recreation:			
Golf course	-	310,464	310,464
Other	15,951	130,324	146,275
Education	-	200,227	200,227
Capital projects	-	3,533,230	3,533,230
<b>Total committed</b>	<b>5,036,637</b>	<b>6,474,204</b>	<b>11,510,841</b>

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

**FUND BALANCES, CONTINUED**

	General Fund	Other Governmental Funds	Total
<b>Assigned:</b>			
Compensated absences reserve	\$ 1,398,946	-	1,398,946
Vehicle replacement – police	42,612	-	42,612
Phone system reserve	85,689	-	85,689
Outside overtime - fire	8,438	-	8,438
Outside overtime - police	76,831	-	76,831
Public works fuel distribution	111,444	-	111,444
Fiscal year 2022 capital	2,452,152	-	2,452,152
Fiscal year 2022 operating budget	950,000	-	950,000
Recreation	296,481	-	296,480
Parks	245,313	-	245,313
Police Firing Range	165,000	-	165,000
<b>Encumbrances:</b>			
General government	5,500	-	5,500
Public safety	37,062	-	37,062
Public works	131,718	-	131,718
Culture and recreation	4,861	-	4,861
Transportation	3,215	-	3,216
<b>Total assigned</b>	<b>6,015,262</b>	<b>-</b>	<b>6,015,262</b>
<b>Unassigned</b>	<b>15,286,137</b>	<b>(376,561)</b>	<b>14,909,576</b>
<b>Total fund balance</b>	<b>\$ 32,320,541</b>	<b>55,028,069</b>	<b>87,348,610</b>

For GAAP reporting of fund balance the South Portland School Department’s General Fund fund balance is reported as a single restricted amount in the City’s financial statements as both the City and School’s fund balances are merged to a single General Fund. At June 30, 2022, the School Department’s General fund reported a total fund balance of \$5,918,840. This amount however is not fully available to the School Department to be used in operations as the School Department holds reserves and annually assigns fund balance to future periods. On a standalone basis, the School Department’s General Fund fund balance is broken down as follows:

Committed Reserves	\$ 364,888
Assigned to 2023 Budget	1,500,000
Unassigned Fund balance	<u>4,053,952</u>
Total Fund balance	\$ 5,918,840

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

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**CONSTRUCTION COMMITMENTS**

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The City has entered into a contract in connection with the Middle School construction project. The following is a summary of the commitments at June 30, 2022:

	<u>Contract Total</u>	<u>Percentage Complete</u>	<u>Billed to Date</u>	<u>Balance Remaining</u>
Middle School Construction:				
Architectural and Engineering	\$ 3,933,542	86.43%	3,451,830	481,712
Construction Services	56,784,188	3.91%	29,320,468	27,463,720

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**TAX INCREMENT FINANCING DISTRICTS**

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The City has established twelve 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	14,854,100	100%	14,854,100	218,355
Texas Instruments TIF	20,509,000	165,719,900	50%	82,857,950	1,218,012
One Wallace TIF	2,673,885	5,245,515	100%	5,245,515	77,109
Cummings TIF	1,697,100	25,184,200	0%	-	-
Long Creek TIF	1,202,392	11,520,208	0%	-	-
Jared TIF	1,265,626	1,156,974	100%	1,156,974	17,008
Hannaford TIF	388,205	10,023,675	100%	10,023,675	147,348
Downtown TIF	192,803,329	14,376,971	100%	14,376,971	211,341
Transit TIF	28,940,158	3,460,542	25%	865,135	12,717
Affordable:					
Brick Hill TIF	-	55,575,200	100%	55,575,200	816,955
Thornton Heights TIF	558,100	3,020,100	100%	3,020,100	44,395
Avesta Westbrook TIF	334,800	7,773,200	100%	7,773,200	114,266

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.

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

**TAX INCREMENT FINANCING DISTRICTS, CONTINUED**

The City had twelve approved Tax Increment Financing Districts as of June 30, 2022. For FY 2022, the City captured \$2,877,506 in TIF tax revenues and disbursed \$1,545,012 in C.E.A. payments to five (5) developers. The remaining \$384,501, was applied toward eligible local expenditures. The following are the C.E.A. payments that each exceed ten (10) percent of the total amount of C.E.A. payments.

The City disbursed \$730,807 to Texas Instruments to reimburse for investments in plant equipment to make the facility more cost competitive in the highly competitive semiconductor industry. The current amended C.E.A. became effective for FY 2013 and the company annually must meet a minimum investment in the plant (three-year average) of at least \$6 million, with a sliding scale reimbursement percentage based on the investment. The FY2022 reimbursement was at a 60% reimbursement of taxes captured rate.

The City disbursed \$196,520 to ON Semiconductor to reimburse for investments in plant equipment to make the facility more cost competitive in the highly competitive semiconductor industry. The current amended C.E.A. became effective for FY 2018 and the company annually must meet a minimum investment in the plant (three-year average) of at least \$6 million, with a sliding scale reimbursement percentage based on the investment. The FY2022 reimbursement was at a 90% reimbursement of taxes captured rate.

The City disbursed \$498,689 in C.E.A. payments to Long Creek Redevelopment LLC (Brick Hill TIF) to reimburse the eligible infrastructure investment that was made by the developer during the initial development. The developer reimbursement is based on a tax shift calculation formula that for FY2022 was at 60.66% of taxes captured.

**CONTINGENT LIABILITIES**

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

**NET PENSION LIABILITY**

***General Information about the Pension Plans***

The City contributes to two defined benefit pension plans, (1) the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and (2) the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan). As of the year ended June 30, 2022, the City had the following balances reported in the government-wide financial statements:

	Net Pension Liability(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Gain)
PLD Plan	\$ (816,199)	4,871,397	11,172,513	(108,507)
SET Plan	916,402	1,955,140	1,253,823	5,107,203
<b>Total</b>	<b>\$ 100,203</b>	<b>6,826,537</b>	<b>12,426,336</b>	<b>4,998,696</b>

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 7.05% to 9.7% of their annual pay. The City's contractually required contribution rate for the year ended June 30, 2022, was 10.3% of annual payroll for the regular plan and 13.4% of annual payroll for the special plan. Contributions to the pension plan from the City were \$1,658,161 for the year ended June 30, 2022.

**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, 2022, was 18.13% of annual payroll of which 3.84% of payroll was required from the City and 14.29% was required from the State. Contributions to the pension plan from the City were \$1,078,435 for the year ended June 30, 2022.

***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, 2021, 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, 2022, the City reported an asset of \$816,199 for its proportionate share of the net pension asset. At June 30, 2021, the City's proportion of the PLD Plan was 2.5398%.

**SET Plan** - At June 30, 2022, 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	\$ 916,402
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**CITY OF SOUTH PORTLAND, MAINE**  
**Notes to Basic Financial Statements, Continued**

**NET PENSION LIABILITY, CONTINUED**

State's proportionate share of the net pension liability associated with the City	16,399,934
<b>Total</b>	<b>\$ 17,316,336</b>

At June 30, 2021, the City's proportion of the SET Plan was 0.1083%.

For the year ended June 30, 2022, the City recognized a pension gain of \$97,656 for the governmental activities and a pension gain of 10,851 for the business-type activities for the PLD Plan. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the PLD plan from the following sources:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 425,256	-	47,251	-
Changes of assumptions	2,466,656	-	274,073	-
Net difference between projected and actual earnings on pension plan investments	-	10,012,583	-	1,112,509
Changes in proportion and differences between City contributions and proportionate share of contributions	-	42,679	-	4,742
City contributions subsequent to the Measurement date	1,492,345	-	165,816	-
<b>Total</b>	<b>\$ 4,384,257</b>	<b>10,055,262</b>	<b>487,140</b>	<b>1,117,251</b>

\$1,492,345 for governmental activities and \$165,816 for business-type activities is reported as deferred outflows of resources related to the PLD Plan resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2023	\$ (1,110,751)	(123,417)
2024	(991,080)	(110,120)
2025	(2,279,221)	(253,247)
2026	(2,782,298)	(309,143)

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

**NET PENSION LIABILITY, CONTINUED**

For the year ended June 30, 2022, the City recognized pension expense of \$5,107,203 for the SET Plan with revenue of \$4,013,456 for support provided by the State. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the SET Plan from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ -	5,151
Changes of assumptions	624,787	-
Net difference between projected and actual earnings on pension plan investments	-	1,248,673
Changes in proportion and differences between City contributions and proportionate share of contributions	251,918	-
City contributions subsequent to the measurement date	1,078,435	-
<b>Total</b>	<b>\$ 1,955,140</b>	<b>1,253,824</b>

\$1,078,435 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, 2023. 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:

2023	\$ 67,078
2024	187,496
2025	(283,641)
2026	(348,052)

**Actuarial Assumptions** - The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates for the PLD Plan were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC\_2020 model. Mortality rates for the SET Plan were based on 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC\_2020 model.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period June 30, 2016 to June 30, 2020 and the economic assumptions are based on this experience study along with advice of the MPERS investment consultants.

**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, 2021 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%	7.2%
Diversifiers	10.0%	5.9%

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

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

<u>PLD Plan</u>	1% Decrease <u>(5.50%)</u>	Current Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
City's proportionate share of the net pension liability (asset)	\$ 11,614,983	(816,199)	(11,098,425)
 <u>SET Plan</u>	 1% Decrease <u>(5.50%)</u>	 Current Discount Rate <u>(6.50%)</u>	 1% Increase <u>(7.50%)</u>
City's proportionate share of the net pension liability (asset)	\$ 2,406,576	916,402	(324,319)

**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, 2022.

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

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OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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**General Information about the OPEB Plans**

The City contributes to four post-employment defined benefit plans, (1) the City’s retiree health plan (City Plan), (2) the Maine Public Employees Retirement System State Employee and Teacher Group Term Life Plan (School Life Plan), (3) the Maine Public Employees Retirement System Participating Local District Life Plan (City Life Plan) and (4) the School Department’s retiree health plan (School Plan). As of the year ended June 30, 2022, the City had the following balances reported in the government-wide financial statements:

	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB (Gain) Expense
City Health Plan	\$ 3,993,168	642,947	991,770	75,418
School Life Insurance Plan	-	-	-	105,575
City Life Insurance Plan	340,886	77,910	276,992	(56,623)
School Health Plan	9,604,074	1,162,260	-	214,068
<b>Total</b>	<b>\$ 13,938,128</b>	<b>1,883,117</b>	<b>1,268,762</b>	<b>338,438</b>

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OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE

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**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 \$11,347 for the year ended June 30, 2022.

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 \$105,575 for the year ended June 30, 2022. Employers and employees are not required to contribute to the SET OPEB plan.

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

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OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

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***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, 2021, and the net OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as that date. The City's proportion of the net OPEB liabilities was based on a projection of the City's long-term share of contributions to the PLD and SET OPEB plans relative to the projected contributions of all participating employers, actuarially determined.

PLD OPEB Plan - At June 30, 2022, the City reported a liability of \$340,886 for its proportionate share of the net OPEB liability. At June 30, 2021, the City's proportion was 3.3019%.

SET OPEB Plan - At June 30, 2022, 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 \$450,691 as of June 30, 2022. At June 30, 2020, the City's proportion was 0.00%.

For the year ended June 30, 2022, the City recognized OPEB gain of \$50,961 for governmental activities and a OPEB gain of \$5,662 for business-type activities for the PLD OPEB Plan. For the year ended June 30, 2022, the City recognized OPEB expense of \$105,575 and revenues of \$105,575 for support provided by the State related to the SET OPEB Plan. At June 30, 2022, the City reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB Plan.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB Plan from the following sources:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Inflows</u>
Differences between expected and actual experience	\$ 34,668	-	3,852	-
Changes of assumptions	-	155,129	-	17,237
Net difference between projected and actual earnings on pension plan investments	-	94,164	-	10,462
Changes in proportion and differences between City contributions and proportionate share of contributions	25,238	-	2,804	-
City contributions subsequent to the Measurement date	10,213	-	1,135	-
<b>Total</b>	<b>\$ 70,119</b>	<b>249,293</b>	<b>7,791</b>	<b>27,699</b>

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

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

An amount of \$10,213 for governmental activities and \$1,135 for business-type activities is reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. 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:	Governmental Activities	Business-type Activities
2023	\$ (60,582)	(6,731)
2024	(34,765)	(3,863)
2025	(49,826)	(5,536)
2026	(57,850)	(6,428)
2027	6,817	757
Thereafter	6,819	758

**Actuarial Assumptions** - The net OPEB liability in the June 30, 2021 actuarial valuations was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

Mortality rates for the PLD Plan were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC\_2020 model. Mortality rates for the SET Plan were based on 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC\_2020 model.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period June 30, 2016 to June 30, 2020 and the economic assumptions are based on this experience study along with advice of the MPERS investment consultants.

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

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

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

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

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

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

		1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability	\$	506,028	340,886	208,408

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 January 1, 2022, the following employees were covered by the Health Plan benefit terms:

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

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

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

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

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

The City's total Health Plan OPEB liability of \$3,993,168 was measured as of January 1, 2022, and was determined by an actuarial valuation as of that date. \$399,317 has been allocated to the business-type activities and \$3,593,851 has been allocated to the governmental activities.

*Changes in the Total Health Plan OPEB Liability*

		Total OPEB Liability
Balance at June 30, 2021	\$	3,942,074
Changes for the year:		
Service cost		164,571
Interest		86,028
Changes of benefit terms		-
Differences between expected and actual experience		(242,162)
Changes in assumptions or other inputs		140,622
Benefit payments		(97,965)
Net changes		51,094
Balance at June 30, 2022	\$	3,993,168

Change in assumptions reflects a change in the discount rate from 2.12% to 2.06%.

