



CITY OF SOUTH PORTLAND, MAINE

Annual Comprehensive Financial Report



For Fiscal Year Ended June 30, 2024

CITY OF SOUTH PORTLAND, MAINE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For Fiscal Year Ended June 30, 2024



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, 2024

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INTRODUCTORY SECTION



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CITY OF
**SOUTH
PORTLAND**

FINANCE DEPARTMENT

ELLEN SANBORN
Director of Finance

RHONDA GLIDDEN
Deputy Director of Finance

March 31, 2025

Honorable Misha C. Pride, 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, 2024.

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, 2024. 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, 2023 ACFR certificate of achievement, an organization chart, and a list of the City’s principal elected and appointed officials. The financial section includes management’s discussion and analysis of the City’s financial activities, the basic financial statements and the combining and individual fund financial statements and schedules, as well as the independent auditor’s report on the financial statements and schedules. The statistical section, which is not audited, includes selected financial and demographic information, generally presented on a multi-year basis.

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

Profile of the City of South Portland

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

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

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

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

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

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

The appropriated budget is prepared by fund, function (e.g., public safety) and department (e.g., police). Appropriated Governmental Funds include the General Fund, TIF Fund, and City Bus. Budget to actual comparisons are provided in this report for the general fund, TIF fund, and Bus Fund. This comparison is presented on pages 36-37 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% of the following year's 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 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, 2024, the amount of unassigned fund balance totaled \$18,537,873 or 14.8% of the fiscal year 2025 general fund budget, of which \$3,504,624 is over the 12% Policy goal.

Local Economy

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

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

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

The City exhibits above average wealth and housing levels relative to the State of Maine as a whole. The property tax collection rate has been consistently high over the years, standing at 98.6% for fiscal year 2024. The tax base is comprised of 65% residential section and 35% commercial, with the largest taxpayer comprising 3.8% of the total tax base. The ten largest taxpayers represent 15.3%. Non-taxable value is about 11% of the total valuation.

Long-term Financial Planning

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

Major Initiatives

The City Council approved several major projects for funding in fiscal year 2024. The City will begin work on evaluating uses for a former middle school building, which was turned over to the City when the new middle school was completed last year. Also, the City's public safety building, which houses Central Fire and Police stations, is beyond its life and no longer fits the needs of the the departments. The acquisition of the school property opens up a new option for building a new Police Station, as well as repurposing the school for consolidated City services. This CIP includes some funding for engineering work to begin. It also includes funding for the local match for federal grants to rebuild two major streets, leveraging over \$3 million in grant funds. The City also is in partnership with the City of Portland and the State of Maine to dredge portions of pier areas to provide greater depth for berthing that has decreased over time due to infill of sand and silt. There is funding for the City's contribution to this project. Water Resources has a number of updates and improvements to their water treatment systems included in the 2024 CIP, as well as the engineering and design to prepare for an upgrade to its Pearl Street Pump Station, which is reaching capacity and needs the upgrade to allow greater for grow in the community.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) again awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Portland for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2023. 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, with the Deputy Finance Director managing the effort and creating the statements. 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 support in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Ellen Sanborn
Director of Finance

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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, 2023

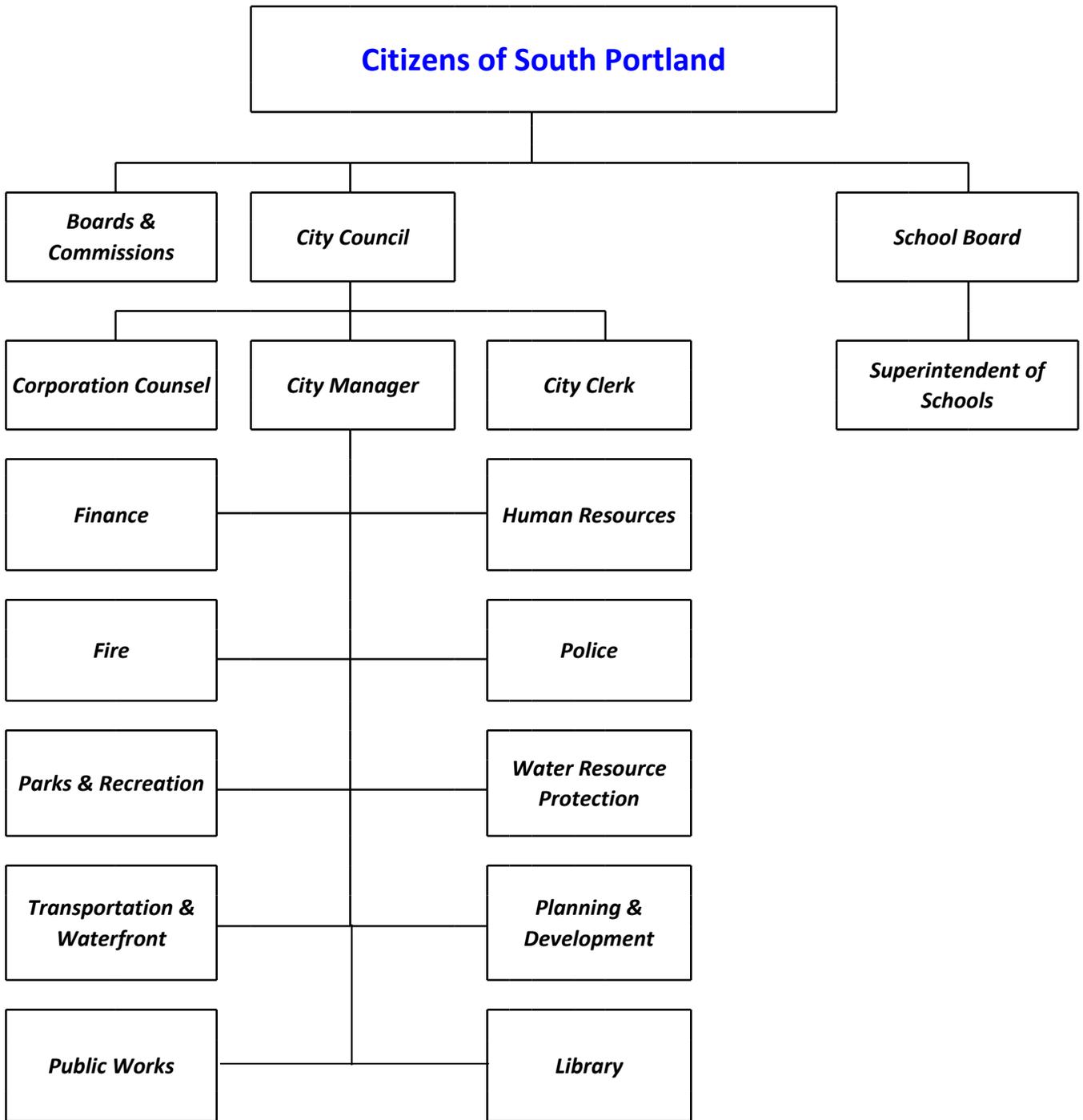
Christopher P. Morill

Executive Director/CEO

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CITY OF SOUTH PORTLAND, MAINE

Organizational Chart



CITY OF SOUTH PORTLAND, MAINE

LIST OF PRINCIPAL OFFICIALS (ELECTED AND APPOINTED)

June 30, 2024

Elected Officials

Council Member – District 1	Linda C. Cohen
Council Member – At Large	Natalie West
Council Member – At Large, Mayor	Richard T. Matthews
Council Member – District 2	Rachael Coleman
Council Member – District 3	Misha C. Pride
Council Member – District 4	Jessica L. Walker
Council Member – District 5	Elyse Tipton

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

Appointed Officials

City Manager	Scott T. Morelli
Assistant City Manager	Joshua J. Reny
City Clerk	Jessica Hughes
Code Enforcement Officer	Nicholaus Richard
Economic Development Director	William J. Mann
Director of Finance	Ellen Sanborn
Fire Chief	Philip Selberg
Human Resource Director	Robert Nadeau
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	Tom Ridge, Interim 12/28/24 METRO eff 12/29/24
Water Resource Protection Director	Frederick Dillon

FINANCIAL SECTION



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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, 2024, 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, TIF Funds, and City Bus Service for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

City Council
City of South Portland, Maine

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025, 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 31, 2025
South Portland, Maine

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CITY OF SOUTH PORTLAND, MAINE
Management's Discussion and Analysis
June 30, 2024

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, 2024. We encourage readers to use the information presented here in conjunction with the accompanying letter of transmittal, the basic financial statements, and the accompanying notes to those financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City of South Portland exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$210,787,451 (*net position*). Of this amount, \$25,003,190 (*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 \$140,880,984, an increase of \$6,431,421 from the prior year. Approximately 9% of this total amount, \$11,956,730, is *available for spending* at the City's discretion (unrestricted net position).
- As of June 30, 2024, the unassigned fund balance was \$18,537,873 or 14.8% of the City's fiscal year 2025 budget (\$125,277,071), including school.
- There was a Commitment issue when processing the FY2024 Real Estate Taxes causing a deficit of \$4 million when compared to the Tax Levy of the FY2024 Approved Budget. Efforts were taken to rectify the Commitment issue resulting in only a \$585,767 decline in fund balance in the General Fund.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of South Portland's basic financial statements. The City of South Portland's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of South Portland's finances, in a manner similar to a private-sector business.

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

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the city's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of South Portland maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, TIF fund, capital projects fund, ARPA Grant fund, City Bus Service, and City Special Revenue 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.

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

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

Proprietary funds. The City of South Portland maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of South Portland uses an enterprise fund to account for its sewer user fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information on the individual enterprise fund, which is considered to be a major fund of the City of South Portland. The basic proprietary fund financial statements can be found on pages 38-40 of this report. The budgetary basis schedule demonstrating compliance can be found on page 119 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 43-81 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining and individual fund financial statements and schedules can be found on pages 91-128 of this report.

Government-wide Financial Analysis

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

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

City of South Portland's Net Position

	Governmental Activities		Business-type Activities		Total Activities	
	Restated				Restated	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 83,450,876	\$ 94,033,358	\$ 14,623,092	\$ 14,562,902	\$ 98,073,968	\$ 108,596,260
Capital assets	207,051,786	204,549,304	59,049,069	57,381,642	266,100,855	261,930,946
Total assets	<u>290,502,662</u>	<u>298,582,662</u>	<u>73,672,161</u>	<u>71,944,544</u>	<u>364,174,823</u>	<u>370,527,206</u>
Deferred outflows	<u>7,693,735</u>	<u>8,282,963</u>	<u>404,500</u>	<u>456,649</u>	<u>8,098,235</u>	<u>8,739,612</u>
Long-term liabilities	131,554,414	137,448,820	3,571,204	3,664,025	135,125,618	141,112,845
Other liabilities	17,165,115	25,038,562	346,364	186,571	17,511,479	25,225,133
Total liabilities	<u>148,719,529</u>	<u>162,487,382</u>	<u>3,917,568</u>	<u>3,850,596</u>	<u>152,637,097</u>	<u>166,337,978</u>
Deferred inflows	<u>8,595,884</u>	<u>9,928,680</u>	<u>252,626</u>	<u>347,062</u>	<u>8,848,510</u>	<u>10,275,742</u>
Net investment						
in capital assets	107,219,129	101,296,905	56,860,007	54,995,478	164,079,136	156,292,383
Restricted	21,705,125	21,014,273	-	-	21,705,125	21,014,273
Unrestricted	<u>11,956,730</u>	<u>12,138,385</u>	<u>13,046,460</u>	<u>13,208,057</u>	<u>25,003,190</u>	<u>25,346,442</u>
Total net position	<u>\$ 140,880,984</u>	<u>\$ 134,449,563</u>	<u>\$ 69,906,467</u>	<u>\$ 68,203,535</u>	<u>\$ 210,787,451</u>	<u>\$ 202,653,098</u>

The largest portion, 78%, of the City of South Portland's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, net of depreciation) of \$164,079,136. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Additionally, information regarding the restatement of net position for business-type activities can be found on pages 80-81.

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

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

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

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

City of South Portland's Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Activities</u>	
	<u>Restated</u>				<u>Restated</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues:						
Program revenues:						
Charges for services	\$ 7,188,435	\$ 6,469,960	\$ 8,058,588	\$ 7,325,491	\$ 15,247,023	\$ 13,795,451
Operating grants and contributions	34,741,598	30,677,045	-	-	34,741,598	30,677,045
Capital grants and contributions	940,563	798,230	-	-	940,563	798,230
General revenues:						
Property and other taxes	85,824,443	82,139,262	-	-	85,824,443	82,139,262
Grants and contributions not restricted to specific programs	9,588,119	10,823,266	-	-	9,588,119	10,823,266
Other	4,199,756	1,581,474	376,539	385,093	4,576,295	1,966,567
Total revenues	142,482,914	132,489,237	8,435,127	7,710,584	150,918,041	140,199,821
Expenses:						
General government	19,680,609	19,522,744	-	-	19,680,609	19,522,744
Public safety	18,006,699	18,023,452	-	-	18,006,699	18,023,452
Public works	6,455,860	7,283,330	-	-	6,455,860	7,283,330
Culture and recreation	5,552,621	5,376,084	-	-	5,552,621	5,376,084
Transportation and waterfront	2,357,789	2,219,244	-	-	2,357,789	2,219,244
Health, wealth and social services	1,506,145	1,767,371	-	-	1,506,145	1,767,371
Interest on debt service	2,693,253	3,188,722	-	-	2,693,253	3,188,722
Education	78,885,041	68,648,808	-	-	78,885,041	68,648,808
Sewer	-	-	7,645,671	7,198,247	7,645,671	7,198,247
Total expenses	135,138,017	126,029,755	7,645,671	7,198,247	142,783,688	133,228,002
Increase (decrease) in net position before transfers	7,344,897	6,459,482	789,456	512,337	8,134,353	6,971,819
Transfers	(913,476)	(119,335)	913,476	119,335	-	-
Increase (decrease) in net position	6,431,421	6,340,147	1,702,932	631,672	8,134,353	6,971,819
Net position - beginning of year	134,449,563	127,072,837	68,203,535	67,571,863	202,653,098	194,644,700
Prior period restatement	-	1,036,579	-	-	-	1,036,579
Net position - end of year	\$ 140,880,984	\$ 134,449,563	\$ 69,906,467	\$ 68,203,535	\$ 210,787,451	\$ 201,616,519

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

Governmental activities. The increase during this past fiscal year in the City's net position represented an increase in the net position of 4.78%. Key elements of this increase are as follows:

- City ARPA funding that was applied against capital and government services totaled \$2,132,495. 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; Vehicle Excise Tax revenues of \$1,481,230 and Homestead Exemption of \$383,261.
- Interest activity increased by \$2,153,305.
- The amounts above were offset by decreased State Revenue Sharing of (\$522,600).

Business-type activities. The City's business-type activities, which consists of sewer user operations, net position increased by \$1,702,932.

In FY24, sewer operations ended with a net operating income of \$430,582. Sewer user fee revenue increased by about 10%, that was needed to offset the increased cost of wages and operations.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of South Portland's governmental funds reported combined ending fund balances of \$59,406,874, a decrease of \$3,193,767. Capital projects decreased by \$5.2 million reflecting the completion of the Middle School project. TIF funds increased by about \$2.6 million, although the General Fund decreased by \$586 thousand as a result of transfers to other funds for support of capital projects and special revenue fund operations.

General Fund - The general fund is the central operating fund of the City of South Portland. At the end of the current fiscal year, the total general fund balance was \$30,176,956, a decrease of \$585,767. As a measure of the general fund's liquidity, total fund balance represents 25.4% of total fund expenditures. Under the breakdown of fund balance, unspent appropriations related to education are reported as restricted. At June 30, 2024, general fund restricted balance for education totaled \$2,803,851, a reduction from 2023 of \$2,159,857 due to a net budgetary deficit in the School Department. Additionally, the City maintains various other reserve balances for various future needs.

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

The City has an established General Fund Balance Policy, which was established to help ensure the future financial stability of the City and to mitigate financial risk that can occur from unforeseen revenue fluctuations or unanticipated expenditures. The policy establishes a minimum unassigned fund balance of 9% of the City's subsequent year general fund budget. Additionally, amounts in excess of 12% can be used for capital improvements or other one-time expenditures as identified by the City Council. The City also may apply some amount of unassigned fund balance to fund its subsequent year operating budget. For FY24, \$500,000 was budgeted but \$144,000 was used, as net operating results were an excess of revenues over expenditures. The City also used \$375,000 of 2023 assigned fund balance for capital purchases in fiscal 2024.

Although the total general fund balance decreased by \$585,767 from the prior year for the reasons described above, as of June 30, 2024, the unassigned fund balance was \$18,537,873 or 14.8% of the fiscal 2025 budget, with \$3,504,624 available future use. The City also maintains a Tax Stabilization fund, for use in periods of economic changes such as decreased or flat property valuation, estimated significant non-tax revenue loss, or estimated significant increases in cost, to mitigate the impact of those events on the tax rate. The balance in that fund at the end of the fiscal year was just over \$2.4 million.

TIF - The TIF (Tax Increment Financing) fund includes all of the activity in the City's tax increment financing districts. At the end of the current fiscal year, the total fund balance of the TIF fund was \$13.0 million, which must be used for eligible projects as defined by Maine State Law and the approved development district plans. TIF funds are typically used to fund credit enhancement agreements with developers and also to fund capital improvement projects in and around the TIF districts. In fiscal year 2024, the total TIF fund balance increased by about \$2.6 million, reflecting the increase in the property valuations.

Capital Projects - The Capital Projects fund has a total fund balance of \$3,905,547, decreasing by \$5,215,130, as bond proceeds for the middle school project were spent.

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

Unrestricted net position of the sewer user fund at the end of the year amounted to \$13,046,460, a decrease of \$161,597. This fund budgets annual appropriations to capital reserves amortize equipment and system replacements costs along with future improvements. On a budgetary basis (Exhibit I), the sewer fund reported a surplus of \$1,144,624, of which revenues came in \$452,444 higher than anticipated while expenditures came in \$750,308 under budget. Revenues were higher than budget due to more flow than anticipated and an increase in interest income. Expenditures were under budget primarily as a result savings in treatment plant and pump stations, sludge disposal and a number of personnel vacancies during the year.

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

Budgetary Highlights

General Fund:

Actual budgetary revenue for the general fund totaled \$113,263,435 in the fiscal year ended June 30, 2024, a decrease of \$482,315, from budgeted revenue.

State revenue sharing was \$168,000 more than budgeted due to increase in property valuation and recreation programs netted an additional \$494,000. Interest earned was \$722,000 more than expected primarily due to the increase in interest rates during FY24. Excise Tax was \$1,726,000 more than expected. A few underperforming revenues include education charges for services, coming in under by \$101,000, state reimbursement for BETE, coming in under by \$366,847, and general assistance, coming in under by \$935,000.

Budgetary expenditures for the general fund totaled \$113,239,696, under budget by \$2,107,558 in the fiscal year ended June 30, 2024. The general government expenditures came in \$753,000 under what was budgeted, General Assistance came in \$1.6 million under budget, and Public Works came in \$471,000 under what was budgeted as a result of wages, streets/sidewalks, highway maintenance, construction supplies, solid waste disposal, and equipment rental. Public Works make a concerning effort in-house to conserve funds without affecting services in order to save on expenses. In order to mitigate the impact of the \$4 million tax levy deficit, the departments were asked to reduce expenditures, without affecting services, and save money to put towards this deficit.

The School department ended the year over budget by \$1,208,268 primarily due to not collecting anticipated grant funds but had expenditures which needed to be covered by the general fund budget.

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

Public Safety, who also struggled with staffing, incurred increased overtime costs from having to fill vacant shifts with remaining personnel. This resulted in that category being over budget by about \$171,000.