For the year ended June 30, 2022, the City recognized OPEB expense of \$7,512 for the business-type activities and \$67,876 for the governmental activities related to the Health Plan. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

		Governmental Activities		Business-type Activities	
		Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	892,593	-	99,177
Changes of assumption or other inputs		515,345	-	57,261	-
Contributions subsequent to measurement		63,307	-	7,034	-
Total	\$	578,652	892,593	64,295	99,177

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

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

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An amount of \$63,307 for governmental activities and an amount of \$7,034 for business-type activities is reported as deferred outflows of resources related to the Health Plan OPEB resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Health Plan OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	<b>Governmental Activities</b>	<b>Business-type Activities</b>
2023	\$ (61,209)	6,801
2024	(61,209)	6,801
2025	(61,206)	6,801
2026	(92,439)	10,271
2027	(48,299)	5,367
Thereafter	(52,886)	5,875

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

Inflation	2.40% per annum
Salary increases	2.75% per annum
Discount rate	2.06% per annum
Healthcare cost trend rates	8.60% for 2022, decreasing to 3.53% for 2042
Retirees' share of the benefit related costs	5%-100% of projected health insurance premiums

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

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

**Discount Rate** - The rate used to measure the total OPEB liability for the Health Plan was 2.06%. 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 2.06%, 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 (1.06%) or 1 percentage-point higher (3.06%) than the current rate:

	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB liability	\$ 4,649,752	3,993,168	3,459,787

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

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

**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:

		Healthcare Cost Trend Rates		Healthcare Cost Trend Rates
	1% Decrease		1% Increase	
Total OPEB liability	\$ 3,410,686	3,993,168	4,739,527	

**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, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	222
Inactive employee entitled to but not yet receiving benefits	-
Active employees	492
Total	714

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

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

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

The City's total OPEB liability of \$9,604,074 was measured as of June 30, 2021, and was determined by applying roll forward procedures to an actuarial valuation as of June 30, 2020.

*Changes in the Total OPEB Liability*

		Total OPEB Liability
Balance at June 30, 2021	\$	9,478,636
Changes for the year:		
Service cost		170,461
Interest		209,638
Changes of benefit terms		-
Differences between expected and actual experience		-
Changes in assumptions or other inputs		73,583
Benefit payments		<u>(328,244)</u>
Net changes		<u>125,438</u>
Balance at June 30, 2022	\$	<u>9,604,074</u>

Change in assumptions reflects a change in the discount rate from 2.21% to 2.16%.

For the year ended June 30, 2022, The City recognized OPEB expense of \$214,068. At June 30, 2022, The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption or other inputs	\$	<u>54,126</u>	<u>-</u>
Differences between expected and actual experience		782,541	-
City contributions subsequent to the measurement date		325,593	-
Total	\$	<u><u>1,162,260</u></u>	<u><u>-</u></u>

\$325,593 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, 2023. 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:	
2023	\$ 159,562
2024	159,560
2025	222,335
2026	142,350
2027	142,349
Thereafter	10,511

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

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

**Actuarial Assumptions** - The total OPEB liability in the June 30, 2020 actuarial valuation for the total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary increases	2.75% per year
Discount rate	2.16% per annum
Healthcare cost trend rates - Pre-Medicare	6.21% for 2020 grading over 18 years to 3.25%
Healthcare cost trend rates – Medicare	0.00% for 2021 grading over 18 years to 3.25%
Retirees’ share of the benefit related costs	55% of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate

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

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

**Discount Rate** - The rate used to measure the total OPEB liability was 2.16% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate** - The following presents the City’s total OPEB liability calculated using the discount rate of 2.16%, 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 (1.16%) or 1 percentage-point higher (3.16%) than the current rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	\$ 11,264,831	9,604,074	8,275,863

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 8,100,542	9,604,074	11,523,292

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

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**DEFERRED COMPENSATION PLAN**

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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 \$396,024 to the plans during the year ended June 30, 2022.

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**RISK MANAGEMENT**

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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 2022, 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, 2022. The City also maintains commercial insurance for other specific liabilities with deductibles from \$1,000 to \$25,000. There have been no changes in commercial coverage from the prior year and no settlements have exceeded insurance coverage in any of the past three years.

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

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

	<u>Workers'</u> <u>Compensation</u>	<u>Unemployment</u>
<u>Unpaid claims as of the beginning of year</u>	\$ 4,629	-
Provision for current year events	-	-
<u>Increase in provision for prior year events</u>	<u>14,278</u>	<u>2,469</u>
Total incurred claims	18,907	2,469
Payments:		
Claims attributable to current year	-	2,469
<u>Claims attributable to prior year</u>	<u>14,278</u>	-
Total payments	14,278	2,469
<b><u>Unpaid claims, end of year</u></b>	<b><u>\$ 4,629</u></b>	<b><u>-</u></b>

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

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**RISK MANAGEMENT, CONTINUED**

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The following summarizes the claims activity with respect to the City’s self-insurance programs during 2021:

	<u>Workers’ Compensation</u>	<u>Unemployment</u>
<u>Unpaid claims as of the beginning of year</u>	<u>\$ 5,630</u>	<u>-</u>
Provision for current year events	-	22,216
<u>Increase in provision for prior year events</u>	<u>17,659</u>	<u>-</u>
Total incurred claims		
Payments:		
Claims attributable to current year	-	22,216
<u>Claims attributable to prior year</u>	<u>18,660</u>	<u>-</u>
Total payments		
<b><u>Unpaid claims, end of year</u></b>	<b><u>\$ 4,629</u></b>	<b><u>-</u></b>

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

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**LEASES**

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During the current fiscal year, the City leased cell tower space to a third party. The lease matures in 2034 and the City will receive monthly payments of \$2,070, which is adjusted for inflation every five years. The City recognized \$13,156 in lease revenue and \$11,684 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the City’s receivable for lease payments was \$418,791. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$407,951.

During the current fiscal year, the City leased cell tower space to a third party. The lease matures in 2043 and the City will receive monthly payments of \$3,040, which is adjusted for inflation annually. The City recognized \$20,432 in lease revenue and \$15,785 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the City’s receivable for lease payments was \$564,349. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$566,648.

During the current fiscal year, the City leased marina space to a third party. The lease matures in 2050 and the City will receive monthly payments of \$23,539. The City recognized \$134,054 in lease revenue and \$148,414 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the City’s receivable for lease payments was \$5,336,350. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$5,281,226.

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

**RESTATEMENT OF FUND BALANCE AND NET POSITION**

For the fiscal year ended June 30, 2022, the City has changed its accounting policy regarding the recognition of pension and OPEB liabilities. In prior fiscal years, all long-term liabilities related to pension and OPEB were recorded within the Governmental Activities. In the current fiscal year and all subsequent years, the Sewer Fund is allocated their portion of these liabilities based on the proportion of Sewer employees qualified for these benefits compared with all City employees that qualify for the benefits.

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
Net position, as previously reported	\$ 64,629,010	121,005,535
Allocation of pension and OPEB liabilities	(1,212,611)	1,212,611
<b><u>Fund balance, as restated</u></b>	<b><u>\$ 63,416,399</u></b>	<b><u>122,218,146</u></b>

Additionally, because the Sewer Fund reports comparative statements in the fund financial statements, net position for the Sewer Fund was restated as of June 30, 2021 for the reasons as noted in the first paragraph of this note, as follows:

	<u>Sewer Fund</u>
Net position, as previously reported	\$ 64,746,366
Allocation of pension and OPEB liabilities	(997,594)
<b><u>Fund balance, as restated</u></b>	<b><u>\$ 63,748,772</u></b>

For the fiscal year ended June 30, 2022, the City has implemented Government Accounting Standards Board (GASB) *Statement No. 87 – Leases*. As a result of implementing GASB Statement No. 87, the beginning balances of lease receivable and deferred inflows of resources have been increased by \$6,487,133 in the governmental funds. As of June 30, 2021, there was no effect on fund balance or net position due to the implementation of GASB Statement No. 87.

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

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

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

\*Only five years of information available.

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

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

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

\*Only four years of information available.

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

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

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

\* Only five years of information available.

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

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

Last 10 Fiscal Years\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>PLD OPEB Plan</b>					
Contractually required contribution	\$ 11,348	12,225	10,976	11,681	11,850
Contributions in relation to the contractually required contribution	(11,348)	(12,225)	(10,976)	(11,681)	(11,850)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
City's covered payroll	\$ 13,522,613	14,937,614	13,408,609	13,675,811	12,667,956
Contributions as a percentage of covered payroll	0.08%	0.08%	0.08%	0.09%	0.09%

\* Only five years of information available.

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

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

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

\* Only eight years of information available.

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>PLD Plan</u></b>								
Contractually required contribution	\$ 1,658,161	1,732,557	1,551,737	1,565,840	1,398,549	1,300,791	1,197,620	1,027,150
Contributions in relation to the contractually required contribution	(1,658,161)	(1,732,557)	(1,551,737)	(1,565,840)	(1,398,549)	(1,300,791)	(1,197,620)	(1,027,150)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>-</b>						
<b><u>SET Plan</u></b>								
Contractually required contribution	\$ 1,078,435	1,137,004	1,113,504	1,017,746	1,002,500	829,843	795,989	606,477
Contributions in relation to the contractually required contribution	(1,078,435)	(1,137,004)	(1,113,504)	(1,017,746)	(1,002,500)	(829,843)	(795,989)	(606,477)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>-</b>						
City's covered payroll	\$ 13,522,613	14,937,614	13,408,609	13,675,811	12,667,956	12,293,702	11,567,444	10,562,181
Contributions as a percentage of covered payroll	12.26%	11.60%	11.57%	11.45%	11.04%	10.58%	10.35%	9.72%
City's covered payroll	\$ 28,085,767	27,347,869	26,774,977	25,636,843	25,252,193	24,703,124	23,686,664	22,885,971
Contributions as a percentage of covered payroll	3.84%	4.16%	4.16%	3.97%	3.97%	3.36%	3.36%	2.65%

\* Only eight years of information available.

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

**Net Pension Liability**

**Changes of Benefit Terms** - None

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

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

Mortality rates:

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

**Net OPEB Liability**

**Changes of Benefit Terms** - None

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

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

Mortality rates:

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

**Total OPEB Liability**

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

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

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

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

Mortality rates:

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

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

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

## **GENERAL FUND**

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

**CITY OF SOUTH PORTLAND, MAINE**  
**General Fund**  
**Comparative Balance Sheets**  
**June 30, 2022 and 2021**

	2022	Restated 2021
<b>ASSETS</b>		
Cash and cash equivalents	\$ 648,476	2,462,182
Investments	37,200,799	35,343,306
Due from other governments	693,145	1,725,937
Receivables, net of allowance of \$1,730,848 and \$1,449,393	590,786	359,557
Taxes receivable	547,314	689,677
Tax liens and tax acquired property	136,289	187,597
Lease Receivable	6,319,490	6,487,133
Interfund loans receivable	4,540,187	745,153
Restricted assets, cash	50,000	50,000
<b>Total assets</b>	<b>\$ 50,726,486</b>	<b>48,050,542</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	3,827,043	3,286,989
Accrued liabilities	1,870,274	1,817,174
Accrued teachers' summer salaries and benefits	5,888,803	4,883,721
<b>Total liabilities</b>	<b>11,586,120</b>	<b>9,987,884</b>
Deferred inflows of resources:		
Unavailable revenue - property taxes	564,000	658,000
Lease related	6,255,825	6,487,133
<b>Total deferred inflows of resources</b>	<b>6,819,825</b>	<b>7,145,133</b>
Fund balances:		
Nonspendable	63,665	-
Restricted	5,918,840	4,930,223
Committed	5,036,637	6,460,667
Assigned	6,015,262	3,392,636
Unassigned	15,286,137	16,133,999
<b>Total fund balances</b>	<b>32,320,541</b>	<b>30,917,525</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 50,726,486</b>	<b>48,050,542</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, 2022**

	Budget	Actual	Variance positive (negative)
<b>Revenues:</b>			
Taxes:			
Property	\$ 67,851,766	68,178,859	327,093
Excise	6,782,500	6,212,025	(570,475)
Interest and penalties	65,000	83,902	18,902
Payments in lieu of taxes	292,473	320,934	28,461
Total taxes	74,991,739	74,795,720	(196,019)
Intergovernmental:			
State revenue sharing	2,800,000	3,781,382	981,382
State BETE Revenue	2,126,000	2,565,478	439,478
Homestead reimbursement	1,611,500	1,460,923	(150,577)
State education subsidy	9,018,106	8,826,087	(192,019)
State agency client	20,000	66,913	46,913
MaineCare	40,000	51,247	11,247
FTA Section 5307	886,703	826,002	(60,701)
FTA Cares Act	261,297	156,592	(104,705)
General assistance	479,000	357,469	(121,531)
Other State revenue	137,240	155,243	18,003
Total intergovernmental	17,379,846	18,247,336	867,490
Licenses, permits, fees, and fines:			
Cable franchise fee	85,000	104,050	19,050
City clerk	183,600	229,959	46,359
Planning	46,500	87,871	41,371
Police	72,500	61,840	(10,660)
Code enforcement	595,000	737,242	142,242
Other	5,700	13,204	7,504
Total licenses, permits, fees, and fines	988,300	1,234,166	245,866
Charges for services:			
Rent and leases	192,000	204,050	12,050
Finance and information technology	113,700	128,166	14,466
Fire	975,000	1,428,984	453,984
Public works - transfer facility	132,500	154,312	21,812
Culture, Parks, and recreation	1,116,351	1,376,988	260,637
Bus service	204,000	209,103	5,103
Other	-	2,037	2,037
Education	170,000	185,200	15,200
Total charges for services	2,903,551	3,688,840	785,289
Unclassified:			
City clerk	20,000	25,244	5,244
Finance	12,000	207,469	195,469
Police and fire	17,000	17,625	625
Planning and code enforcement	4,000	2,549	(1,451)
Public works	16,500	22,608	6,108
Sale of surplus property	-	11,110	11,110
Other	4,100	4,465	365
Education	-	160,417	160,417
Total unclassified	73,600	451,487	377,887
Interest earned	300,000	512,536	212,536
Total revenues	96,637,036	98,930,085	2,293,049

**CITY OF SOUTH PORTLAND, MAINE**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**For the year ended June 30, 2022**