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, 2024 amounts to \$266,100,855, 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 5.3%, with a 6.4% increase for governmental activities and a 3.4% increase for business-type activities. The primary change in capital assets is from the outfitting of the middle school construction in fiscal year 2024 as well as a reduction or payment of debt on capital assets.

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

Additional information on the City of South Portland's capital assets can be found in the notes to the financial statements on pages 55-56 of this report.

Long-term Debt

The State allows municipalities to borrow up to 15% of their total state equalized valuation. With the City's valuation at \$6,697,050,000 for 2024, the debt limit would be over \$1 billion. The current debt outstanding is \$97,829,062, which is 1.5% of total valuation and 9.7% of the total allowable debt for the City. There were no debt issuances in the current year and principal reductions totaled \$6,997,102.

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 56-59 of this report.

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

Economic Factors and Next Year's Budgets and Rates

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

In adopting the budget for the ensuing fiscal year 2025, the City officials considered many factors in making judgments and estimates about the finances of the upcoming year. A primary objective was to continue to provide basic City services to the citizens while attempting to keep the property tax rate affordable.

During the upcoming fiscal year (2025), 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 2025. Excise tax revenues flattened out over previous years, but had a significant increase in activity. There were increases in interest income as rates remain high and recreation fees continued to outperform expectations.

Property Values and Business Development:

- The regional economy continues to see strong growth in property values. Many malls are experiencing vacancies; however, the mall area in South Portland is robust and there is expectation for new development around that area. The two semiconductor plants continue to invest in updated equipment and maintain a strong business presence internationally.
- Southern Maine continues to be a desired place to live and housing prices for real estate continue to increase, with available rental housing stock being limited and at high market rates. The City planning office is currently working with a number of new housing development projects at various stages. Southern Maine continues to be a desired place to live.

Employee Wages and Benefits:

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

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

Major Capital Projects

- With the exception of the Municipal Services Facility, which houses Public Works, Facilities, Parks and Bus Service departments, the City's buildings are old and tired. The Committee completed its work of evaluating the condition of buildings in early fiscal year 2024. The City Council voted in September 2024 to pursue the redevelopment of the Mahoney School Property for a consolidated City Hall, Library, and Police Station, and to renovate the Central Fire Station on-site. The City has hired an owner's rep to assist in the project including the next steps of hiring an architectural engineer to design the work.

Other Costs:

- Inflationary increases in supplies and materials increase the cost of maintaining services, facilities and infrastructure, which is reflected in the FY25 budget.

The fiscal year 2025 budget, including County Tax, was approved in June 2024 with an increase of \$3,360,737 in the overall general fund expenditure budget. This increase, as described above, is due to the increase in Wages/Benefits and a reduction of County taxes. With changes in various revenues, the impact to property taxes for the City general fund operations was an increase of about \$3.5 million, or 11.4%. Taxes to support the municipal School District increased by \$2.6 million, or 5.3%, as approved by voter referendum. The final tax rate decreased by 6.6% due to the increase in property valuation.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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CITY OF SOUTH PORTLAND, MAINE
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 33,455,012	13,116,139	46,571,151
Investments	33,366,478	-	33,366,478
Receivables, net of allow. of \$685,594 and \$107,829	8,345,525	1,506,953	9,852,478
Taxes receivable	1,314,021	-	1,314,021
Tax liens and tax acquired property	252,995	-	252,995
Prepaid expenses	177,921	-	177,921
Inventory	49,047	-	49,047
Notes receivable	430,418	-	430,418
Lease receivable	6,009,459	-	6,009,459
Restricted assets, cash	50,000	-	50,000
Capital assets, not being depreciated	15,323,501	4,392,106	19,715,607
Capital assets, net of accumulated depreciation	191,728,285	54,656,963	246,385,248
Total assets	290,502,662	73,672,161	364,174,823
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	5,736,600	333,048	6,069,648
Deferred outflows of resources related to OPEB	1,249,519	71,452	1,320,971
Deferred charge on refunding	707,616	-	707,616
Total deferred outflows of resources	7,693,735	404,500	8,098,235
LIABILITIES			
Accounts payable	3,892,556	332,920	4,225,476
Accrued liabilities	1,247,612	2,835	1,250,447
Prepaid taxes	177,383	-	177,383
Unearned revenues	4,305,163	-	4,305,163
Accrued interest	1,053,695	10,609	1,064,304
Accrued teachers' summer salaries	6,488,706	-	6,488,706
Non-current liabilities:			
Due within one year	9,008,561	325,824	9,334,385
Due in more than one year	122,545,853	3,245,380	125,791,233
Total liabilities	148,719,529	3,917,568	152,637,097
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	1,554,586	129,188	1,683,774
Deferred inflows of resources related to OPEB	1,248,092	123,438	1,371,530
Deferred inflows of resources related to leases	5,793,206	-	5,793,206
Total deferred inflows of resources	8,595,884	252,626	8,848,510
NET POSITION			
Net investment in capital assets	107,219,129	56,860,007	164,079,136
Restricted for:			
Permanent Funds - Nonexpendable principal	193,519	-	193,519
Permanent Funds - Expendable	149,646	-	149,646
Education	3,870,325	-	3,870,325
Other grants	4,505,079	-	4,505,079
Tax Increment Financing	12,986,556	-	12,986,556
Unrestricted	11,956,730	13,046,460	25,003,190
Total net position	\$ 140,880,984	69,906,467	210,787,451

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statement of Activities
For the year ended June 30, 2024

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total
					Governmental activities	Business-type activities	
Primary government:							
Governmental activities:							
General government	\$ 19,680,609	854,075	1,341,258	20,767	(17,464,509)	-	(17,464,509)
Public safety	18,006,699	2,916,074	1,196,115	112,076	(13,782,434)	-	(13,782,434)
Public works	6,455,860	364,232	469,660	469,660	(5,152,308)	-	(5,152,308)
Culture and recreation	5,552,621	2,273,805	388,011	256,394	(2,634,411)	-	(2,634,411)
Transportation and waterfront	2,357,789	318,082	1,177,306	81,666	(780,735)	-	(780,735)
Health, welfare and social services	1,506,145	-	1,364,255	-	(141,890)	-	(141,890)
Education	78,885,041	462,167	28,804,993	-	(49,617,881)	-	(49,617,881)
Interest on debt service	2,693,253	-	-	-	(2,693,253)	-	(2,693,253)
Total governmental activities	135,138,017	7,188,435	34,741,598	940,563	(92,267,421)	-	(92,267,421)
Business-type activities:							
Sewer	7,645,671	8,058,588	-	-	-	412,917	412,917
Total business-type activities	7,645,671	8,058,588	-	-	-	412,917	412,917
Total primary government	\$ 142,783,688	15,247,023	34,741,598	940,563	(92,267,421)	412,917	(91,854,504)
General revenues:							
Property taxes, levied for general purposes					77,770,378	-	77,770,378
Motor vehicle excise taxes					7,952,666	-	7,952,666
Cable television franchise					101,399	-	101,399
Grants and contributions not restricted to specific programs:							
State Revenue Sharing					3,840,221	-	3,840,221
Homestead exemption					1,538,347	-	1,538,347
Other State aid					4,209,551	-	4,209,551
Unrestricted investment earnings (loss)					3,383,369	376,539	3,759,908
Miscellaneous					816,387	-	816,387
Transfers					(913,476)	913,476	-
Total general revenues and transfers					98,698,842	1,290,015	99,988,857
Change in net position					6,431,421	1,702,932	8,134,353
Net position - beginning, as previously reported					133,412,984	68,203,535	201,616,519
Error correction					1,036,579	-	1,036,579
Net position - beginning, as restated					134,449,563	68,203,535	202,653,098
Net position - ending					\$ 140,880,984	\$ 69,906,467	\$ 210,787,451

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Balance Sheet
Governmental Funds
June 30, 2024

	General	Tax Increment Financing	Capital Projects	ARPA Grant	City Bus Service	City Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 5,568,197	13,032,653	6,948,331	7,673,672	-	-	232,159	33,455,012
Investments	32,970,644	-	-	-	-	38,221	357,613	33,366,478
Due from other governments	528,907	-	-	-	1,098,606	934,370	4,041,459	6,603,342
Accounts receivable, net of allowance of \$685,594	893,822	-	144,781	-	36,763	662,467	4,350	1,742,183
Taxes receivable	1,314,021	-	-	-	-	-	-	1,314,021
Tax liens and tax acquired property	252,995	-	-	-	-	-	-	252,995
Interfund loans receivable	-	-	-	-	-	9,925,272	113,695	10,038,967
Prepaid expenditures	177,921	-	-	-	-	-	-	177,921
Notes receivable	-	-	-	-	-	430,418	-	430,418
Lease receivable	6,009,459	-	-	-	-	-	-	6,009,459
Inventory	-	-	-	-	-	-	49,047	49,047
Restricted assets, cash	50,000	-	-	-	-	-	-	50,000
Total assets	47,765,966	13,032,653	7,093,112	7,673,672	1,135,369	11,990,748	4,798,323	93,489,843
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts payable	3,185,482	46,097	464,154	259,460	29,928	116,781	141,816	4,243,718
Accrued liabilities	1,214,857	-	-	-	6,973	12,142	13,640	1,247,612
Prepaid taxes	177,383	-	-	-	-	-	-	177,383
Interfund loans payable	197,749	-	2,723,411	3,125,813	1,098,468	-	2,542,364	9,687,805
Unearned revenue	20,986	-	-	4,284,177	-	-	-	4,305,163
Accrued teachers' summer salaries	5,923,237	-	-	-	-	-	565,469	6,488,706
Total liabilities	10,719,694	46,097	3,187,565	7,669,450	1,135,369	128,923	3,263,289	26,150,387
Deferred inflows of resources:								
Unavailable revenue - property taxes	1,076,110	-	-	-	-	-	-	1,076,110
Unavailable revenue - settlement proceeds	-	-	-	-	-	1,063,266	-	1,063,266
Lease related	5,793,206	-	-	-	-	-	-	5,793,206
Total deferred inflows of resources	6,869,316	-	-	-	-	1,063,266	-	7,932,582
Fund balances:								
Nonspendable	394,174	-	-	-	-	-	242,566	636,740
Restricted	2,803,851	12,986,556	761,102	4,222	-	8,076,014	1,167,073	25,798,818
Committed	5,895,784	-	3,168,235	-	-	2,857,183	232,159	12,153,361
Assigned	2,545,274	-	-	-	-	-	-	2,545,274
Unassigned	18,537,873	-	(23,790)	-	-	(134,638)	(106,764)	18,272,681
Total fund balances	30,176,956	12,986,556	3,905,547	4,222	-	10,798,559	1,535,034	59,406,874
Total liabilities, deferred inflows of resources, and fund balances	\$ 47,765,966	13,032,653	7,093,112	7,673,672	1,135,369	11,990,748	4,798,323	

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

Capital assets and right of use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

207,051,786

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

2,139,376

Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:

Bond premiums

(8,192,568)

Deferred charge from refunding

707,616

Accrued compensated absences

(3,518,591)

Other postemployment benefits liabilities with related deferred inflows and outflows of resources

(13,208,708)

Accrued interest

(1,053,695)

Landfill closure

(85,200)

Financed purchases

(894,644)

Lease Liabilities

(149,320)

Net pension liability with related deferred inflows and outflows of resources

(5,681,942)

Bonds and notes payable

(95,640,000)

Net position of governmental activities

\$ 140,880,984

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2024

	General	Tax Increment Financing	Capital Projects	ARPA Grant	City Bus Service	City Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues:								
Taxes	\$ 81,309,621	3,507,852	-	-	276,084	-	75,000	85,168,557
Intergovernmental	29,205,265	1,311,136	-	3,261,107	1,177,306	1,258,326	8,060,607	44,273,747
Licenses, permits, fees and fines	1,319,198	-	-	-	-	-	-	1,319,198
Charges for services	4,670,882	-	-	-	317,901	588,121	393,732	5,970,636
Unclassified	816,156	-	231	-	-	342,467	575,450	1,734,304
Investment income (loss)	2,371,254	481,893	155,078	-	-	363,522	11,622	3,383,369
Total revenues	119,692,376	5,300,881	155,309	3,261,107	1,771,291	2,552,436	9,116,411	141,849,811
Expenditures:								
Current:								
General government	14,430,997	611,461	-	347,011	-	869,118	-	16,258,587
Public safety	13,931,750	-	-	689,795	-	931,789	-	15,553,334
Public works	5,590,373	23,238	-	469,660	-	536,421	-	6,619,692
Culture and recreation	4,559,980	-	-	261,029	-	228,346	-	5,049,355
Transportation and waterfront	61,000	-	-	-	1,770,571	72,958	-	1,904,529
Health, welfare and social services	1,141,145	-	-	365,000	-	-	-	1,506,145
Education (excluding debt service)	64,569,505	-	-	-	-	-	6,532,824	71,102,329
School lunch program	-	-	-	-	-	-	2,855,429	2,855,429
Intergovernmental	3,339,067	-	-	-	-	-	-	3,339,067
Other	32,860	1,085,019	-	828,612	-	-	16,154	1,962,645
Debt service	10,955,445	-	-	-	-	-	-	10,955,445
Capital expenditures	380,630	-	6,718,440	-	-	-	-	7,099,070
Total expenditures	118,992,752	1,719,718	6,718,440	2,961,107	1,770,571	2,638,632	9,404,407	144,205,627
Excess (deficiency) of revenues over (under) expenditures	699,624	3,581,163	(6,563,131)	300,000	720	(86,196)	(287,996)	(2,355,816)
Other financing sources (uses):								
Transfers in	752,456	539,491	1,348,001	-	-	40,598	312,912	2,993,458
Transfers out	(2,113,372)	(1,493,562)	-	(300,000)	-	-	-	(3,906,934)
Financed purchase proceeds	17,017	-	-	-	-	-	-	17,017
Lease financing	58,508	-	-	-	-	-	-	58,508
Total other financing sources (uses)	(1,285,391)	(954,071)	1,348,001	(300,000)	-	40,598	312,912	(837,951)
Net change in fund balances	(585,767)	2,627,092	(5,215,130)	-	720	(45,598)	24,916	(3,193,767)
Fund balances, beginning of year, as previously reported	30,350,927	10,359,464	9,216,631	4,222	(720)	-	12,174,275	62,104,799
Error correction	411,796	-	(95,954)	-	-	180,000	-	495,842
Change within reporting entity	-	-	-	-	-	10,664,157	(10,664,157)	-
Fund balances, beginning of year, as restated	30,762,723	10,359,464	9,120,677	4,222	(720)	10,844,157	1,510,118	62,600,641
Fund balances, end of year	\$ 30,176,956	12,986,556	3,905,547	4,222	-	10,798,559	1,535,034	59,406,874

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, 2024

Net change in fund balances - total governmental funds (from Statement 4)	\$	(3,193,767)
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Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense or amortization expense.

This is the amount of:

Capitalized assets		11,490,640
Right of use assets		58,508
Book value of disposed capital assets		(54,083)
Depreciation expense		(8,973,545)
Amortization expense		(19,038)

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.

633,103

Financed purchase and lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of this principal is an expenditure in the governmental funds, but the repayments reduces long-term liabilities in the statement of net position. This is the amount of:

Financed purchase principal repayments		334,108
Lease principal payments		16,777
Issuance of finance purchases		(17,017)
Issuance of leases		(58,508)

The amortization of the deferred charge between the principle of debt refunded and the payment to the refunding escrow over the life of the refunding bonds.

(150,124)

Bond and note proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Governmental funds report the effects of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of:

Bond premium amortization		1,148,757
Bond and note principal repayments		6,846,511

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

Accrued compensated absences		(499,504)
Accrued interest		82,939
Other postemployment benefits and deferred inflows and outflows		(201,973)
Net pension liability and deferred inflows and outflows		(1,026,563)

Changes in long-term liabilities on the statement of net position, are expenditures in the governmental funds. This is the change of the landfill closure liability.

14,200

Change in net position of governmental activities (see Statement 2)	\$	6,431,421
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See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund and TIF Funds
For the year ended June 30, 2024

	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	\$ 82,954,161	82,954,161	81,309,621	(1,644,540)	3,789,818	3,789,818	3,507,852	(281,966)
Intergovernmental	23,685,087	23,685,087	22,990,217	(694,870)	-	-	1,311,136	1,311,136
Licenses, permits, fees and fines	1,218,969	1,218,969	1,319,198	100,229	-	-	-	-
Charges for services	3,638,995	3,638,995	4,152,184	513,189	-	-	-	-
Intercity charges	1,574,318	1,574,318	1,685,815	111,497	-	-	-	-
Unclassified	124,220	124,220	534,523	410,303	-	-	-	-
Interest earned	550,000	550,000	1,271,877	721,877	-	-	481,893	481,893
Total revenues	113,745,750	113,745,750	113,263,435	(482,315)	3,789,818	3,789,818	5,300,881	1,511,063
Expenditures:								
Current:								
General government	15,416,011	15,416,011	14,663,358	752,653	489,818	489,818	611,461	(121,643)
Public safety	14,221,806	14,221,806	14,392,847	(171,041)	-	-	-	-
Public works	5,943,383	5,943,383	5,472,685	470,698	-	-	23,238	(23,238)
Culture, parks, and recreation	4,694,897	4,694,897	4,568,297	126,600	-	-	-	-
Transportation and waterfront	61,057	61,057	61,000	57	-	-	-	-
Health, welfare and social services	3,080,740	3,080,740	1,506,145	1,574,595	-	-	-	-
Education	65,755,311	65,755,311	66,963,579	(1,208,268)	-	-	-	-
Intergovernmental	3,844,189	3,844,189	3,339,067	505,122	-	-	-	-
Other	90,000	90,000	32,860	57,140	-	-	1,085,019	(1,085,019)
Debt service (excluding education)	2,239,860	2,239,860	2,239,858	2	-	-	-	-
Total expenditures	115,347,254	115,347,254	113,239,696	2,107,558	489,818	489,818	1,719,718	(1,229,900)
Excess (deficiency) of revenues over (under) expenditures	(1,601,504)	(1,601,504)	23,739	1,625,243	3,300,000	3,300,000	3,581,163	281,163
Other financing sources (uses):								
Budgeted use of surplus - City	500,000	500,000	-	(500,000)	-	-	-	-
Budgeted use of surplus - School	1,600,000	1,600,000	-	(1,600,000)	-	-	-	-
Transfer in	324,296	324,296	1,154,744	830,448	-	-	539,491	539,491
Transfers out	(822,792)	(822,792)	(2,113,372)	(1,290,580)	(3,300,000)	(3,300,000)	(1,493,562)	1,806,438
Total other financing sources (uses)	1,601,504	1,601,504	(958,628)	(2,560,132)	(3,300,000)	(3,300,000)	(954,071)	2,345,929
Net change in fund balance - budgetary basis	-	-	(934,889)	(934,889)	-	-	2,627,092	2,627,092
Reconciliation to GAAP basis:								
Change in encumbrances - City			(215,633)				-	
Change in encumbrances - School			1,513				-	
Change in reserves			563,242				-	
Net change in fund balance - GAAP basis			(585,767)				2,627,092	
Fund balance, beginning of year			30,762,723				10,359,464	
Fund balance, end of year	\$		30,176,956				12,986,556	

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - City Bus Service
For the year ended June 30, 2024