	Budget	Actual	Variance positive (negative)
<b>Expenditures:</b>			
<b>Current:</b>			
<b>General government:</b>			
City council	\$ 298,843	249,886	48,957
Executive	309,658	305,613	4,045
City clerk	299,743	290,497	9,246
Corporation council	276,858	275,829	1,029
Finance	1,142,749	1,136,362	6,387
Information technology	499,173	546,970	(47,797)
Planning	344,340	326,953	17,387
Sustainability	230,585	213,901	16,684
Human resources	393,057	408,921	(15,864)
City building	698,397	863,808	(165,411)
Citywide insurance and benefit costs	8,391,579	8,080,100	311,479
General government encumbrances	-	(26,917)	26,917
<b>Total general government</b>	<b>12,884,982</b>	<b>12,671,923</b>	<b>213,059</b>
<b>Public safety:</b>			
Police department	5,119,992	4,936,006	183,986
Fire department	5,763,831	5,862,420	(98,589)
Communications	1,254,690	1,221,927	32,763
Code enforcement	573,005	479,762	93,243
Civil service	17,745	17,675	70
Public safety encumbrances	-	(201,665)	201,665
<b>Total public safety</b>	<b>12,729,263</b>	<b>12,316,125</b>	<b>413,138</b>
<b>Public works:</b>			
Administration	248,708	257,046	(8,338)
Streets and sidewalks	2,797,648	2,946,097	(148,449)
Rubbish disposal	1,540,887	1,491,644	49,243
Public works garage	297,765	253,688	44,077
Transfer facility	317,831	287,848	29,983
Public works encumbrances	-	(149,037)	149,037
<b>Total public works</b>	<b>5,202,839</b>	<b>5,087,286</b>	<b>115,553</b>
<b>Culture:</b>			
Public library	800,751	705,792	94,959
<b>Total culture</b>	<b>800,751</b>	<b>705,792</b>	<b>94,959</b>
<b>Parks and recreation:</b>			
Administration	167,225	166,602	623
Parks	1,368,823	1,271,037	97,786
Pool	420,087	368,540	51,547
Recreation	1,617,488	1,590,137	27,351
Parks and recreation encumbrances	-	(174,497)	174,497
<b>Total parks and recreation</b>	<b>3,573,623</b>	<b>3,221,819</b>	<b>351,804</b>
<b>Total culture, parks, and recreation</b>	<b>4,374,374</b>	<b>3,927,611</b>	<b>446,763</b>
<b>Transportation and waterfront:</b>			
Bus service	1,617,079	1,472,235	144,844
Waterfront	55,557	53,250	2,307
Transportation and waterfront encumbrances	-	1,457	(1,457)
<b>Total transportation and waterfront</b>	<b>1,672,636</b>	<b>1,526,942</b>	<b>145,694</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**For the year ended June 30, 2022**

	Budget	Actual	Variance positive (negative)
Expenditures, continued:			
Current, continued:			
Health, welfare, and social services:			
Welfare:			
Administration	\$ 158,361	137,113	21,248
General assistance	716,300	697,187	19,113
Total welfare	874,661	834,300	40,361
Health	19,000	-	19,000
Total health, welfare, and social services	893,661	834,300	59,361
Intergovernmental - County tax	3,119,820	3,119,820	-
Other:			
Contingency and abatement reserve	120,000	23,997	96,003
Other encumbrances	-	4,297	(4,297)
Total other	120,000	28,294	91,706
Education	54,592,298	53,243,379	1,348,919
Debt service (excluding education):			
Administration (Includes bond issuance costs)	1,000	12,451	(11,451)
Principal	1,232,964	1,232,964	-
Interest	580,703	565,265	15,438
Total debt service	1,814,667	1,810,680	3,987
Total expenditures	97,404,540	94,566,360	2,838,180
Excess (deficiency) of revenues over (under) expenditures	(767,504)	4,363,725	5,131,229
Tax rate stabilization fund	1,200,000	1,200,000	-
Transfers in - City	27,500	545,293	517,793
Transfers in - School	320,796	320,796	-
Transfers out - City	(295,792)	(520,858)	(225,066)
Transfers out - School	(485,000)	(162,177)	322,823
Total other financing sources (uses)	767,504	1,383,054	615,550
Net change in fund balance - budgetary basis	-	5,746,779	5,746,779
Reconciliation to GAAP basis:			
Change in encumbrances - City		(613,728)	
Change in encumbrances - School		108,521	
Change in reserves		(3,838,556)	
Net change in fund balance - GAAP basis		1,403,016	
Fund balance, beginning of year		30,917,525	
<b>Fund balance, end of year</b>	<b>\$</b>	<b>32,320,541</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, 2022**

	Budget	Actual	Variance positive (negative)
<b>Revenues:</b>			
Local assessment	\$ 45,508,396	45,508,396	-
State education subsidy	9,018,106	8,826,087	(192,019)
State agency client	20,000	66,913	46,913
MaineCare	40,000	51,247	11,247
Charges for services	170,000	185,200	15,200
Other	-	160,417	160,417
<b>Total revenues</b>	<b>54,756,502</b>	<b>54,798,260</b>	<b>41,758</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Brown Elementary	2,229,714	2,194,700	35,014
Dyer Elementary	1,780,951	1,821,008	(40,057)
Kaler Elementary	1,953,497	2,035,128	(81,631)
Skillin Elementary	3,082,134	2,617,515	464,619
Small Elementary	2,144,575	2,086,162	58,413
Mahoney Middle School	2,885,984	2,882,429	3,555
Memorial Middle School	3,385,298	3,395,515	(10,217)
South Portland High School	7,226,286	7,088,558	137,728
K-12 instrumental music	110,448	131,943	(21,495)
6-12 athletics	959,890	945,117	14,773
Special education	10,892,829	10,173,794	719,035
Health	658,322	507,232	151,090
Board of Education	466,711	213,835	252,876
Superintendent of Schools	569,009	570,687	(1,678)
Assistant Superintendent	2,545,753	2,492,747	53,006
Curriculum	719,967	450,711	269,256
Technology	800,556	1,059,305	(258,749)
Business office	954,373	890,385	63,988
Operations/maintenance	4,520,451	5,130,426	(609,975)
Transportation	2,299,001	2,149,633	149,368
<b>Debt service:</b>			
Principal	3,491,798	3,491,798	-
Interest	914,751	914,751	-
<b>Total expenditures</b>	<b>54,592,298</b>	<b>53,243,379</b>	<b>1,348,919</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>164,204</b>	<b>1,554,881</b>	<b>1,390,677</b>
<b>Other financing sources (uses):</b>			
Transfers in	320,796	320,796	-
Transfers out	(485,000)	(162,177)	322,823
<b>Total other financing sources (uses)</b>	<b>(164,204)</b>	<b>158,619</b>	<b>322,823</b>
<b>Net change in fund balances - budgetary basis</b>	<b>-</b>	<b>1,713,500</b>	<b>1,713,500</b>
<b>Reconciliation to GAAP basis:</b>			
Change in encumbrances		108,521	
Change in reserves		(833,404)	
<b>Net change in fund balance - GAAP basis</b>		<b>988,617</b>	
<b>Fund balance, beginning of year</b>		<b>4,930,223</b>	
<b>Fund balance, end of year</b>	<b>\$</b>	<b>5,918,840</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, 2022**

		Fund balance beginning of year	Revenues		Expenditures	Other financing sources (uses) Transfers	Fund balance end of year
			Other	Investment earnings (loss)			
<u>City committed reserves:</u>							
1801	Equipment replacement	\$ 224,784	750	2,645	10,767	11,860	229,272
1803	Unemployment - City	62,071	-	793	2,469	10,000	70,395
1804	Self-Insurance - City	173,348	161,460	2,251	159,943	12,500	189,616
1805	Municipal facilities	54,598	-	791	399	20,000	74,990
1806	Safety reserve	239,179	13,900	2,413	7,190	-	248,302
1807	Computerization project	114,957	23,601	1,256	51,287	35,000	123,527
1809	Litigation - legal	83,298	1,118	998	-	-	85,414
1822	Communication equipment - police	16,463	-	377	-	10,000	26,840
1824	Body armor - police	21,228	-	-	-	(7,375)	13,853
1830	Fire	833,185	81,088	33,464	2,903	(316,000)	628,834
1834	Traffic improvements	107,643	-	1,255	-	-	108,898
1836	Public works equipment	34,868	35,440	384	-	(28,500)	42,192
1840	Snow removal	416,746	-	4,857	-	-	421,603
1842	Library	3,899	-	45	-	-	3,944
1844	Parks and Recreation equipment	7,625	4,272	110	-	-	12,007
1845	Cummings Road sewer	226,130	-	2,635	-	-	228,765
1847	Bus	260,629	5,715	1,679	145,848	-	122,175
1850	Senior Property Tax Program	40,077	-	467	-	-	40,544
1858	Climate Action Plan	29,653	-	345	-	-	29,998
1861	Tax stabilization	3,427,584	-	31,611	-	(1,200,000)	2,259,195
1864	Call company retirement	45,455	-	506	7,375	-	38,586
1869	Energy efficient	208	-	8	-	-	216
1871	Solid waste	37,039	-	432	-	-	37,471
1872	Municipal buildings & land acq.	(876,286)	23,132	-	-	100,000	(753,154)
Subtotal City committed reserves		5,584,381	350,476	89,322	388,181	(1,352,515)	4,283,483
<u>City assigned reserves:</u>							
1828	Vehicle replacement - police	-	63,352	-	20,740	-	42,612
1867	Phone system	104,975	-	1,127	34,813	14,400	85,689
1868	Compensated absences	1,382,829	-	16,117	-	-	1,398,946
1899	Investment unrealized gain (loss)	798,007	-	(1,697,914)	-	-	(899,907)
2172	Outside OT - Police	91,246	136,338	-	150,753	-	76,831
2173	Outside OT - Fire	13,313	-	-	4,875	-	8,438
2176	Fuel distribution	137,937	-	-	26,493	-	111,444
Subtotal City assigned reserves		2,528,307	199,690	(1,680,670)	237,674	14,400	824,053
Total City reserves		8,112,688	550,166	(1,591,348)	625,855	(1,338,115)	5,107,536
<u>School reserves:</u>							
0202	Restricted school reserve funds:						
	School consolidation	75,681	-	1,440	76,926	-	195
	School tech upgrade	11,078	-	1,216	757,311	-	(745,017)
	Unemployment - School	(20,086)	-	280	918	-	(20,724)
	School bus	26,864	-	553	-	-	27,417
	School elementary	2,581	-	-	-	-	2,581
	Self-insurance - School	7,718	-	-	-	-	7,718
	Musical program	78,910	500	-	-	-	79,410
	Maintenance	67,717	-	358	-	-	68,075
	Adult education	4,147	-	-	-	-	4,147
	Student educational support	18,439	-	-	1,293	-	17,146
	Laptop repair	(10,094)	5,329	-	6,727	-	(11,492)
	Special education	150,000	-	-	-	-	150,000
0456	School facility	8,104	-	95	-	-	8,199
Total School reserves		421,059	5,829	3,942	843,175	-	(412,345)
<b>Total reserves</b>		<b>\$ 8,533,747</b>	<b>555,995</b>	<b>(1,587,406)</b>	<b>1,469,030</b>	<b>(1,338,115)</b>	<b>4,695,191</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, 2022**

	2501	2502	2503	2504	2505	2507	2508	2509	2510	2511	Total
	Fairchild	Texas	One Wallace	Cummings		Affordable					
	Semiconductor	Instruments	Avenue	Road	Long Creek	Housing	Jared	Hannaford	Downtown	Transit	
<b>Revenues:</b>											
Taxes	\$ 218,355	1,218,012	77,109	-	-	975,616	17,008	147,348	211,341	12,717	2,877,506
State BETE revenue	1,507,011	-	-	-	-	-	-	-	-	-	1,507,011
Investment earnings	24,944	8,564	11,001	1,122	7,754	9,808	1,297	9,290	11,460	1,176	86,416
<b>Total revenues</b>	<b>1,750,310</b>	<b>1,226,576</b>	<b>88,110</b>	<b>1,122</b>	<b>7,754</b>	<b>985,424</b>	<b>18,305</b>	<b>156,638</b>	<b>222,801</b>	<b>13,893</b>	<b>4,470,933</b>
<b>Expenditures:</b>											
<b>Current:</b>											
General government	95,767	68,504	51,493	68,744	59,258	11,785	4,513	-	-	-	360,064
Public works	10,264	10,264	-	2,443	1,222	-	244	-	-	-	24,437
Other	196,520	730,807	-	-	-	617,685	-	-	-	-	1,545,012
<b>Total expenditures</b>	<b>302,551</b>	<b>809,575</b>	<b>51,493</b>	<b>71,187</b>	<b>60,480</b>	<b>629,470</b>	<b>4,757</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,929,513</b>
Excess (deficiency) of revenues over (under) expenditures	1,447,759	417,001	36,617	(70,065)	(52,726)	355,954	13,548	156,638	222,801	13,893	2,541,420
<b>Other financing sources (uses):</b>											
Transfers out	(2,120,671)	(992,425)	-	(120,000)	-	(320,796)	-	(20,954)	-	-	(3,574,846)
<b>Total other financing sources (uses)</b>	<b>(2,120,671)</b>	<b>(992,425)</b>	<b>-</b>	<b>(120,000)</b>	<b>-</b>	<b>(320,796)</b>	<b>-</b>	<b>(20,954)</b>	<b>-</b>	<b>-</b>	<b>(3,574,846)</b>
<b>Net change in fund balances</b>	<b>(672,912)</b>	<b>(575,424)</b>	<b>36,617</b>	<b>(190,065)</b>	<b>(52,726)</b>	<b>35,158</b>	<b>13,548</b>	<b>135,684</b>	<b>222,801</b>	<b>13,893</b>	<b>(1,033,426)</b>
Fund balances, beginning of year	3,313,880	1,235,026	880,089	217,176	660,033	437,150	102,296	740,238	838,894	92,174	8,516,956
<b>Fund balances, end of year</b>	<b>\$ 2,640,968</b>	<b>659,602</b>	<b>916,706</b>	<b>27,111</b>	<b>607,307</b>	<b>472,308</b>	<b>115,844</b>	<b>875,922</b>	<b>1,061,695</b>	<b>106,067</b>	<b>7,483,530</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, 2022**