	City Bus Service Fund			Variance with final budget positive (negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 806,538	806,538	276,084	(530,454)
Intergovernmental	1,410,044	1,410,044	1,177,306	(232,738)
Charges for services	240,000	240,000	317,901	77,901
Total revenues	2,456,582	2,456,582	1,771,291	(685,291)
Expenditures:				
Current:				
Wages and benefits	1,734,074	1,734,074	1,319,461	414,613
Maintenance and utilities	180,645	180,645	71,665	108,980
Contracted services	175,000	175,000	146,845	28,155
Gas and oil	236,075	236,075	133,118	102,957
Supplies	93,100	93,100	65,591	27,509
Other	37,688	37,688	33,891	3,797
Total expenditures	2,456,582	2,456,582	1,770,571	686,011
Net change in fund balance - budgetary basis	-	-	720	720
Fund balance, beginning of year			(720)	
Fund balance, end of year	\$		-	

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statements of Net Position
Proprietary Funds

June 30, 2024, with comparative totals for June 30, 2023

Business-type Activities - Enterprise Funds

	Sewer	
	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 13,116,139	13,412,501
Receivables, net of allowance of \$107,829 and \$80,387, respectively	1,506,413	1,149,861
Sewer liens	540	540
Total current assets	14,623,092	14,562,902
Noncurrent assets:		
Capital assets, not being depreciated	4,392,106	2,082,488
Capital assets	116,325,236	114,939,405
Accumulated depreciation	(61,668,273)	(59,640,251)
Total noncurrent assets	59,049,069	57,381,642
Total assets	73,672,161	71,944,544
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	333,048	432,528
Deferred outflows of resources related to OPEB	71,452	24,121
Total Deferred Outflows of resources	404,500	456,649
LIABILITIES		
Current liabilities:		
Accounts payable	332,920	174,094
Accrued wages	2,835	1,868
Accrued interest	10,609	10,609
Current portion of noncurrent liabilities:		
Compensated absences	128,722	129,163
Notes payable	197,102	197,102
Total current liabilities	672,188	512,836
Noncurrent liabilities:		
Compensated absences	158,166	174,240
Net pension liability	710,797	601,481
Total OPEB liability	384,457	372,977
Notes payable	1,991,960	2,189,062
Total noncurrent liabilities	3,245,380	3,337,760
Total liabilities	3,917,568	3,850,596
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	129,188	261,312
Deferred inflows of resources related to OPEB	123,438	85,750
Total Deferred Inflows of resources	252,626	347,062
NET POSITION		
Net investment in capital assets	56,860,007	54,995,478
Unrestricted	13,046,460	13,208,057
Total net position	\$ 69,906,467	68,203,535

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, 2024, with comparative totals
for the fiscal year ended June 30, 2023

Business-type Activities - Enterprise Funds		
	Sewer	
	2024	2023
Operating revenues:		
Charges for services	\$ 7,988,543	7,246,509
Interest and penalties	251	343
Licenses	56,830	57,700
Other	12,964	20,939
Total operating revenues	8,058,588	7,325,491
Operating expenses:		
Personnel services	2,993,649	2,560,755
Contractual services	1,394,223	1,467,724
Supplies and materials	539,614	541,866
Fixed charges	107,148	202,938
Capital outlay	266,314	184,460
Depreciation	2,327,058	2,222,215
Total operating expenses	7,628,006	7,179,958
Operating income (loss)	430,582	145,533
Nonoperating revenues (expenses):		
Interest revenue	376,539	264,677
Insurance reimbursement	-	120,416
Interest expense	(17,665)	(18,289)
Total nonoperating revenues (expenses)	358,874	366,804
Income (loss) before transfers	789,456	512,337
Transfers in	913,476	120,199
Transfer out	-	(864)
Total transfers and contributions	913,476	119,335
Change in net position	1,702,932	631,672
Net position, beginning of year	68,203,535	67,571,863
Net position, end of year	\$ 69,906,467	68,203,535

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, 2024, with comparative totals
for the fiscal year ended June 30, 2023

	Business-type Activities - Enterprise Funds	
	Sewer	
	2024	2023
Cash flows from operating activities:		
Receipts from customers and users	\$ 7,702,036	7,463,985
Payments to suppliers	(2,148,473)	(2,237,811)
Payments to employees	(2,930,688)	(2,752,075)
Net cash provided by (used in) operating activities	2,622,875	2,474,099
Cash flows from noncapital financing activities:		
Transfer from other funds	913,476	120,199
Transfers to other funds	-	(864)
Net cash provided by (used in) noncapital financing activities	913,476	119,335
Cash flows from capital and related financing activities:		
Purchase of capital assets	(3,994,485)	(1,219,097)
Interest paid on notes	(17,665)	(18,289)
Principal payments on notes	(197,102)	(197,103)
Net cash provided by (used in) capital and related financing activities	(4,209,252)	(1,434,489)
Cash flows from investing activities:		
Interest revenue	376,539	264,677
Net cash provided by (used in) investing activities	376,539	264,677
Net increase (decrease) in cash	(296,362)	1,423,622
Cash and cash equivalents, beginning of year	13,412,501	11,988,879
Cash and cash equivalents, end of year	\$ 13,116,139	13,412,501
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 430,582	145,533
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	2,327,058	2,222,215
Insurance proceeds	-	120,416
(Increase) decrease in receivables	(356,552)	136,375
(Increase) decrease in liens	-	2,119
Increase (decrease) in accounts payable	158,826	38,761
Increase (decrease) in accrued wages	967	(25,594)
Increase (decrease) in compensated absences	(16,515)	6,090
Increase (decrease) in pension and OPEB	78,509	(171,816)
Net cash provided by (used in) operating activities	\$ 2,622,875	2,474,099

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

		Private- purpose Trust Funds
ASSETS		
Cash and cash equivalents	\$	26,575
Investments		5,705,013
Total assets		5,731,588
LIABILITIES		
Due to others		351,162
Total liabilities		351,162
NET POSITION		
Restricted for:		
Individuals and organizations		5,380,426
Total net position		\$ 5,380,426

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, 2024

		Private- purpose Trust Funds
<hr/>		
Additions:		
Donations	\$	5,100
Investment earnings:		
Interest		123,073
Unrealized gain (loss)		92,464
Total additions		<u>220,637</u>
<hr/>		
Deductions:		
Scholarships and other		362,491
Total deductions		<u>362,491</u>
<hr/>		
Net increase (decrease) in fiduciary net position		(141,854)
Net position, beginning of year		<u>5,522,280</u>
<hr/>		
Net position, end of year	\$	<u>5,380,426</u>

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the City of South Portland have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

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

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

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

The City Special Revenue Fund accounts for grants and other funding sources that are designated for specific programs or projects.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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. 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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

G. Allowance for Doubtful Accounts

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

H. Restricted Assets

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

I. 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.

Lessee: The City of South Portland is a lessee in a facility lease and an equipment lease. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

I. Leases, continued

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. When possible, the City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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.

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

K. Compensated Absences

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

L. Long-term Obligations

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

M. Fund Balance

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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.

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 Postemployment Benefits (OPEB)

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

S. Deferred Inflows and Outflows of Resources

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

The governmental activities have three 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.

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, lease liabilities, 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, 2024:

	Governmental activities	Business-type activities
Capital assets	\$ 348,800,224	120,717,342
Accumulated depreciation	(141,748,438)	(61,668,273)
Bonds/notes payable and premiums	(103,832,568)	(2,189,062)
Add back bond proceeds unexpended	4,336,259	-
Deferred outflows related to refunding of debt	707,616	-
Lease liabilities	(149,320)	-
Financed purchases	(894,644)	-
Net investment in capital assets	\$ 107,219,129	56,860,007

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

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

An annual budget is adopted by the City Council for the General Fund, TIF Fund, City Bus Service Fund and the Sewer Use Fund. The budgets are prepared substantially in accordance with accounting principles generally accepted in the United States of America, except that the general fund revenues and expenditures related to “on-behalf payments” made by the State of Maine to the Maine Public Employees Retirement System for teachers and other school employees are not budgeted. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under accounting principles generally accepted in the United States of America of \$6,215,048.

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 \$63,808 in the General Fund.

The City maintains a gross budget model in the General Fund where the gross costs of providing services to other funds is budgeted annually within the General Fund. The City accounts for providing these services as intercity charges revenue (\$1,685,815) and an equal expenditure at the department level, under the budgetary basis of accounting. These revenues and expenditures are eliminated for GAAP basis of accounting, there is no effect on fund balance/net position at the end of the year for the elimination.

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

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

B. Deficit Fund Balances

At June 30, 2024, the following funds had deficit fund balances:

Special Revenue Funds:

Other State Grants (300157)	\$ 34,692	ME Community Foundation	18,470
Wellness Committee	1,473	United Way Adopt A School	2,778
Sustainability Grants	88	Catholic Charities	1,492
Body Armor	1,859	United Way Grant	1,037
Supplemental Homeland Security	47,452	Staff Computer Training	476
Other Federal Grants (310263)	5,446	Future Builders / Summer School	20,920
Police Donations	8,835	Robotics	19,602
Engine 4	981	21 st Century Donations	15,066
PW Other State Grants (300300)	30,894	Brown Friends	693
Other Federal Grants (310476)	824	Brown/ United Way Grant	766
Friends of South Portland Libraries	2,094	Adult Education	2,129
Title IA – Program Improvement	7,511		
Local Entitlement	282		
Vocational Education – 21 st Century	808	<u>Private-purpose Trusts</u>	
Elementary School Program	769	Harvie Scholarship	206
Adult Basic Education	2,700	A Varanelli Scholarship	259
AE College Transitions	401		
E Rate	5,593	<u>Capital Projects</u>	
Sustainability Committee	87	School FY 02 Projects	10,794
Memorial Tech Grant Koelker	1,237	Facilities/Bus Garage	12,996
National Semiconductor (Brown)	3,944		
Texas Instruments (Stem Grant)	3		

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

C. Excess of Expenditures Over Appropriations

The following General Fund appropriations were over-expended by the indicated dollar amounts: Public safety \$171,041 and Education \$1,208,268. These over-expenditures were funded by receipt of revenues in excess of appropriations and under-expenditures.

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

DEPOSITS AND INVESTMENTS

As of June 30, 2024, 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	\$ 5,677,083	-	3,995,273	1,681,810
Federal National Mortgage Assoc.	246,251	-	246,251	-
Federal Agriculture Mortgage Corp	1,083,291	-	326,188	757,103
Federal Farm Credit Bank	492,243	492,243	-	-
Federal Home Loan Bank	2,120,970	-	2,120,970	-
Certificates of Deposit	37,294,035	14,754,071	22,539,964	-
Stock Mutual Fund	102,637		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, 2024, the City had bank balances of \$47,572,188. In accordance with its investment policy, the City’s funds should, whenever practicable, be fully covered under FDIC, fully insured or fully collateralized, or covered with an irrevocable stand by letter of credit, with pledged collateral being at least 102% of market value of the principal and accrued interest, and must be marked to market daily. The City’s bank balances were either fully insured or collateralized at June 30, 2024.

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, 2024, the City had fair value investment balances of \$39,245,615 of which only the stock mutual fund of \$102,637 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, 2024, the City’s investments in Federal Home Loan Banks, Federal Farm Credit Bank, Federal Agriculture Mortgage Corporation, and Federal National Mortgage Associations were rated AA+ by Standard & Poor’s. In accordance with its investment policy, the City minimizes credit risk by limiting the types of investments to be purchased and diversifying the investment portfolio so that the impact of potential losses will be minimized.

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

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

PROPERTY TAX

Property taxes for the current period were committed on July 25, 2023 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 \$1,648,643 for the year ended June 30, 2024.

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>2024</u>	<u>2023</u>
Assessed value	\$ 5,481,251,900	4,911,231,400
Tax rate (per \$1,000)	14.14	15.56
Commitment	77,504,902	76,418,761
Supplemental	11,070	7,135
Less:		
Abatements	141,627	94,290
Collections	76,260,823	75,642,128
Current year taxes receivable at end of year	1,113,522	689,478
Taxes and liens receivable - prior years	453,494	293,029
Total taxes and liens receivable	\$ 1,567,016	982,507

		<u>2024</u>	<u>2023</u>
Due dates:	1st quarter	August 24, 2023	August 18, 2022
	2nd quarter	November 16, 2023	November 17, 2022
	3rd quarter	February 22, 2024	February 16, 2023
	4th quarter	May 16, 2024	May 18, 2023
Interest rate on delinquent taxes		8.00%	8.00%
Collection rate		98.6%	98.98%

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

CAPITAL ASSETS AND RIGHT OF USE ASSETS

Capital asset and right of use asset activity for governmental activities for the year ended June 30, 2024 was as follows:

	Restated Balance June 30, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2024</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 10,658,524	97,520	-	10,756,044
<u>Construction</u>	<u>5,843,161</u>	<u>2,395,275</u>	<u>3,670,979</u>	<u>4,567,457</u>
Total capital assets not being depreciated	16,501,685	2,492,795	3,670,979	15,323,501
Capital assets, being depreciated:				
Buildings	214,753,342	3,791,245	-	218,544,587
Improvements other than buildings	7,528,433	118,751	-	7,647,184
Machinery and equipment	20,512,533	3,090,543	-	23,603,076
Vehicles	20,109,839	2,787,606	1,074,398	21,823,047
Infrastructure	58,794,958	2,880,679	-	61,675,637
Right of use assets:				
Equipment	-	58,508	-	58,508
<u>Buildings</u>	<u>124,684</u>	<u>-</u>	<u>-</u>	<u>124,684</u>
Total capital assets being depreciated	321,823,789	12,727,332	1,074,398	333,476,723
Less accumulated depreciation for:				
Buildings	59,265,361	4,343,218	-	63,608,579
Improvements other than buildings	4,920,246	204,509	-	5,124,755
Machinery and equipment	14,269,599	1,534,612	-	15,804,211
Vehicles	13,474,994	1,409,071	1,020,315	13,863,750
Infrastructure	41,825,189	1,482,135	-	43,307,324
Right of use assets:				
Equipment	-	10,726	-	10,726
<u>Buildings</u>	<u>20,781</u>	<u>8,312</u>	<u>-</u>	<u>29,093</u>
Total accumulated depreciation	133,776,170	8,992,583	1,020,315	141,748,438
Total capital assets being depreciated, net	188,047,619	3,734,749	54,083	191,728,285
Governmental activities capital assets, net	<u>\$ 204,549,304</u>	<u>6,227,544</u>	<u>3,725,062</u>	<u>207,051,786</u>

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

Governmental activities:	
General government	\$ 335,954
Public safety	954,919
Public works	1,971,712
Culture and recreation	602,524
Transportation and waterfront	453,260
<u>Education</u>	<u>4,674,214</u>
Total depreciation expense – governmental activities	<u>\$ 8,992,583</u>

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

CAPITAL ASSETS, CONTINUED

Capital asset activity for business-type activities for the year ended June 30, 2024 was as follows:

	Balance June 30, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2024</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,221,558	1,002,941	-	2,224,499
Construction in progress	860,930	1,486,897	180,220	2,167,607
Total capital assets not being depreciated	2,082,488	2,489,838	180,220	4,392,106
Capital assets, being depreciated:				
Buildings	36,556,464	41,554	-	36,598,018
Improvements other than buildings	80,331	-	-	80,331
Machinery and equipment	21,581,768	952,069	-	22,533,837
Vehicles	1,229,882	691,244	299,036	1,622,090
Infrastructure	55,490,960	-	-	55,490,960
Total capital assets being depreciated	114,939,405	1,684,867	299,036	116,325,236
Less accumulated depreciation for:				
Buildings	24,740,647	749,679	-	25,490,326
Improvements other than buildings	80,331	-	-	80,331
Machinery and equipment	13,791,814	666,046	-	14,457,860
Vehicles	968,668	84,775	299,036	754,407
Infrastructure	20,058,791	826,558	-	20,885,349
Total accumulated depreciation	59,640,251	2,327,058	299,036	61,668,273
Total capital assets being depreciated, net	55,299,154	(642,191)	-	54,646,963
Business-type activities capital assets, net	\$ 57,381,642	1,847,647	180,220	59,049,069

Depreciation expense (\$2,327,058) for proprietary funds was charged entirely to the sewer fund.

LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2024 was as follows:

	Restated, Beginning <u>balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>balance</u>	Due within <u>one year</u>
Governmental activities:					
General obligation bonds	\$ 102,440,000	-	6,800,000	95,640,000	6,495,000
Bond premiums	9,341,325	-	1,148,757	8,192,568	1,050,547
Notes from direct borrowing	46,511	-	46,511	-	-
Lease liabilities	107,589	58,508	16,777	149,320	18,399
Financed purchases	1,211,735	17,017	334,108	894,644	229,176
Landfill closure	99,400	-	14,200	85,200	14,200
Other postemployment benefits	13,096,065	114,070	-	13,210,135	-
Net pension liability	8,087,108	1,776,848	-	9,863,956	-
Compensated absences	3,019,087	1,843,765	1,344,261	3,518,591	1,201,239
Governmental activities long-term liabilities	\$ 137,448,820	3,810,208	9,704,614	131,554,414	9,008,561

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

LONG-TERM DEBT, CONTINUED

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

	Beginning <u>balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>balance</u>	Due within <u>one year</u>
Business-type activities:					
Notes from direct borrowing	\$ 2,386,164	-	197,102	2,189,062	197,102
Net pension liability	601,481	109,316	-	710,797	-
Total OPEB liability	372,977	11,480	-	384,457	-
Compensated absences	303,403	112,648	129,163	286,888	128,722
Business-type activities					
long-term liabilities	\$ 3,664,025	233,444	326,265	3,571,204	325,824

Bonds payable and notes from direct borrowing at June 30, 2024 are 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>2024</u>
Governmental activities:					
2014 HS Construction – School	4/10/2014	\$ 8,850,000	4/15/2034	2.25-3.25%	4,400,000
2017 Municipal Service Facility – City	9/8/2016	12,700,000	9/1/2036	2.00-5.00%	8,255,000
2017 Advance Refund 2010 & 2012	9/13/2017	15,700,000	7/15/2029	2.375-4.00%	8,625,000
2021 General Obligation Bond	8/20/2020	7,950,000	8/15/2040	2.00-5.00%	6,555,000
2022 Middle School and Traffic Bond	4/7/2022	60,785,000	10/1/2042	3.00-5.00%	57,660,000
2022 Open Space Bond	4/7/2022	4,490,000	4/1/2043	3.25-3.86%	4,265,000
2022 Refund 2012 HS Construction	4/19/2022	5,880,000	7/15/2032	2.50-3.00%	5,880,000
Total governmental activities					95,640,000
Business-type activities:					
2009 SRF (Long Creek) *	10/7/2009	\$ 749,716	10/1/2029	0.00%	149,062
2015 CWSRF *	8/30/2015	3,500,000	8/1/2035	0.35%	2,040,000
Total business-type activities					2,189,062
Total bonds and notes payable					\$ 97,829,062

* Notes from direct borrowing.

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

LONG-TERM DEBT, CONTINUED

The annual requirements to amortize governmental activities long-term debt outstanding as of June 30, 2024 are as follows:

<u>June 30,</u>	<u>Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 6,495,000	3,565,724	10,060,724
2026	6,490,000	3,279,236	9,769,236
2027	6,490,000	2,992,874	9,482,874
2028	6,485,000	2,707,587	9,192,587
2029	6,480,000	2,434,049	8,914,049
2030-2034	29,715,000	8,422,590	38,137,590
2035-2039	19,875,000	3,623,977	23,498,977
2040-2043	13,610,000	841,112	14,451,112
Total	\$ 95,640,000	27,867,149	123,507,149

The annual requirements to amortize business-type activity long-term debt outstanding as of June 30, 2024 are as follows:

<u>June 30,</u>	<u>Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 197,102	15,685	212,787
2026	197,102	15,060	212,162
2027	197,102	14,435	211,537
2028	197,103	13,810	210,913
2029	197,102	13,186	210,288
2030-2034	863,551	56,557	920,108
2035-2036	340,000	18,249	358,249
Total	\$ 2,189,062	146,982	2,336,044

Financed purchases payable at June 30, 2024 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, 2024</u>
Governmental activities:					
Fire Truck	10/24/2018	\$ 963,882	10/24/2025	3.28%	256,613
Streetlights	4/30/2020	1,000,000	4/30/2030	1.83%	621,655
Nissan Leaf	5/26/2024	17,017	4/26/2028	4.90%	16,376
Total governmental activities					\$ 894,644

All finance purchases are secured by the underlying assets.