	Fund balance (deficit) beginning of year	Revenues			Expenditures	Other financing sources (uses)		Fund balance (deficit) end of year
		Other	Intergov- ernmental	Investment earnings		Issuance of debt	Transfers	
City capital projects:								
4011 Paving	\$ 69,869	-	-	814	-	-	-	70,683
4012 Bug Light Park	18,715	70	-	-	-	-	-	18,785
4018 Chlorination/dechlorinate	17,227	-	-	-	-	-	-	17,227
4045 City FY 03 projects	132	-	-	-	-	-	-	132
4059 City Facilities	154,507	-	-	-	34,507	-	-	120,000
4061 Library CIP	89,000	-	-	-	29,964	-	-	59,036
4063 Police CIP	356,157	-	-	185	26,316	-	12,375	342,401
4064 Fire CIP	863,216	-	-	183	1,251,297	-	993,500	605,602
4072 Public works CIP	2,140,822	-	267,040	1,101	2,340,790	1,785,231	22,694	1,876,098
4077 Parks and recreation CIP	704,691	82,391	-	-	79,644	-	139,744	847,182
4079 Municipal services facility	104,857	-	-	373	55,458	-	-	49,772
4080 Bus CIP	123,766	-	-	-	-	-	48,500	172,266
4081 Waterfront CIP	12,990	-	-	-	-	-	-	12,990
4151 Municipal projects CIP	159,017	-	-	-	11,080	-	230,000	377,937
4155 Information technology CIP	162,729	-	-	-	22,521	-	(60,000)	80,208
4156 Planning CIP	496,970	530	-	-	76,556	-	-	420,944
4157 Sustainability CIP	45,619	-	-	-	18,804	-	-	26,815
4164 Cash Corner Fire Station	845,695	-	-	1,176	39,729	-	(502,500)	304,642
<b>Total City capital projects</b>	<b>6,365,979</b>	<b>82,991</b>	<b>267,040</b>	<b>3,832</b>	<b>3,986,666</b>	<b>1,785,231</b>	<b>884,313</b>	<b>5,402,720</b>
School capital projects:								
0300 Middle School Project	(5,262,859)	-	-	20,609	28,313,868	66,054,938	-	32,498,820
0301 School FY 02 projects	(10,794)	-	-	-	-	-	-	(10,794)
0304 Facilities/Bus Garage	19,403	-	-	-	32,399	-	-	(12,996)
0400 School FY 03 projects	6,066	-	-	71	-	-	-	6,137
0401 School FY 04 projects	77,879	-	-	457	46,782	-	-	31,554
0402 School FY 01 projects	7,137	-	-	83	-	-	-	7,220
0403 School FY 05 projects	20,857	-	-	246	-	-	-	21,103
0404 School FY 07 projects	2,334	-	-	-	-	-	-	2,334
0455 School FY 08 projects	7,336	-	-	-	-	-	-	7,336
<b>Total School capital projects</b>	<b>(5,132,641)</b>	<b>-</b>	<b>-</b>	<b>21,466</b>	<b>28,393,049</b>	<b>66,054,938</b>	<b>-</b>	<b>32,550,714</b>
<b>Total capital projects</b>	<b>\$ 1,233,338</b>	<b>82,991</b>	<b>267,040</b>	<b>25,298</b>	<b>32,379,715</b>	<b>67,840,169</b>	<b>884,313</b>	<b>37,953,434</b>

**ALL OTHER GOVERNMENTAL FUNDS**

**CITY OF SOUTH PORTLAND, MAINE**  
**All Other Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2022**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	8,240,673	19	8,240,692
Investments	\$ 34,582	340,947	375,529
Due from other governments	3,591,398	-	3,591,398
Accounts receivable, net of allowance of \$3,445	106,321	-	106,321
Loans receivable	30,418	-	30,418
Inventory	48,638	-	48,638
<b>Total assets</b>	<b>\$ 12,052,030</b>	<b>340,966</b>	<b>12,392,996</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	272,567	-	272,567
Accrued liabilities	30,326	-	30,326
Interfund loans payable	2,112,762	-	2,112,762
Accrued teachers' summer salaries	390,458	-	390,458
Total liabilities	2,806,113	-	2,806,113
Fund balances:			
Nonspendable	48,638	193,519	242,157
Restricted	6,609,076	147,447	6,756,523
Committed	2,940,974	-	2,940,974
Unassigned	(352,771)	-	(352,771)
Total fund balances	9,245,917	340,966	9,586,883
<b>Total liabilities and fund balances</b>	<b>\$ 12,052,030</b>	<b>340,966</b>	<b>12,392,996</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, 2022**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
Revenues:			
Taxes	\$ 25,000	-	25,000
Intergovernmental	7,591,694	-	7,591,694
Charges for services	880,175	-	880,175
Investment income (loss)	41,117	(22,310)	18,807
Other	390,301	-	390,301
Total revenues	8,928,287	(22,310)	8,905,977
Expenditures:			
Current:			
General government	848,699	-	848,699
Public safety	498,706	-	498,706
Public works	421,664	-	421,664
Culture and recreation	187,328	-	187,328
Transportation and waterfront	385,904	-	385,904
Education	4,021,401	-	4,021,401
School lunch program	2,310,607	-	2,310,607
Other	-	1,886	1,886
Total expenditures	8,674,309	1,886	8,676,195
Excess (deficiency) of revenues over (under) expenditures	253,978	(24,196)	229,782
Other financing sources (uses):			
Issuance of debt	4,512,637	-	4,512,637
Transfers in (out)	(466,566)	-	(466,566)
Total other financing sources (uses)	4,046,071	-	4,046,071
Net change in fund balances	4,300,049	(24,196)	4,275,853
Fund balances, beginning of year, as restated	4,945,868	365,162	5,311,030
<b>Fund balances, end of year</b>	<b>\$ 9,245,917</b>	<b>340,966</b>	<b>9,586,883</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, 2022**

	City Special Revenues Funds	School Grant Funds	School Adult Education	Student Activity Funds	School Lunch Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>						
Cash and cash equivalents	8,039,247	-	1,199	200,227	-	8,240,673
Investments	\$ 34,582	-	-	-	-	34,582
Due from other governments	508,119	2,945,521	-	-	137,758	3,591,398
Accounts receivable, net of allowance of \$3,445	106,321	-	-	-	-	106,321
Loans receivable	30,418	-	-	-	-	30,418
Inventory	-	-	-	-	48,638	48,638
<b>Total assets</b>	<b>\$ 8,718,687</b>	<b>2,945,521</b>	<b>1,199</b>	<b>200,227</b>	<b>186,396</b>	<b>12,052,030</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	68,482	185,503	-	-	18,582	272,567
Accrued liabilities	30,326	-	-	-	-	30,326
Interfund loans payable	-	2,085,821	-	-	26,941	2,112,762
Accrued teachers' summer salaries	-	371,852	694	-	17,912	390,458
<b>Total liabilities</b>	<b>98,808</b>	<b>2,643,176</b>	<b>694</b>	<b>-</b>	<b>63,435</b>	<b>2,806,113</b>
Fund balances:						
Nonspendable	-	-	-	-	48,638	48,638
Restricted	6,160,955	373,293	505	-	74,323	6,609,076
Committed	2,740,747	-	-	200,227	-	2,940,974
Unassigned	(281,823)	(70,948)	-	-	-	(352,771)
<b>Total fund balances (deficit)</b>	<b>8,619,879</b>	<b>302,345</b>	<b>505</b>	<b>200,227</b>	<b>122,961</b>	<b>9,245,917</b>
<b>Total liabilities and fund balances</b>	<b>\$ 8,718,687</b>	<b>2,945,521</b>	<b>1,199</b>	<b>200,227</b>	<b>186,396</b>	<b>12,052,030</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, 2022**

	City Special Revenues Funds	School Grant Funds	School Adult Education	Student Activity Funds	School Lunch Fund	Total Nonmajor Special Revenue Funds
Revenues:						
Taxes	\$ -	-	25,000	-	-	25,000
Intergovernmental	1,664,352	3,772,608	11,494	-	2,143,240	7,591,694
Charges for services	658,999	-	-	48,851	172,325	880,175
Investment income (loss)	41,117	-	-	-	-	41,117
Other	153,652	116,223	-	113,459	6,967	390,301
Total revenues	2,518,120	3,888,831	36,494	162,310	2,322,532	8,928,287
Expenditures:						
Current:						
General government	848,699	-	-	-	-	848,699
Public safety	498,706	-	-	-	-	498,706
Public works	421,664	-	-	-	-	421,664
Culture and recreation	187,328	-	-	-	-	187,328
Transportation and waterfront	385,904	-	-	-	-	385,904
Education	-	3,883,174	43,533	94,694	-	4,021,401
School lunch program	-	-	-	-	2,310,607	2,310,607
Total expenditures	2,342,301	3,883,174	43,533	94,694	2,310,607	8,674,309
Excess (deficiency) of revenues over (under) expenditures	175,819	5,657	(7,039)	67,616	11,925	253,978
Other financing sources (uses):						
Issuance of debt	4,512,637	-	-	-	-	4,512,637
Transfers in (out)	(635,543)	6,800	-	-	162,177	(466,566)
Total other financing sources and (uses)	3,877,094	6,800	-	-	162,177	4,046,071
Net change in fund balances	4,052,913	12,457	(7,039)	67,616	174,102	4,300,049
Fund balances, beginning of year	4,566,966	289,888	7,544	132,611	(51,141)	4,945,868
<b>Fund balances (deficit), end of year</b>	<b>\$ 8,619,879</b>	<b>302,345</b>	<b>505</b>	<b>200,227</b>	<b>122,961</b>	<b>9,245,917</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, 2022**

		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>										
Cash and cash equivalents	\$	-	19	-	-	-	-	-	-	19
Investments		28,942	-	2,900	3,937	96,046	132,243	46,252	30,627	340,947
<b>Total assets</b>	<b>\$</b>	<b>28,942</b>	<b>19</b>	<b>2,900</b>	<b>3,937</b>	<b>96,046</b>	<b>132,243</b>	<b>46,252</b>	<b>30,627</b>	<b>340,966</b>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Interfund loans payable		-	-	-	-	-	-	-	-	-
Total liabilities		-	-	-	-	-	-	-	-	-
Fund balances:										
Nonspendable principal		16,406	-	1,566	3,150	52,238	70,502	24,657	25,000	193,519
Restricted		12,536	19	1,334	787	43,808	61,741	21,595	5,627	147,447
Total fund balances		28,942	19	2,900	3,937	96,046	132,243	46,252	30,627	340,966
<b>Total liabilities and fund balances</b>	<b>\$</b>	<b>28,942</b>	<b>19</b>	<b>2,900</b>	<b>3,937</b>	<b>96,046</b>	<b>132,243</b>	<b>46,252</b>	<b>30,627</b>	<b>340,966</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, 2022**

	7001	7002	7003	7004	7006	7007	7008	7009	Total
	Lillian Anderson Bequest	Lois V. Whitten Bequest	Reta Nappi Bequest	Virginia Boyd Bequest	Sandra Coolbroth Trust	Callahan Trust	Virginia Lewis Bequest	W.P. Adams Maintenance Liberty Ship Memorial	
Revenues:									
Investment income									
Interest income	\$ 533	-	53	72	1,768	2,434	851	564	6,275
Unrealized gain/(loss)	(2,428)	-	(243)	(329)	(8,058)	(11,093)	(3,880)	(2,554)	(28,585)
<b>Total revenues</b>	<b>(1,895)</b>	<b>-</b>	<b>(190)</b>	<b>(257)</b>	<b>(6,290)</b>	<b>(8,659)</b>	<b>(3,029)</b>	<b>(1,990)</b>	<b>(22,310)</b>
Expenditures:									
Other	159	-	16	23	527	727	254	180	1,886
<b>Total expenditures</b>	<b>159</b>	<b>-</b>	<b>16</b>	<b>23</b>	<b>527</b>	<b>727</b>	<b>254</b>	<b>180</b>	<b>1,886</b>
<b>Net change in fund balances</b>	<b>(2,054)</b>	<b>-</b>	<b>(206)</b>	<b>(280)</b>	<b>(6,817)</b>	<b>(9,386)</b>	<b>(3,283)</b>	<b>(2,170)</b>	<b>(24,196)</b>
Fund balances, beginning of year	30,996	19	3,106	4,217	102,863	141,629	49,535	32,797	365,162
<b>Fund balances, end of year</b>	<b>\$ 28,942</b>	<b>19</b>	<b>2,900</b>	<b>3,937</b>	<b>96,046</b>	<b>132,243</b>	<b>46,252</b>	<b>30,627</b>	<b>340,966</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, 2022**