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

LONG-TERM DEBT, CONTINUED

The annual requirements to amortize governmental activities financed purchases payable outstanding as of June 30, 2024 are as follows:

<u>June 30,</u>	<u>Notes</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2025	\$ 229,176	20,037	249,213
2026	235,333	13,880	249,213
2027	107,016	7,543	114,559
2028	108,327	5,440	113,767
2029	106,420	3,437	109,857
2030	108,372	1,486	109,858
Total	\$ 894,644	51,823	946,467

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, 2024, the statutory limit for the City was \$1,004,557,500. The City's outstanding long-term debt of \$97,829,062 at June 30, 2024 was \$906,728,438 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, 2024:

<u>Governmental Unit</u>	<u>Net debt outstanding</u>	<u>Applicable to South Portland</u>	<u>City's share of debt</u>
Cumberland County	\$ 29,875,601	2,676,754	8.96%
Portland Water District	65,451,334	8,456,312	12.92%

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, 2024 includes total assets of \$93,469,373, and total liabilities and deferred inflows of resources of \$48,029,385 and unrestricted net position of \$12,289,312. The liabilities include an accrual for landfill closure and postclosure care amounting to \$18,497,670. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2023 and a projected closing date. The separate audited financial statements of ecomaine may be obtained at their administrative office: ecomaine, 64 Blueberry Road, Portland, Maine 04102.

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

LANDFILL

The City records a liability for the estimated costs of landfill closure and postclosure care, as required by government authorities. State and federal laws and regulations require the City to place a final cover on its Highland Avenue landfill site and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill ceased accepting waste, effective January 1, 1993, as required by State regulations. Since that time, the twenty-five acre landfill has remained inactive. Although it was not at capacity, its useful life was over. The City completed the landfill closure process in fiscal year 2000. At June 30, 2024, the City had recorded approximately \$85,200 of estimated cost remaining related to postclosure care of the landfill. The City has amounts available in the general fund to fund these estimated costs. The actual cost may be higher due to inflation, changes in technology, or changes in regulations.

INTERFUND BALANCES AND TRANSFERS

As of June 30, 2024, interfund loans receivable and payable were as follows:

<u>Fund</u>	<u>Interfund receivable</u>	<u>Interfund payable</u>
General Fund	\$ -	197,749
Capital Projects	-	2,723,411
ARPA Grant	-	3,125,813
City Bus Service	-	1,098,468
City Special Revenue Fund	9,925,272	-
Nonmajor Special Revenue Funds:		
School Adult Ed	572	-
School Lunch Fund	113,100	-
School Grant Funds	-	2,531,230
Nonmajor Permanent Funds		
Louis V Whitten Bequest	23	-
Virginia Lewis Bequest	-	11,134
Private-purpose Trust Funds	-	351,162
Total interfund balances	\$ 10,038,967	10,038,967

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.

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

INTERFUND BALANCES AND TRANSFERS, CONTINUED

As of June 30, 2024, interfund transfers were as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 752,456	2,113,372
Sewer Fund	913,476	-
Tax Increment Financing	539,491	1,493,562
Capital Projects	1,348,001	-
ARPA Grant	-	300,000
Nonmajor Special Revenue Funds:		
City Special Revenues	40,598	-
School Grant Fund	12,912	-
School Lunch Fund	300,000	-
Total interfund transfers	\$ 3,906,934	3,906,934

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.

FUND BALANCES

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

The policy was adopted by the City to recognize the financial importance of a stable and sufficient level of unassigned fund balance. However, the City Council reserves the right to appropriate funds from the unassigned fund balance for emergencies and other requirements the City Council believes to be in the best interest of the City of South Portland. At June 30, 2024, the City maintained an unassigned general fund balance of \$18,537,873, which is 14.8% of the fiscal year 2025 General Fund budget of \$125,277,071.

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 \$2,406,235 tax rate stabilization reserve at June 30, 2024 with \$0 anticipated to be used in the funding of fiscal year ending June 30, 2025 budget.

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

FUND BALANCES, CONTINUED

As of June 30, 2024, fund balance components consisted of the following:

	General <u>Fund</u>	Other Governmental <u>Funds</u>	<u>Total</u>
Nonspendable:			
Lease related	\$ 216,253	-	216,253
Prepaid expenditures	177,921	-	177,921
School lunch inventory	-	49,047	49,047
Principal for permanent funds	-	193,519	193,519
Total nonspendable	394,174	242,566	636,740
Restricted:			
Education	2,803,851	1,017,427	3,821,278
TIF funds	-	12,986,556	12,986,556
Capital projects – unspent bond proceeds	-	761,102	761,102
ARPA Fund	-	4,222	4,222
Land Bank - unspent bond proceeds	-	3,575,157	3,575,157
Grants – Housing and business development	-	480,452	480,452
Grants – Other planning and general government	-	303,618	303,618
Grants – Fire and police	-	2,469,045	2,469,045
Grants – Public Works	-	1,023,505	1,023,505
Grants – FTA	-	19,185	19,185
Grants – Culture and recreation	-	482	482
Donations – Culture and recreation	-	204,570	204,570
Permanent funds	-	149,646	149,646
Total restricted	2,803,851	22,994,967	25,798,818
Committed:			
General government:			
Tax stabilization reserve	2,406,235	-	2,406,235
Climate action plan	31,951	-	31,951
Equipment replacement reserve	257,492	-	257,492
Unemployment reserve	69,671	-	69,671
Self-insurance reserve	247,300	-	247,300
Safety reserve	248,661	-	248,661
Computerization reserve	189,823	-	189,823
Litigation legal reserve	90,735	-	90,735
Municipal facilities reserve	41,306	-	41,306
Municipal buildings and land acq.	136,046	-	136,046
Other reserves	9,463	283,094	292,557
South Portland Community TV	-	481,022	481,022
Freshwater wetland fund	-	374,699	374,699

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

FUND BALANCES, CONTINUED

	General Fund	Other Governmental Funds	Total
Public safety:			
Fire equipment and vehicle reserve	\$ 1,073,638	-	1,073,638
Police equipment reserves	70,957	-	70,957
Call company retirement reserve	41,097	-	41,097
Hazardous materials fund	-	84,941	84,941
Other	-	36,210	36,210
Public works:			
Snow removal reserve	449,070	-	449,070
Cummings Road sewer reserve	243,655	-	243,655
Solid waste reserve	39,910	-	39,910
Other reserves	185,559	6,600	192,159
Street openings and recycling funds	-	491,604	491,604
Sewer impact fund	-	473,878	473,878
Transit and waterfront:			
Bus reserve	42,641	-	42,641
Thomas Knight Boat Landing and Boat Ramp	-	9,955	9,955
Culture and recreation:			
Golf course	-	477,944	477,944
Other	20,574	137,236	157,810
Education	-	232,159	232,159
Capital projects	-	3,168,235	3,168,235
Total committed	5,895,784	6,257,577	12,153,361
Assigned:			
Compensated absences reserve	860,388	-	860,388
Vehicle replacement – police	138,450	-	138,450
Phone system reserve	97,336	-	97,336
Outside overtime - fire	8,438	-	8,438
Outside overtime - police	41,379	-	41,379
Public works fuel distribution	102,519	-	102,519
Fiscal year 2025 capital	375,000	-	375,000
Fiscal year 2025 operating budget	860,000	-	860,000
Encumbrances:			
General government	5,564	-	5,564
Public safety	9,539	-	9,539
Culture and recreation	5,589	-	5,589
Public works	41,072	-	41,072
Total assigned	2,545,274	-	2,545,274
Unassigned	18,537,873	(265,192)	18,272,681
Total fund balance	\$ 30,176,956	29,229,918	59,406,874

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

FUND BALANCES, CONTINUED

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, 2024, the School Department’s General fund reported a total fund balance of \$2,903,303 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:

Nonspendable – Prepaids	\$ 99,452
Committed Reserves	262,275
Assigned to 2025 Budget	1,050,000
Assigned to Encumbrances	2,044
<u>Unassigned Fund balance</u>	<u>1,489,532</u>
 <u>Total Fund balance</u>	 <u>\$ 2,903,303</u>

CONSTRUCTION COMMITMENTS

The City has entered into a contract in connection with the waste water treatment plant electrical system upgrade construction project. The following is a summary of the commitments at June 30, 2024:

	Contract <u>Total</u>	Percentage <u>Complete</u>	Billed <u>to Date</u>	Balance <u>Remaining</u>
Treatment Plant Project:				
Construction Services	\$1,689,000	16%	270,540	1,418,460

TAX INCREMENT FINANCING DISTRICTS

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

	Original <u>value</u>	Increase in <u>value</u>	TIF <u>cap</u>	Captured <u>value</u>	Captured <u>tax</u>
Fairchild TIF	\$ 33,512,500	40,508,600	100%	40,508,600	547,703
Texas Instruments TIF	20,509,000	180,871,800	50%	90,435,900	1,231,207
One Wallace TIF	2,673,885	5,991,515	100%	5,991,515	81,569
Cummings TIF	1,697,100	25,184,200	0%	-	-
Long Creek TIF	1,202,392	11,520,208	0%	-	-
Jared TIF	1,265,626	1,450,774	100%	1,450,774	19,751
Hannaford TIF	388,205	10,308,995	100%	10,308,995	140,348
Downtown TIF	192,803,329	30,087,329	100%	30,087,329	409,611
Transit TIF	29,533,558	6,761,142	25%	1,690,285	23,012
Affordable:					
Brick Hill TIF	-	57,231,200	100%	57,231,200	779,153
Thornton Heights TIF	558,100	4,737,700	100%	4,737,700	64,500
Avesta Westbrook TIF	334,800	15,498,400	100%	15,498,400	210,998

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.