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services	\$ 6,464,491	6,464,491	6,729,930	265,439
Interest and penalties	-	-	281	281
Licenses	71,249	71,249	56,678	(14,571)
Other	-	-	1,772	1,772
<b>Total operating revenues</b>	<b>6,535,740</b>	<b>6,535,740</b>	<b>6,788,661</b>	<b>252,921</b>
<b>Operating expenses:</b>				
Administration	172,012	172,012	169,143	2,869
Treatment plant	1,132,178	1,132,178	1,080,920	51,258
Pump stations	626,436	626,436	573,052	53,384
Billing	201,132	201,132	204,420	(3,288)
Sewer maintenance	916,310	916,310	914,142	2,168
Engineering	265,162	265,162	170,192	94,970
Debt service	95,415	95,415	95,416	(1)
Compliance	110,902	110,902	92,577	18,325
Sludge disposal	504,214	504,214	529,200	(24,986)
Insurance	999,115	999,115	830,419	168,696
<b>Total operating expenses</b>	<b>5,022,876</b>	<b>5,022,876</b>	<b>4,659,481</b>	<b>363,395</b>
<b>Operating income</b>	<b>1,512,864</b>	<b>1,512,864</b>	<b>2,129,180</b>	<b>616,316</b>
<b>Nonoperating revenue (expense):</b>				
Interest revenue	-	-	9,002	9,002
Equipment reserve	(1,512,000)	(1,512,000)	(1,512,000)	-
<b>Total nonoperating expenses</b>	<b>(1,512,000)</b>	<b>(1,512,000)</b>	<b>(1,502,998)</b>	<b>9,002</b>
<b>Income before transfers</b>	<b>864</b>	<b>864</b>	<b>626,182</b>	<b>625,318</b>
<b>Other financing uses:</b>				
Transfers out	(864)	(864)	(864)	-
<b>Total other financing uses</b>	<b>(864)</b>	<b>(864)</b>	<b>(864)</b>	<b>-</b>
<b>Change in net position - budgetary basis</b>	<b>-</b>	<b>-</b>	<b>625,318</b>	<b>625,318</b>
<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			97,521	
Reserve expenditures			(3,076,003)	
Transfers into reserves			1,512,000	
Transfers in from other funds			2,992,425	
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			3,133,488	
Depreciation expense			(2,112,067)	
Capital contribution			18,100	
Change in accruals are recorded on the GAAP basis, but not on the budgetary basis:				
Pension and OPEB			175,924	
Interest expense			258	
Note proceeds provide current financial resources on a budgetary basis, but issuing debt increases long-term liabilities on the statement of net position.				
Repayment of bond principal is an expenditure on the budgetary basis, but reduces the long-term liability on the GAAP basis:				
Note principal			197,102	
<b>Change in net position - GAAP basis</b>			<b>3,564,066</b>	
<b>Net position, beginning of year, as restated</b>			<b>63,416,399</b>	
<b>Net position, end of year</b>			<b>\$ 66,980,465</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, 2022**

	Fund balance (deficit) beginning of year	Revenues		Expenditures	Other financing sources (uses)		Fund balance (deficit) end of year	
		Inter- governmental	Other		Issuance of debt	Transfers		
General Government:								
Federal grants:								
2115	CDBG - Entitlement Community	\$ 9,840	302,533	-	302,533	-	-	9,840
2155	Housing Revolving Loan	114,431	-	-	-	-	-	114,431
2251	Brownfields Grant	16,030	-	-	353	-	-	15,677
State grants:								
2031	Watershed Plan	27,055	-	315	-	-	-	27,370
2138	Greater Portland Public Development	56,970	-	-	-	-	-	56,970
2154	Land Use Regulation Grant	233	-	-	-	-	-	233
Other:								
2008	Restoration of Records	1,254	-	-	-	-	-	1,254
2042	Business Development Revolving Loan	54,672	-	418	-	-	-	55,090
2044	Employee Appreciation Fund	42,734	-	19,160	9,352	-	-	52,542
2053	Wallace Avenue Directional	2,372	-	28	-	-	-	2,400
2057	Downeast Energy Traffic Improvement	5,093	-	59	-	-	-	5,152
2058	NE Audio/Tweeter Sidewalks	10,807	-	126	-	-	-	10,933
2067	Toys "R" Us Sidewalks	11,309	-	132	-	-	-	11,441
2088	SPCTV	710,528	-	212,733	216,599	-	(6,944)	699,718
2094	Gannett Traffic Signal Escrow	29,262	-	2,647	-	-	-	31,909
2097	Wellness Committee	(2,367)	-	10,485	8,817	-	-	(699)
2108	Longhorn Steakhouse Escrow	20,082	-	271	-	-	-	20,353
2114	Millcreek Traffic Impact	14,871	-	193	-	-	-	15,064
2120	Evan/Highland Toddle Inn Escrow	24,546	-	250	-	-	-	24,796
2129	Westbrook/Western Escrow	53,713	-	717	-	-	-	54,430
2136	Knightville/Mill Creek Plan	7,981	-	-	-	-	-	7,981
2139	Brick Hill Traffic Escrow	1,286	-	15	-	-	-	1,301
2146	Heating Assistance	17,903	-	21,207	3,381	-	-	35,729
2149	Westbrook/South Portland Assessing	3,763	253,214	-	255,806	-	(144)	1,027
2161	War Memorial	2,001	-	-	-	-	-	2,001
2165	Freshwater Wetland Fund	266,014	-	8,480	-	-	-	274,494
2169	John Roberts Road Escrow	2,550	-	-	-	-	-	2,550
2179	Land Bank Trust	38,875	-	(5)	20,929	4,512,637	(100,000)	4,430,578
2188	Long Creek Tragedy Memorial	237	-	-	-	-	-	237
2257	Sustainability Grants	(3,882)	3,794	-	-	-	-	(88)
2400	City Council Donations (240150)	(15,850)	-	7,376	929	-	13,582	4,179
2400	Planning Donations (240156)	-	-	30,000	30,000	-	-	-
2400	Facilities Donations (240159)	-	-	9,217	-	-	-	9,217
	<b>Total General Government</b>	<b>1,524,313</b>	<b>559,541</b>	<b>323,824</b>	<b>848,699</b>	<b>4,512,637</b>	<b>(93,506)</b>	<b>5,978,110</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**City Special Revenues**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2022**

		Fund balance (deficit) beginning of year	Revenues		Expenditures	Other financing sources (uses)		Fund balance (deficit) end of year
			Inter- governmental	Other		Issuance of debt	Transfers	
Public Safety:								
Federal grants:								
2015	BHS eCitation Accessibility	\$ -	8,506	-	8,506	-	-	-
2023	Distracted Driver/OUI Grants	5,749	2,509	-	2,509	-	-	5,749
2050	Asset Forfeiture - Federal	18,836	-	198	4,674	-	-	14,360
2064	Seat Belt Enforcement Grant	721	-	-	-	-	-	721
2121	Supplemental Homeland Security	(53,826)	317,042	-	263,216	-	-	-
2125	County Hazmat Grant	9,184	1,960	-	4,678	-	-	6,466
2126	State Hazmat Grant	5,226	-	-	-	-	-	5,226
2151	Justice Assistance Grant	7,398	-	-	18,822	-	-	(11,424)
2160	Speed Enforcement	6,077	2,478	-	2,478	-	-	6,077
2195	Drug Free Community	-	120,517	-	121,715	-	-	(1,198)
3100	Other Federal Grants (310264)	-	26,035	-	26,035	-	-	-
State grants:								
2049	Asset Forfeiture - State	6,724	-	54	3,534	-	-	3,244
Other:								
2018	Hazardous Materials	113,536	-	-	-	-	-	113,536
2086	Police Donations	18,816	-	100	1,756	-	-	17,160
2107	Tobacco Cessation	6,775	-	-	-	-	-	6,775
2142	SP Police Youth Program	5,707	-	-	-	-	-	5,707
2174	Fire Donation	15,665	-	773	-	-	-	16,438
2178	Outside OT - Code Enforcement	5,041	-	-	-	-	-	5,041
2182	Compliance Check	970	-	-	-	-	-	970
2194	Fire Training	12,798	-	12,245	14,943	-	-	10,100
2400	Other Police Donations (240263)	-	-	1,000	830	-	-	170
2400	Other Fire Donations (240264)	-	-	25,010	25,010	-	-	-
Total Public Safety		185,397	479,047	39,380	498,706	-	-	205,118

**CITY OF SOUTH PORTLAND, MAINE**  
**City Special Revenues**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2022**

	Fund balance (deficit) beginning of year	Revenues		Expenditures	Other financing sources (uses)		Fund balance (deficit) end of year	
		Inter- governmental	Other		Issuance of debt	Transfers		
Public Works:								
Federal grants:								
2096	FEMA Disaster Relief	\$ 10,076	-	-	8,209	-	-	1,867
State grants:								
2046	State Aid Highway Block Grant	941,292	221,896	12,512	-	-	-	1,175,700
3000	PW Other State Grants (300300)	-	-	-	200,961	-	-	(200,961)
Other:								
2024	Recycling	6,192	-	175	-	-	-	6,367
2025	Donations	176	-	-	-	-	-	176
2082	Street Openings	390,647	-	103,905	65,723	-	(72)	428,757
2084	Sewer Impact	523,632	-	102,454	146,771	-	-	479,315
Total Public Works		1,872,015	221,896	219,046	421,664	-	(72)	1,891,221
Culture and Recreation:								
Federal grants:								
3100	Other Federal Grants (310476)	\$ -	3,750	-	3,750	-	-	-
Other:								
2035	Tree Fund	17,413	-	-	5,667	-	-	11,746
2037	Debevoise Tennis Court	2,127	-	-	-	-	-	2,127
2056	Library Donations	57,972	-	2,522	1,484	-	-	59,010
2071	Golf Course	214,066	-	230,707	134,237	-	(72)	310,464
2072	Recreation	296,479	-	-	-	-	(296,479)	-
2073	Donations to Parks and Recreation	38,928	-	4,116	10,962	-	-	32,082
2076	Art in the Park	36,974	-	22,739	14,762	-	-	44,951
2116	GE Erskine Park	1,987	-	-	-	-	-	1,987
2152	Friends of South Portland Libraries	(2,644)	-	5,857	6,066	-	-	(2,853)
2189	Communities Promoting Health	575	10,000	-	10,000	-	-	575
2317	Brown Hill Cemetery	69,830	-	808	-	-	(3,500)	67,138
2400	Other Library Donations (240476)	-	-	2,200	400	-	-	1,800
Total Culture and Recreation		733,707	13,750	268,949	187,328	-	(300,051)	529,027
Transportation and Waterfront:								
Federal grants:								
2041	Planning/Capital Grants	8,194	-	-	-	-	-	8,194
2093	Rural Transit Assistance Grant	2,283	-	-	-	-	-	2,283
2180	FTA CARES Act	(4,658)	30,568	-	25,910	-	-	-
3100	Other Federal Grants (310580)	-	359,550	-	359,550	-	-	-
Other:								
2074	Boat Ramp	17,425	-	1,582	-	-	(19,007)	-
2075	Portland Street Pier	222,070	-	837	-	-	(222,907)	-
2117	Thomas Knight Boat Landing	6,220	-	150	444	-	-	5,926
Total Transportation and Waterfront		251,534	390,118	2,569	385,904	-	(241,914)	16,403
<b>Total</b>		<b>\$ 4,566,966</b>	<b>1,664,352</b>	<b>853,768</b>	<b>2,342,301</b>	<b>4,512,637</b>	<b>(635,543)</b>	<b>8,619,879</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, 2022**

		Fund balance (deficit) beginning of year	Revenues	Expenditures	Transfers	Fund balance (deficit) end of year
Federal Grants:						
0230	Title IA - Disadvantaged	\$ -	834,039	834,039	-	-
0240	Title IV - Student Support and Academic Enrichment	-	69,513	69,287	-	226
0247	Local Entitlement	-	783,475	783,475	-	-
0251	Preschool Grant	-	17,662	17,662	-	-
0260	Corona Relief	-	1,606,771	1,606,771	-	-
0261	Mckinney-Vento Homeless	-	31,776	31,776	-	-
0264	Title V	348	-	-	-	348
0268	Title III - Language Acquisition	-	35,469	35,469	-	-
0270	Title II A - Supporting Effective Instruction	14,086	124,954	124,954	-	14,086
0275	Elementary School Program	500	-	-	-	500
0295	Adult Basic Education	-	7,048	7,097	-	(49)
Total federal grants		14,934	3,510,707	3,510,530	-	15,111
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	1,072	4,468	5,571	-	(31)
0223	State Proficiency Grants	3,762	255,204	255,204	-	3,762
0224	Partners in Arts & Learning	952	824	1,776	-	-
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
0262	WAVES / Teens to trails	-	1,000	1,000	-	-
0284	E-Rate	(5,593)	-	-	-	(5,593)
Total state grants		26,979	261,901	263,551	-	25,329
Local Grants and Other Special Funds:						
0200	SPHS Auditorium:					
	SPHS Auditorium	24,542	9,365	2,841	-	31,066
	Elaine Wolfson Memorial	1,158	-	-	-	1,158
0201	Local SPHS:					
	High School Musical	3,683	32,693	20,118	-	16,258
	High School Aspirations	853	-	-	-	853
	SPHS Friends	8,466	-	-	-	8,466
	SPHS Class of 1940	100	-	-	-	100
	Readiness Partnership	178	-	-	-	178
	Sustainability Committee	(87)	-	-	-	(87)
	Vicious Cycle	1,783	-	-	-	1,783
	Substance Abuse Prevention	1,235	-	-	-	1,235
0203	Primary Books	4,810	-	-	-	4,810

**CITY OF SOUTH PORTLAND, MAINE**  
**School Grant Funds**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2022**

	Fund balance (deficit) beginning of year	Revenues	Expenditures	Transfers	Fund balance (deficit) end of year
Local Grants and Other Special Funds, Continued:					
0204 Local Grants:					
Memorial Tech Grant Koelker	\$ (1,237)	-	-	-	(1,237)
National Semiconductor (Morneault)	174	-	-	-	174
National Semiconductor (Brown)	(3,683)	-	-	-	(3,683)
National Semiconductor (STEM Grant)	76	-	-	-	76
Texas Instruments (Stem Grant)	(3)	-	-	-	(3)
Innovative Idea (Thurlow)	1,558	-	-	-	1,558
Summer Music (Memorial)	1,579	-	-	-	1,579
Kids Consortium Memorial	477	-	-	-	477
Memorial Friends	9,203	-	1,763	-	7,440
Great Bay Foundation - Kaler	444	-	-	-	444
Target Kaler Prof. Development Grant	750	-	-	-	750
Girls Leadership Initiative	31	-	-	-	31
Donations	10,213	-	-	-	10,213
Transition Books	1,414	-	-	-	1,414
School Nutrition Donations	13,424	-	-	-	13,424
Project Based Learning	900	2,525	-	-	3,425
MEA Wellness Program	1,127	-	-	-	1,127
Unum/Skillin/Mem Stem Reg	983	62	-	-	1,045
United Way Brick/Beam	(1,273)	-	-	-	(1,273)
ME Communication Foundation Family	31,881	50,000	52,058	-	29,823
United Way Adopt A School	(327)	-	1,436	-	(1,763)
Community Donation Family	2,405	2,681	152	-	4,934
East Point Church Homeless Grant	20,766	-	3,115	-	17,651
ME Communication Foundation WIFI	7,000	-	-	-	7,000
0205 Local Boosters:					
MSSPA Playoffs	13,407	3,524	-	-	16,931
SPHS Athletic Shed	5,000	-	-	-	5,000
Johnson Athletic	61,031	-	-	-	61,031
Athletic Sponsorship Program	14,066	2,200	-	-	16,266
0206 Southern Maine (LCA) Project	137	-	-	-	137
0207 Dyer Friends	420	-	-	-	420
0208 Staff Computer Training	(476)	-	-	-	(476)
0209 Future Builders/Summer School	(20,920)	-	-	-	(20,920)
0211 Robotics	(14,650)	-	4,952	-	(19,602)
0212 21st Century Donations	(15,066)	-	-	-	(15,066)
0213 Quest	7,551	-	-	-	7,551
0214 Skillin Local:					
Skillin Playground	655	-	-	-	655
Friends Skillin Library	(479)	1,750	1,743	-	(472)
Skillin Natural Science	953	163	-	-	1,116
Skillin Friends	50	-	-	-	50
Skillin Winterkids Games	788	-	-	-	788
Skillin Donations	475	-	-	-	475
0215 Gates Teacher Leader Grant	1,500	-	-	-	1,500
0217 Art Donations	857	-	-	-	857
0218 Small Friends	209	-	-	-	209
0219 Local Friends Grants:					
Brown Friends	(693)	-	-	-	(693)
Mary F Marsh Book	5,651	-	-	-	5,651
Mahoney Friends	2,325	-	-	-	2,325
Kaler Friends	3,218	-	-	-	3,218
Brown/United Way Grant	8,992	10,000	15,901	-	3,091
Donations	365	-	-	-	365
0222 Special Education Access Channel	16,804	-	4,799	6,800	18,805
0227 Teamwork for Kids - Fallon	1,000	-	-	-	1,000
0615 Adult Ed Enrichment	10,202	1,260	215	-	11,247
Total local grants and other special funds	247,975	116,223	109,093	6,800	261,905
<b>Total</b>	<b>\$ 289,888</b>	<b>3,888,831</b>	<b>3,883,174</b>	<b>6,800</b>	<b>302,345</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**Private-purpose Trust Funds**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**For the year ended June 30, 2022**

	Net position beginning of year	Additions			Deductions	Net position end of year
		Donations/ other	Interest income	Realized and unrealized gain (loss)		
Private-purpose trusts:						
0801 Dora Small Trust	\$ 10,760	-	185	(843)	55	10,047
0803 Lewis Trust (School)	1,283,143	-	22,331	(100,665)	43,253	1,161,556
0804 Alley Scholarship	8,680	-	153	(688)	551	7,594
0805 Davidson Scholarship	3,300	-	61	(270)	520	2,571
0806 Elliot Scholarship	5,180	-	93	(416)	531	4,326
0807 Friese Scholarship	3,132	-	58	(256)	520	2,414
0808 Harvie Scholarship	619	-	17	(73)	804	(241)
0809 Naylor Scholarship	5	-	-	-	-	5
0810 Norwood Scholarship	90,920	-	6,040	(21,005)	1,500	74,455
0811 Reynolds Scholarship	87	-	1	(7)	1	80
0812 Robinson Scholarship	35	-	1	(3)	-	33
0813 Schwartz Scholarship	943	-	16	(74)	5	880
0814 Smart Scholarship	9,213	-	165	(734)	807	7,837
0815 Super Runion Scholarship	6,396	-	114	(511)	538	5,461
0816 Wiggin Scholarship	6,567	-	117	(524)	539	5,621
0817 Paul Fiore Scholarship	7,267	-	125	(564)	41	6,787
0818 John Millington Scholarship	9,627	-	174	(782)	1,053	7,966
0819 Stu Brown Scholarship	84	-	1	-	-	85
0820 William Linskey Memorial	5,586	-	104	(462)	1,035	4,193
0821 SPSHS Recycle Club Scholarship	1	-	-	-	-	1
0822 Governor's Restaurant Scholarship	3	-	-	-	-	3
0823 Book Trust	531	-	12	(49)	304	190
0824 Eagles Association Scholarship	1	-	-	-	-	1
0825 Sherrie Libby Scholarship	9,306	-	159	(716)	451	8,298
0826 Gustaf W Johnson Scholarship	494,423	-	8,557	(38,499)	24,339	440,142
0827 A Varanelli Scholarship	(232)	-	24	(4)	3	(215)
0828 Downing Trust	198	-	-	-	-	198
0829 Robert Graff Scholarship	1,616	-	32	(148)	504	996
0830 Rosella Loveitt Trust	1,421	-	24	(114)	5	1,326
0831 Deveboise Scholarship	13,610	-	156	-	1,000	12,766
0833 Walker Scholarship	3,436	350	59	(267)	1,020	2,558
0835 Ralph Baxter Scholarship	1,471	-	25	(114)	8	1,374
0836 Scholars	111,116	-	1,282	-	5,000	107,398
0837 Steve Linskey Scholarship	-	25,000	-	-	2,000	23,000
7506 Eleanor Hatch Trust	17,249	-	297	(1,351)	88	16,107
7509 HRC Scholarship	-	4,500	-	-	-	4,500
<b>Total private-purpose trusts</b>	<b>\$ 2,105,694</b>	<b>29,850</b>	<b>40,383</b>	<b>(169,139)</b>	<b>86,475</b>	<b>1,920,313</b>

# STATISTICAL SECTION



## STATISTICAL SECTION

This part of City of South Portland's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 72,207,636	\$ 73,600,630	\$ 75,413,372	\$ 79,523,948	\$ 82,323,833	\$ 82,508,257	\$ 84,566,316	\$ 88,649,566	\$ 99,288,948	\$ 99,347,533
Restricted	11,601,604	12,642,454	11,581,748	12,399,159	14,425,257	11,510,846	11,326,214	13,056,972	15,909,639	15,910,094
Unrestricted	18,392,216	11,423,557 (a)	15,159,920	13,880,761	15,435,585	13,762,193	9,526,783	8,668,984	5,806,948	10,993,663
<b>Total governmental activities net position</b>	<b>\$ 102,201,456</b>	<b>\$ 97,666,641</b>	<b>\$ 102,155,040</b>	<b>\$ 105,803,868</b>	<b>\$ 112,184,675</b>	<b>\$ 107,781,296</b>	<b>\$ 105,419,313</b>	<b>\$ 110,375,522</b>	<b>\$ 121,005,535</b>	<b>\$ 126,251,290</b>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 49,690,446	\$ 49,898,598	\$ 50,967,438	\$ 50,111,131	\$ 49,737,946	\$ 49,680,645	\$ 52,833,701	\$ 53,385,092	\$ 54,564,870	\$ 55,801,493
Restricted	4,543,966	4,060,384	2,152,583	4,617,231	3,434,257	6,901,280	5,418,253	4,042,278	-	-
Unrestricted	6,922,600	7,328,083	8,084,079	8,277,339	8,164,927	7,867,011	6,556,199	7,318,996	10,064,140	11,178,972
<b>Total business-type activities net position</b>	<b>\$ 61,157,012</b>	<b>\$ 61,287,065</b>	<b>\$ 61,204,100</b>	<b>\$ 63,005,701</b>	<b>\$ 61,337,130</b>	<b>\$ 64,448,936</b>	<b>\$ 64,808,153</b>	<b>\$ 64,746,366</b>	<b>\$ 64,629,010</b>	<b>\$ 66,980,465</b>
<b>Primary government:</b>										
Net investment in capital assets	\$ 121,898,082	\$ 123,499,228	\$ 126,380,810	\$ 129,635,079	\$ 132,061,779	\$ 132,188,902	\$ 137,400,017	\$ 142,034,658	\$ 153,853,818	\$ 155,149,026
Restricted	16,145,570	16,702,838	13,734,331	17,016,390	17,859,514	18,412,126	16,744,467	17,099,250	15,909,639	15,910,094
Unrestricted	25,314,816	18,751,640 (a)	23,243,999	22,158,100	23,600,512	21,629,204	16,082,982	15,987,980	15,871,088	22,172,635
<b>Total primary government net position</b>	<b>\$ 163,358,468</b>	<b>\$ 158,953,706</b>	<b>\$ 163,359,140</b>	<b>\$ 168,809,569</b>	<b>\$ 173,521,805</b>	<b>\$ 172,230,232</b>	<b>\$ 170,227,466</b>	<b>\$ 175,121,888</b>	<b>\$ 185,634,545</b>	<b>\$ 193,231,755</b>

(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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities:</b>										
General government	\$ 10,512,718	\$ 11,234,446	\$ 10,584,081	\$ 13,747,918	\$ 13,548,355	\$ 13,958,497	\$ 11,097,687	\$ 16,587,038	\$ 15,648,947	\$ 13,610,118
Public safety	12,030,128	12,553,773	12,766,963	13,000,756	13,344,042	13,857,160	14,378,122	14,715,423	15,538,227	16,888,738
Public works	7,282,274	7,519,818	7,510,853	6,873,549	7,641,727	8,159,709	7,990,357	8,840,505	8,028,758	8,141,159
Culture and recreation	4,333,705	4,431,468	4,440,715	4,587,976	4,372,866	4,938,167	4,911,749	4,762,474	4,474,919	4,958,930
Transportation and waterfront	1,218,546	1,381,048	1,519,381	1,596,383	1,814,621	1,982,271	2,060,680	2,075,168	1,937,271	2,349,034
Health, welfare and social services	329,143	335,866	369,616	521,834	506,108	559,095	566,904	684,709	735,182	1,001,015
Education	42,854,439	45,825,021	47,485,069	47,943,450	50,058,768	51,900,039	53,243,047	53,789,458	58,136,143	60,054,061
School lunch	1,547,688	1,681,737	1,693,739	1,721,538	1,803,337	1,820,284	1,885,962	1,797,884	1,640,669	2,310,607
Interest on debt service	1,761,281	1,464,950	1,436,958	1,328,266	1,695,611	1,272,571	1,100,838	1,273,613	1,382,369	1,952,654
<b>Total governmental activities expenses</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>104,526,272</b>	<b>107,522,485</b>	<b>111,266,316</b>
<b>Business-type activities:</b>										
Sewer	5,885,557	6,133,807	6,147,313	6,154,095	6,203,347	6,345,116	6,455,769	6,540,614	6,564,090	6,461,378
<b>Total business-type activities expenses</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>6,540,614</b>	<b>6,564,090</b>	<b>6,461,378</b>
<b>Total primary government expenses</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>\$ 111,066,886</b>	<b>\$ 114,086,575</b>	<b>\$ 117,727,694</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	\$ 514,857	\$ 417,451	\$ 510,092	\$ 831,509	\$ 442,734	\$ 414,864	\$ 414,772	\$ 443,867	\$ 914,546	\$ 890,999
Public safety	1,506,952	1,448,532	1,358,246	1,715,339	2,090,407	1,919,169	1,898,476	2,815,926	2,536,995	2,508,844
Public works	331,600	283,953	300,711	308,979	386,056	242,771	253,305	449,198	332,688	351,645
Culture and recreation	922,237	922,321	974,204	1,078,408	1,119,989	1,316,027	1,410,321	915,697	922,346	1,637,511
Transportation and waterfront	418,198	439,386	417,158	389,317	376,949	374,004	375,738	291,494	166,254	209,253
Education	57,030	37,159	55,695	105,425	126,000	126,463	124,996	125,000	136,500	185,200
School lunch program	559,536	559,536	559,536	559,536	556,652	639,552	659,174	431,029	40,797	221,176
Operating grants and contributions	10,382,263	12,995,004	13,459,862	13,373,025	14,780,259	15,318,974	14,806,576	17,615,005	24,900,449	24,456,740
Capital grants and contributions	518,319	1,574,695	382,528	1,917,714	1,783,472	468,032	375,205	334,302	501,471	1,420,388
<b>Total governmental activities program revenues</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>23,421,518</b>	<b>30,452,046</b>	<b>31,881,756</b>
<b>Business-type activities:</b>										
Charges for services:										
Sewer	5,637,193	5,927,684	5,927,684	5,922,343	6,008,622	6,015,315	6,080,533	5,865,711	6,268,760	6,788,661
Capital grants and contributions	138,232	-	-	100,000	254,765	-	-	113,954	-	18,100
<b>Total business-type activities program revenues</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>5,979,665</b>	<b>6,268,760</b>	<b>6,806,761</b>
<b>Total primary government program revenues</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>	<b>\$ 29,401,183</b>	<b>\$ 36,720,806</b>	<b>\$ 38,688,517</b>

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (66,658,930)	\$ (67,750,090)	\$ (69,789,343)	\$ (71,042,418)	\$ (73,122,927)	\$ (77,627,937)	\$ (76,916,783)	\$ (81,104,754)	\$ (77,070,439)	\$ (79,384,560)
Business-type activities	(110,132)	(206,123)	(326,984)	(131,752)	60,040	(329,801)	(375,236)	(560,949)	(295,330)	345,383
<b>Total primary government net (expense)/revenue</b>	<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>	<u>\$ (81,665,703)</u>	<u>\$ (77,365,769)</u>	<u>\$ (79,039,177)</u>
<b>General Revenues and other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 58,939,831	\$ 59,778,935	\$ 61,874,477	\$ 63,183,208	\$ 64,164,888	\$ 65,519,757	\$ 68,265,075	\$ 70,532,733	\$ 72,217,939	\$ 71,392,201
Motor vehicle excise tax	5,453,056	5,829,497	6,374,595	7,241,370	7,100,567	7,595,421	7,893,886	6,147,045	7,064,080	6,212,025
Cable television franchise	176,253	166,543	151,779	120,000	120,000	120,000	120,000	120,000	100,000	104,050
Unrestricted grants and contributions	4,391,399	4,259,604	4,321,318	4,427,881	4,911,784	4,883,857	5,165,596	6,218,797	7,374,404	8,987,849
Miscellaneous	1,224,458	1,088,123	1,169,599	945,284	986,617	824,864	1,002,266	956,662	710,746	773,866
Investment income (loss)	431,930	592,776	581,216	630,112	411,583	407,993	1,578,387	2,506,266	206,551	(940,127)
Transfers	(298,992)	(306,075)	(195,242)	(1,856,609) (a)	1,808,295	(3,363,343)	(620,941)	(420,540)	(120,138)	(3,112,160)
<b>Total governmental activities</b>	<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>	<u>\$ 86,060,963</u>	<u>\$ 87,553,582</u>	<u>\$ 83,417,704</u>
Business-type activities:										
Interest and investment earnings	27,079	30,101	48,777	76,744	79,684	78,264	113,512	78,622	57,836	106,523
Transfers	298,992	306,075	195,242	1,856,609 (a)	(1,808,295)	3,363,343	620,941	420,540	120,138	3,112,160
<b>Total business-type activities</b>	<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>	<u>499,162</u>	<u>177,974</u>	<u>3,218,683</u>
<b>Total primary government</b>	<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>	<u>\$ 86,560,125</u>	<u>\$ 87,731,556</u>	<u>\$ 86,636,387</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 3,659,005	\$ 3,659,313	\$ 4,488,399	\$ 3,648,828	\$ 6,380,807	\$ (1,639,388)	\$ 6,487,486	\$ 4,956,209	\$ 10,483,143	\$ 4,033,144
Business-type activities	215,939	130,053	(82,965)	1,801,601	(1,668,571)	3,111,806	359,217	(61,787)	(117,356)	3,564,066
<b>Total primary government</b>	<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>	<u>\$ 4,894,422</u>	<u>\$ 10,365,787</u>	<u>\$ 7,597,210</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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities:</b>										
General government	\$ 1,385,648	\$ 1,061,168	\$ 1,186,539	\$ 1,404,226	\$ 1,109,773	\$ 1,069,957	\$ 962,243	\$ 1,568,829	\$ 2,488,145	\$ 2,308,846
Public safety	2,240,012	2,015,605	1,765,083	1,919,288	2,472,100	2,289,257	2,284,069	3,363,956	3,580,886	4,088,034
Public works	828,918	887,641	683,239	1,738,026	1,187,743	517,024	582,644	722,018	740,358	843,663
Culture and recreation	922,237	922,321	974,204	1,078,408	1,119,989	1,316,027	1,410,321	915,697	946,720	1,667,894
Transportation and waterfront	677,047	1,560,803	883,678	1,438,633	2,084,690	1,294,208	1,189,062	1,436,977	1,117,886	1,941,515
Health, welfare and social services	113,648	125,937	124,747	284,231	250,007	296,491	254,717	377,708	407,832	523,493
Education	9,043,482	12,104,562	12,400,542	12,416,440	13,438,216	14,036,892	13,635,507	15,036,333	21,170,219	20,508,311
<b>Total governmental activities</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>23,421,518</b>	<b>30,452,046</b>	<b>31,881,756</b>
<b>Business-type activities:</b>										
Sewer	5,775,425	5,927,684	5,820,239	6,022,343	6,263,387	6,015,315	6,080,533	5,979,665	6,268,760	6,806,761
<b>Total business-type activities</b>	<b>5,775,425</b>	<b>5,927,684</b>	<b>5,820,239</b>	<b>6,022,343</b>	<b>6,263,387</b>	<b>6,015,315</b>	<b>6,080,533</b>	<b>5,979,665</b>	<b>6,268,760</b>	<b>6,806,761</b>
<b>Total primary government</b>	<b>\$ 20,986,417</b>	<b>\$ 24,605,721</b>	<b>\$ 23,838,271</b>	<b>\$ 26,301,595</b>	<b>\$ 27,925,905</b>	<b>\$ 26,835,171</b>	<b>\$ 26,399,096</b>	<b>\$ 29,401,183</b>	<b>\$ 36,720,806</b>	<b>\$ 38,688,517</b>

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund:										
Nonspendable	\$ -	\$ -	\$ 100,382	\$ 104,615	\$ -	\$ -	\$ -	\$ 100,557	\$ -	\$ 63,665
Restricted	4,072,226	3,693,988	2,715,462	2,708,544	2,662,892	2,338,747	2,022,736	3,212,321	4,930,223	5,918,840
Committed	4,419,099	4,482,037	3,458,710	4,344,471	4,012,592	3,972,242	3,984,988	5,928,768	6,460,667	5,036,637
Assigned	3,035,817	3,117,547	3,234,394	3,273,424	4,028,667	4,129,161	4,044,926	3,949,069	3,392,636	6,015,262
Unassigned	10,144,040	10,838,800	12,827,588	13,320,584	13,189,251	12,400,808	13,521,328	12,909,528	16,133,999	15,286,137
<b>Total general fund</b>	<b>\$ 21,671,182</b>	<b>\$ 22,132,372</b>	<b>\$ 22,336,536</b>	<b>\$ 23,751,638</b>	<b>\$ 23,893,402</b>	<b>\$ 22,840,958</b>	<b>\$ 23,573,978</b>	<b>\$ 26,100,243</b>	<b>\$ 30,917,525</b>	<b>\$ 32,320,541</b>
All other governmental funds:										
Nonspendable	\$ 218,310	\$ 228,559	\$ 228,559	\$ 241,859	\$ 246,523	\$ 241,093	\$ 229,141	\$ 248,438	\$ 193,519	\$ 242,157
Restricted	18,401,015	16,551,026	9,578,044	9,344,141	15,821,856	9,398,675	9,430,898	9,715,863	12,227,208	48,688,269
Committed	7,003,092	6,715,850	8,160,788	8,585,144	9,154,640	9,643,676	11,056,337	10,773,102	8,113,510	6,474,204
Unassigned	(116,930)	(69,544)	(8,263)	(1,059,302)	(92,080)	(193,496)	(859,755)	(1,541,427)	(5,472,913)	(376,561)
<b>Total all other governmental funds</b>	<b>\$ 25,505,487</b>	<b>\$ 23,425,891</b>	<b>\$ 17,959,128</b>	<b>\$ 17,111,842</b>	<b>\$ 25,130,939</b>	<b>\$ 19,089,948</b>	<b>\$ 19,856,621</b>	<b>\$ 19,195,976</b>	<b>\$ 15,061,324</b>	<b>\$ 55,028,069</b>

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Taxes	\$ 64,110,887	\$ 65,352,432	\$ 68,968,072	\$ 70,623,578	\$ 71,188,455	\$ 73,137,978	\$ 76,229,761	\$ 76,680,678	\$ 79,302,519	\$ 77,698,226
Intergovernmental	15,291,981	18,629,968	18,163,708	19,718,620	21,350,777	20,670,863	20,347,377	24,168,104	32,306,980	34,474,676
Licenses and permits	1,025,315	966,203	893,186	1,162,225	1,224,384	1,081,073	1,106,919	1,900,262	1,402,409	1,234,166
Charges for services	3,461,348	3,308,678	3,434,235	3,946,288	3,731,786	3,787,149	3,984,213	3,369,846	3,747,717	4,874,512
Unclassified	1,358,674	1,127,061	1,377,045	1,607,267	1,541,682	1,251,377	2,254,358	1,405,155	1,464,791	1,175,277
Investment income (loss)	431,930	592,776	581,216	630,112	411,583	407,993	1,578,387	2,506,266	206,551	(940,127)
<b>Total revenues</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>110,030,311</b>	<b>118,430,967</b>	<b>118,516,730</b>
<b>Expenditures</b>										
General government	9,552,893	9,951,423	10,446,432	10,826,767	11,397,541	12,397,376	12,788,538	14,053,826	15,103,885	14,156,864
Public safety	10,816,601	10,731,258	10,860,700	11,055,139	11,456,415	11,826,761	12,017,983	12,640,353	13,332,617	14,243,417
Public works	4,673,417	4,593,184	5,170,020	4,856,565	4,521,156	5,085,171	5,547,431	5,851,611	5,081,087	5,727,294
Culture and recreation	3,853,346	3,819,006	3,848,406	3,886,368	3,893,759	4,313,069	4,215,218	4,144,603	3,923,101	4,330,171
Transportation and waterfront	1,084,511	1,147,881	1,214,276	1,288,456	1,465,393	1,503,217	1,561,608	1,575,542	1,476,709	1,911,389
Health, welfare and social services	329,143	335,866	369,616	521,834	506,108	559,095	566,904	684,709	735,182	1,001,015
Education	41,791,370	43,572,441	45,667,455	45,586,692	47,698,940	49,543,256	51,055,944	52,554,317	59,367,296	57,793,733
School lunch program	1,547,688	1,681,737	1,693,739	1,721,538	1,803,337	1,820,284	1,885,962	1,797,884	1,640,669	2,310,607
County tax	2,075,037	2,215,084	2,327,942	2,434,056	2,504,088	2,598,030	2,785,695	2,952,578	3,084,423	3,119,820
Other	1,508,810	1,474,662	1,297,458	1,036,573	991,155	1,326,066	1,869,725	1,897,901	1,828,319	1,584,506
Capital projects	28,017,777	15,811,139	9,356,651	6,148,201	14,578,120	7,633,531	4,513,844	5,716,208	15,634,670	33,991,570
Debt Service:										
Principal	2,478,832	4,077,856	4,465,751	4,466,946	4,303,499	4,363,969	4,423,975	4,259,775	4,348,318	4,746,433
Interest	1,277,701	1,708,713	1,766,373	1,625,390	1,683,605	1,743,118	1,560,333	1,465,642	1,491,884	1,492,467
<b>Total expenditures</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>109,594,949</b>	<b>127,048,160</b>	<b>146,409,286</b>
<b>Excess (deficiency) of revenues over (under) expenditures</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>	<b>435,362</b>	<b>(8,617,193)</b>	<b>(27,892,556)</b>

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Other financing sources (uses)</b>										
Proceeds - Bonds and premium	\$ -	\$ 9,747,306	\$ -	\$ -	\$ 13,707,015	\$ -	\$ -	\$ -	9,273,091	72,352,806
Proceeds financed purchases	1,152,750	83,000	-	190,860	-	456,948	1,412,779	1,850,798	-	-
Refunding bonds issued and premium	-	1,928,405	-	-	-	17,562,444	-	-	-	6,107,174
Payment to refunded bond escrow agent	-	(1,927,910)	-	-	-	(17,372,974)	-	-	-	(6,085,503)
Transfers in	2,943,319	2,786,789	5,002,623	4,675,598	6,456,501	5,128,822	4,005,186	5,089,530	1,708,891	1,750,402
Transfers out	(3,242,311)	(3,092,864)	(5,197,865)	(6,532,207)	(4,648,206)	(8,492,165)	(4,626,127)	(5,510,070)	(1,829,029)	(4,862,562)
<b>Total other financing sources (uses)</b>	<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>	<u>1,430,258</u>	<u>9,152,953</u>	<u>69,262,317</u>
<b>Net change in fund balances</b>	<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>	<u>\$ 1,865,620</u>	<u>\$ 535,760</u>	<u>\$ 41,369,761</u>
<b>Total Debt Service including education</b>	3,756,533	5,786,569	6,232,124	6,092,336	5,987,104	6,107,087	5,984,308	5,725,417	5,840,202	6,238,900
<b>Capital Expenditures (per Statement 5)</b>	29,499,214	15,815,164	9,828,671	7,120,178	14,608,302	7,702,848	5,622,353	7,395,789	20,151,891	35,724,137
<b>Debt service as a percentage of noncapital expenditures</b>	4.72%	6.78%	7.03%	6.90%	6.49%	6.30%	6.03%	5.60%	5.46%	5.64%

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

Fiscal Year	Property Taxes (b)	Vehicle Taxes	Other (a)	Subtotal	TIF Property Taxes	Capital Project Property Taxes	Total
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
2020	67,248,267	6,147,045	374,604	73,769,916	2,910,762	-	76,680,678
2021	69,201,016	7,064,080	395,990	76,661,086	2,641,433	-	79,302,519
2022	68,203,859	6,212,025	404,836	74,820,720	2,877,506	-	77,698,226

(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>
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
2020	1,920,227	6,892,853	377,708	1,140,898	2,101,001	158,596	12,591,283
2021	2,592,482	6,820,557	407,832	1,610,759	2,027,429	153,796	13,612,855
2022	3,781,382	8,944,247	357,469	1,460,923	2,565,478	155,243	17,264,742

(a) Excludes BETE revenue recognized in the TIF fund

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

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

Tax Roll Year	Taxable Real Property		Taxable Personal Property	Total Taxable Assessed Value	Less TIF Property Value	Total Taxable General	Total Direct Tax Value	Estimated Actual Taxable Value (a)	Assessed Value as a Percentage of Actual Value
	Residential	Commercial							
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	16.42	3,580,100,000	96.6%
2016	1,907,528,200	1,389,683,400	323,423,000	3,620,634,600	142,855,880	3,477,778,720	16.70	3,696,350,000	94.1%
2017	1,894,613,500	1,392,736,100	323,280,800	3,610,630,400	139,533,280	3,471,097,120	16.97	3,738,700,000	92.8%
2018	1,938,556,760	1,374,023,400	328,933,000	3,641,513,160	143,309,419	3,498,203,741	17.25	4,008,050,000	87.3%
2019	1,974,887,460	1,385,473,700	324,903,900	3,685,265,060	151,109,994	3,534,155,066	17.70	4,308,100,000	82.0%
2020	1,991,184,360	1,375,637,400	319,509,800	3,686,331,560	208,057,569	3,478,273,991	18.26	4,622,350,000	75.2%
2021	1,958,911,800	1,349,459,600	314,214,800	3,622,586,200	183,527,837	3,439,058,363	18.86	4,866,700,000	70.7%
2022	2,941,548,800	1,558,449,200	361,957,900	4,861,955,900	311,574,720	4,550,381,180	14.06	5,183,800,000	87.8%

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

	Homestead Assessed Values	Homestead Estimated Actual Values	BETE Assessed Values	BETE Estimated Actual Values
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	235,917,900
2020	109,980,000	109,980,000	276,896,400	276,896,400
2021	141,225,000	141,225,000	291,500,500	291,500,500
2022	141,975,000	141,975,000	405,367,000	405,367,000

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**

<b>Tax Year</b>	<b>Direct Rates</b>			<b>Overlapping Rate</b>	
	<b>General Municipal</b>	<b>Education</b>	<b>Total</b>	<b>Cumberland County (a)</b>	<b>Total</b>
2013	5.10	10.79	15.89	0.61	16.50
2014	5.14	10.91	16.05	0.65	16.70
2015	5.24	11.18	16.42	0.68	17.10
2016	5.30	11.40	16.70	0.71	17.41
2017	5.31	11.66	16.97	0.73	17.70
2018	5.36	11.89	17.25	0.75	18.00
2019	5.39	12.31	17.70	0.80	18.50
2020	5.54	12.72	18.26	0.84	19.10
2021	5.66	13.20	18.86	0.89	19.75
2022	4.72	9.34	14.06	0.64	14.70

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	2022			2013		
	Assessed Valuation	Rank	Percentage of Total Assessed Value	Assessed Valuation	Rank	Percentage of Total Assessed Value
TEXAS INSTRUMENTS INCORPORATED	\$ 193,232,400	1	3.97%	\$ 183,349,000	2	5.16%
GGP - MAINE MALL, LLC	189,241,200	2	3.89%	245,438,400	1	6.91%
PORTLAND PORTFOLIO I LLC (b)	95,708,900	3	1.97%	55,249,900	4	1.55%
HANNAFORD/DELHAIZE AMERICA	64,129,900	4	1.32%	60,347,000	3	1.70%
SABLE LODGE RETIREMENT COMMUNITY, LLC	56,441,200	5	1.16%			
ON SEMICONDUCTOR CORP. (a)	50,235,300	6	1.03%	51,944,400	5	1.46%
CENTRAL MAINE POWER COMPANY	47,798,600	7	0.98%	33,909,100	7	0.95%
350 CLARKS POND, LLC	44,375,400	8	0.91%			
RIVERPLACE PROPERTIES, LLC	36,436,600	9	0.75%			
PORTLAND PIPE LINC CORP	35,694,200	10	0.73%	44,938,000	6	1.26%
DEAD RIVER COMPANY				31,220,500	8	0.88%
OPROCK PORTLAND				28,485,300	9	0.80%
ANTHEM				27,491,300	10	0.77%
	813,293,700		16.73%	762,372,900		21.45%
Total Assessed Valuation	\$ 4,861,955,900			\$ 3,553,378,500		
Includes:						
Municipal valuation	4,550,381,180			3,404,283,260		
TIF valuation	311,574,720			149,095,240		
	\$ 4,861,955,900			\$ 3,553,378,500		

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

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

Table 11

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 58,630,745	57,515,651	98.10%	1,114,887	58,630,538	100.00%
2014	59,449,469	58,468,581	98.35%	980,666	59,449,247	100.00%
2015	61,546,876	60,720,014	98.66%	805,803	61,525,817	99.97%
2016	62,846,082	62,226,796	99.01%	595,447	62,822,243	99.96%
2017	63,908,158	63,257,315	98.98%	613,591	63,870,906	99.94%
2018	65,547,237	64,890,327	99.00%	630,300	65,520,627	99.96%
2019	68,177,403	67,337,460	98.77%	806,535	68,143,995	99.95%
2020	70,408,933	69,197,377	98.28%	1,170,405	70,367,782	99.94%
2021	71,546,077	70,617,202	98.70%	756,588	71,373,790	99.76%
2022	71,470,752	70,654,940	98.86%	-	70,654,940	98.86%

**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 (h)	Financed Purchases	Notes from Direct Borrowing						
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 (d)	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 (e)	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%
2020	44,125,111	3,461,410	2,977,471	50,563,992	569,570,562	8.88%	26,498	1,908	1.10%
2021	49,040,220 (f)	2,439,128	2,780,369	54,259,717	1,033,501,494	5.25%	26,498	2,048	1.14%
2022	116,733,767 (g)	1,739,391	2,583,267	121,056,425	1,033,501,494	11.71%	26,498	4,569	2.71%

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

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

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

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

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

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

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

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

**CITY OF SOUTH PORTLAND, MAINE**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2022**

Jurisdiction	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
City of South Portland General Obligation	\$ 116,733,767	100.00%	\$ 116,733,767
City of South Portland Financed Purchases	1,739,391	100.00%	1,739,391
Total direct debt	<u>118,473,158</u>		<u>118,473,158</u>
Overlapping:			
Portland Water District	58,631,046	13.52%	7,926,917
Cumberland County	30,856,174	9.16%	2,826,508
Total overlapping debt	<u>89,487,220</u>		<u>10,753,425</u>
Total direct and overlapping debt	<u>\$ 207,960,378</u>		<u>\$ 129,226,583</u>

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, 2022**

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 2022 State Valuation of \$5,183,800,000, the City is in compliance with the total and categorical debt limits:

**Legal Debt Margin Calculation for Fiscal Year 2022**

State Valuation	\$ 5,183,800,000
Debt Limit - 15% of State Valuation	777,570,000
Less outstanding debt applicable to debt limit	<u>(108,776,290)</u>
Legal Debt Margin	<u>\$ 668,793,710</u>

**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%	\$ 518,380,000	\$ 84,479,734	\$ 433,900,266
Storm or Sanitary Sewer	7.50%	388,785,000	2,583,267	386,201,733
Municipal	7.50%	388,785,000	21,713,289	367,071,711
<b>Total Maximum Debt</b>	<b>15.00%</b>	<b><u>\$ 777,570,000</u></b>	<b><u>\$ 108,776,290</u></b>	<b><u>\$ 668,793,710</u></b>

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt limit	\$ 527,437,500	\$ 530,655,000	\$ 537,015,000	\$ 554,452,500	\$ 560,805,000	\$ 601,207,500	\$ 646,215,000	\$ 693,352,500	\$ 730,005,000	\$ 777,570,000
Total debt applicable to limit	<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>	<u>44,073,517</u>	<u>48,049,903</u>	<u>108,776,290</u>
Legal debt margin	\$ 479,715,313	\$ 477,454,800	\$ 485,849,271	\$ 506,384,528	\$ 504,235,642	\$ 548,981,755	\$ 598,142,869	\$ 649,278,983	\$ 681,955,097	\$ 668,793,710
Total debt applicable to the limit as a percentage of debt limit	9.05%	10.03%	9.53%	8.67%	10.09%	8.69%	7.44%	6.36%	6.58%	13.99%

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

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

Employer	2022			2013		
	(a) Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
City of South Portland	1,002	1	4.01%	861	3	3.63%
Hannaford	860	2	3.44%			
Southern Maine Community College	629	3	2.52%	739	6	2.96%
Anthem/Blue Cross & Blue Shield of Maine	492	4	1.97%	1,000	2	4.00%
Texas Instruments (formerly National Semi)	475	5	1.90%	540	7	2.16%
ON Semiconductor (formerly Fairchild Semi)	345	6	1.38%	775	4	3.10%
United Parcel Service	290	7	1.16%	200	8	0.80%
New Gen Hospitality Management, LLC	160	8	0.64%			
Casco Bay Steel	120	9	0.48%			
Macy's	110	10	0.44%	150	9	0.60%
UnumProvident Life Insurance Co.				3,500	1	14.00%
WEX Inc. (formerly Wright Express)				744	5	2.98%
Marriott Corporation				148	10	0.59%
	4,483		17.94%	8,657		34.82%

Source for Data: State of Maine, Department of Labor, Labor Market Information Services; U.S. Department of Commerce, Bureau of Census - 2020 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 (d)</b>	<b>Personal Income (a)</b>	<b>Per Capita Personal Income (d)</b>	<b>Median Age</b>	<b>School Enrollment (c)</b>	<b>Unemployment Rate (b)</b>
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%
2020	26,498	569,570,562	22,781	39.40	2,968	6.20%
2021	26,498	1,033,501,494	39,003	42.20	2,912	4.60%
2022	26,498	1,033,501,494	39,003	42.20	2,890	2.50%

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

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

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

(d) US Census Bureau

Table 17

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
City Council	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Executive department	3.0	3.0	4.0	4.0	4.0	4.5	5.0	5.0	4.0	5.0
City clerk	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Corporation council	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0
Finance department	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	18.0	18.0
Information technology	6.0	6.0	6.0	6.0	6.0	6.0	6.5	6.5	7.0	6.0
Planning department	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	5.0
Human resources	3.0	3.0	3.0	3.0	3.5	4.0	4.0	4.0	4.0	5.0
City building	1.0	1.0	1.0	1.0	1.0	2.0	9.0	9.0	13.0	12.0
Sustainability	-	-	-	1.0	1.0	1.5	1.5	2.0	3.0	3.0
Public Safety										
Police	56.0	58.0	59.0	59.0	60.0	61.0	62.0	63.0	64.0	62.0
Fire	68.0	69.0	69.5	69.5	69.5	69.5	73.5	73.5	74.0	73.0
Dispatch	8.0	6.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0
Code	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	9.0
Public Works										
Public Works	20.0	21.0	22.0	22.0	22.5	23.0	23.0	23.0	24.0	23.0
Parks and Recreation										
Parks	11.5	11.5	13.5	13.5	13.5	13.5	14.0	14.0	14.0	15.0
Recreation	22.0	22.0	21.0	21.0	21.0	21.0	14.0	14.0	25.0	21.0
Public Library										
Main Library	11.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0	9.0
Branch Library	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	0.0
Transportation and Waterfront	12.0	13.0	15.0	16.0	17.0	18.0	18.0	18.0	20.0	19.0
Health and Welfare	1.5	1.5	2.0	2.0	2.0	2.0	2.0	2.5	4.0	4.0
School	561.0	568.0	570.0	565.0	570.0	605.0	605.0	595.0	595.0	625.0
Water Resource	29.0	29.0	29.5	29.0	29.0	29.0	29.0	29.0	29.0	30.0
<b>Total</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>	<b>912.5</b>	<b>934.0</b>	<b>957.0</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Police (b)										
Physical arrests	745	636	676	599	551	440	497	424	387	599
Calls for Service	34,071	37,391	36,361	36,337	33,738	33,577	34,825	33,442	30,664	28,363
UCR - Crime Index	1,013	923	1,012	804	620	592	565	529	462	511
Fire										
Fire calls	1,137	1,327	1,366	1,222	1,166	1,297	1,191	1,346	1,203	2,412
Medical calls	3,142	2,915	3,089	3,279	3,295	3,328	3,522	3,611	3,782	5,553
Inspections	1,670	1,808	1,923	1,915	2,186	2,040	2,085	1,202	1,202	5,304
Refuse Collection										
Refuse collected (tons)	5,878	5,705	5,643	5,519	6,147	5,834	5,635	6,199	6,204	5,699
Recyclables collected (tons)	2,278	2,292	2,333	2,243	2,289	2,277	2,307	2,210	2,281	2,026
Other public works										
Street resurfacing (miles)	4.00	3.50	2.90	2.90	2.90	2.25	2.30	2.38	1.50	3.50
Potholes repaired	235	255	220	125	220	162	260	134	121	102
Parks and Recreation										
Community center admissions	185,868	190,549	189,242	190,143	190,143	186,890	190,138	135,093	85,253	134,624
Library										
Items in collection (a)	102,906	103,838	103,104	107,109	107,109	107,489	109,535	103,013	112,434	112,883
Total items circulated (a)	267,654	213,668	200,337	260,865	260,865	192,021	188,391	135,624	134,925	129,163
Total items borrowed (a)	21,183	19,184	19,353	25,836	25,836	25,869	28,190	21,038	20,195	20,684
Water Resource										
Average daily sewage treatment (thousands of gallons)	6,273	6,139	6,078	5,496	6,078	5,850	6,107	5,386	4,792	5,480
Transit										
Total route miles	189,007	203,469	203,469	200,557	209,286	218,885	226,251	222,162	195,557	196,401
Passengers	263,124	258,617	259,824	246,931	270,930	273,167	259,640	208,947	113,838	150,653

**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 2011-2020.

Table 19

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

<b>Function</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>General Government</b>										
Buildings	7	7	7	7	7	7	7	7	7	6
Vehicles	1	1	1	1	1	1	1	1	1	2
<b>Police Department</b>										
Buildings	2	2	2	2	2	2	2	2	2	3
Vehicles	39	38	34	34	35	35	38	39	35	40
<b>Fire Department</b>										
Buildings	7	7	7	7	7	7	7	7	7	7
Vehicles	28	28	28	28	25	25	27	24	24	28
<b>Code Enforcement</b>										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	5	5	6	6	6	6	6	5	5	5
<b>Public Works</b>										
Buildings	7	7	7	7	7	8	8	8	8	7
Streets (miles)	115	115	115	115	115	115	115	115	115	115
Vehicles/Trucks	12	12	12	12	12	12	11	7	8	7
Heavy Vehicles	39	39	39	39	34	34	35	39	38	41
<b>Culture and recreation</b>										
Buildings	14	15	15	15	15	15	15	10	10	16
Vehicles	17	18	19	19	24	24	24	17	19	24
<b>Transportation &amp; Waterfront</b>										
Buildings	2	3	3	3	3	2	2	2	2	3
Buses	8	10	10	10	8	8	7	8	8	8
Vehicles	2	2	2	2	2	2	2	2	4	4
<b>Water Resources</b>										
Buildings	38	38	38	38	38	38	38	38	38	38
Vehicles	23	23	23	23	23	23	22	22	22	22
<b>School Department</b>										
Schools	8	8	8	8	8	8	8	8	8	8
Buildings	4	4	4	4	4	4	4	4	4	5
Portable Classrooms	3	3	3	3	3	3	5	5	5	4
School Buses	23	23	23	23	29	29	31	31	33	26
Vehicles	7	7	7	7	7	7	9	9	7	9

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