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

TAX INCREMENT FINANCING DISTRICTS, CONTINUED

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

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

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

The City had twelve approved Tax Increment Financing Districts as of June 30, 2024. For FY 2024, the City captured \$3,507,852 in TIF tax revenues and disbursed \$950,906 in C.E.A. payments to five (4) developers. The remaining \$2,556,946, 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 \$164,361 to Avesta Housing to reimburse for development costs related to the development of a 64 unit affordable project. The current amended C.E.A. became effective for FY 2018 and the company must keep the units as affordable housing units through the end of the agreement to be eligible for reimbursement. The FY2024 reimbursement was at a 78% reimbursement of taxes captured rate.

The City disbursed \$229,117 to DIODES US Manufacturing, Inc. to reimburse for investments in plant equipment to make the facility more cost competitive in the highly competitive semiconductor industry. The current amended C.E.A. became effective for FY 2018 and the company annually must meet a minimum investment in the plant (three-year average) of at least \$6 million, with a sliding scale reimbursement percentage based on the investment. The FY 2024 reimbursement was at a 42% reimbursement of taxes captured rate.

The City disbursed \$507,185 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 FY2024 was at 65% of taxes captured.

CONTINGENT LIABILITIES

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

NET PENSION LIABILITY

General Information about the Pension Plans

The City contributes to two defined benefit pension plans, (1) the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and (2) the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan). Both Plans are considered cost-sharing multiple employer defined benefit pensions. As of the year ended June 30, 2024, the City had the following balances reported in the government-wide financial statements:

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

NET PENSION LIABILITY, CONTINUED

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Gain)
PLD Plan	\$ 7,897,744	3,700,533	1,435,422	3,086,213
SET Plan	2,677,009	2,369,115	248,352	6,921,302
Total	\$ 10,574,753	6,069,648	1,683,774	10,007,515

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

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

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

PLD Plan - Employees are required to contribute 6.95% to 10.7% of their annual pay. The City's contractually required contribution rate for the year ended June 30, 2024, was 10.2% of annual payroll for the regular plan and 12.8% of annual payroll for the special plan. Contributions to the pension plan from the City were \$2,234,306 for the year ended June 30, 2024.

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, 2024, was 18.98% of annual payroll of which 4.47% of payroll was required from the City and 14.51% was required from the State. Contributions to the pension plan from the City were \$1,570,511 for the year ended June 30, 2024.

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, 2023, 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.

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

NET PENSION LIABILITY, CONTINUED

PLD Plan - At June 30, 2024, the City reported a liability of \$7,897,744 for its proportionate share of the net pension liability. \$7,186,947 was allocated to government activities and \$710,797 was allocated to Business-type Activities. At June 30, 2023, the City's proportion of the PLD Plan was 2.4750%.

SET Plan - At June 30, 2024, the City reported a liability in governmental activities for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$ 2,677,009
State's proportionate share of the net pension liability associated with the City	30,605,634
Total	\$ 33,282,643

At June 30, 2023, the City's proportion of the SET Plan was 0.1765%.

For the year ended June 30, 2024, the City recognized a pension expense of \$2,808,454 for the governmental activities and a pension expense of \$277,759 for the business-type activities for the PLD Plan. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the PLD plan from the following sources:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 1,334,267	-	131,960	-
Changes of assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,219,586	-	120,618
Changes in proportion and differences between City contributions and proportionate share of contributions	-	86,648	-	8,570
City contributions subsequent to the Measurement date	2,033,218	-	201,088	-
Total	\$ 3,367,485	1,306,234	333,048	129,188

\$2,033,218 for governmental activities and \$201,088 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, 2025. 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>
2025	\$ (142,696)	(14,113)
2026	(1,122,956)	(111,062)
2027	1,236,990	122,340
2028	56,695	5,607

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

NET PENSION LIABILITY, CONTINUED

For the year ended June 30, 2024, the City recognized pension expense of \$6,921,302 in governmental activities for the SET Plan with revenue of \$5,099,465 for support provided by the State. At June 30, 2024, 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	\$ 219,328	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	248,352
Changes in proportion and differences between City contributions and proportionate share of contributions	579,276	-
City contributions subsequent to the measurement date	1,570,511	-
Total	\$ 2,369,115	248,352

\$1,570,511 is reported in governmental activities as deferred outflows of resources related to the SET plan resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2025. 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:

2025	\$ 97,694
2026	(7,204)
2027	447,201
2028	12,561

Actuarial Assumptions - The total pension liability in the June 30, 2023 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, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020 and the economic assumptions are based on this experience study along with advice of the MPERS investment consultants.

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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	30.0%	6.0%
U.S. Government	10.0%	2.6%
Private equity	12.5%	7.6%
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	5.0%	3.2%
Alternative credit	10.0%	7.4%
Diversifiers	7.5%	5.0%

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 (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	\$ 21,640,392	7,897,744	(3,438,824)
 <u>SET Plan</u>	 1% Decrease (5.50%)	 Current Discount Rate (6.50%)	 1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	\$ 5,263,624	2,677,009	523,790

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, 2024.

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plans

The City contributes to four postemployment 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, 2024, 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	\$ 3,813,686	741,559	1,292,699	33,149
School Life Insurance Plan	-	-	-	110,451
City Life Insurance Plan	458,057	52,355	78,831	(1,457)
School Health Plan	9,322,849	527,057	-	183,402
Total	\$ 13,594,592	1,320,971	1,371,530	325,545

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE

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

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

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

PLD OPEB Plan - Premiums total \$0.48 per \$1,000 of coverage per month during the postemployment retirement period. Contributions to the PLD OPEB plan from the City were \$11,284 for the year ended June 30, 2024.

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 \$110,451 for the year ended June 30, 2024. Employers and employees are not required to contribute to the SET OPEB plan.

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

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, 2023, 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, 2024, the City reported a liability of \$458,057 for its proportionate share of the net OPEB liability. \$416,832 was allocated to governmental activities and \$41,225 to business-type activities. At June 30, 2023, the City’s proportion was 3.3570%.

SET OPEB Plan - At June 30, 2024, 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 \$805,369 as of June 30, 2024. At June 30, 2023, the City’s proportion was 0.00%.

For the year ended June 30, 2024, the City recognized OPEB gain of \$1,326 for governmental activities and a OPEB gain of \$131 for business-type activities for the PLD OPEB Plan. For the year ended June 30, 2024, the City recognized OPEB expense for governmental activities of \$110,451 and revenues of \$110,451 for support provided by the State related to the SET OPEB Plan. At June 30, 2024, the City reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB Plan.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB Plan from the following sources:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 4,141	-	410	-
Changes of assumptions	-	71,736	-	7,095
Net difference between projected and actual earnings on pension plan investments	13,417	-	1,327	-
Changes in proportion and differences between City contributions and proportionate share of contributions	19,816	-	1,960	-
City contributions subsequent to the measurement date	10,268	-	1,016	-
Total	\$ 47,642	71,736	4,713	7,095

An amount of \$10,268 for governmental activities and \$1,016 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, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

Year Ended <u>June 30:</u>	Governmental <u>Activities</u>	Business-type <u>Activities</u>
2025	\$ (29,074)	(2,875)
2026	(37,294)	(3,688)
2027	29,181	2,886
2028	2,204	218
2029	621	61

Actuarial Assumptions - The net OPEB liability in the June 30, 2023 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020 and the economic assumptions are based on this experience study along with advice of the MPERS investment consultants.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	70.0%	6.0%
Real estate	5.0%	5.2%
Traditional credit	16.0%	3.2%
U.S. government securities	9.0%	2.3%

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

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

Sensitivity of the City’s Proportionate Share of the Net 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	\$ 635,321	458,057	315,567

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 postretirement 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, 2024, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	19
Inactive employee entitled to but not yet receiving benefits	-
Active employees	248
Total	267

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

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

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

The City’s total Health Plan OPEB liability of \$3,813,686 was measured as of January 1, 2024, and was determined by applying an actuarial valuation as of the same date. \$343,232 has been allocated to the business-type activities and \$3,470,454 has been allocated to the governmental activities.

Changes in the Total Health Plan OPEB Liability

	Total OPEB Liability
Balance at June 30, 2023	\$ 3,659,465
Changes for the year:	
Service cost	125,659
Interest	138,446
Changes of benefit terms	-
Differences between expected and actual experience	(667,815)
Changes in assumptions or other inputs	686,029
Benefit payments	(128,098)
Net changes	154,221
Balance at June 30, 2024	\$ 3,813,686

Change in assumptions reflects a change in the discount rate from 3.72% to 3.26%.

For the year ended June 30, 2024, the City recognized OPEB expense of \$2,983 for the business-type activities and \$30,165 for the governmental activities related to the Health Plan. At June 30, 2024, 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	\$	-	1,176,356	-	116,343
Changes of assumption or other inputs		622,105	-	61,526	-
Contributions subsequent to measurement		52,714	-	5,214	-
Total	\$	674,819	1,176,356	66,740	116,343

An amount of \$52,714 for governmental activities and an amount of \$5,214 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, 2025. 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:

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

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

Year ended June 30:	Governmental Activities	Business-type Activities
2025	\$ (99,168)	(9,808)
2026	(130,748)	(12,931)
2027	(86,117)	(8,517)
2028	(86,121)	(8,517)
2029	(23,436)	(2,318)
Thereafter	(128,662)	(12,725)

The total OPEB liability in the January 1, 2024 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	2.38% per annum
Salary increases	2.75% per annum
Discount rate	3.26% per annum
Healthcare cost trend rates	6.50% for 2025, decreasing to 3.81% for 2044
Retirees' share of the benefit related costs	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, 2024 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 3.26%. Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year tax-exempt general obligation municipal bond index. The rate is assumed to be an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate - The following presents the City's total OPEB liability related to the Health Plan calculated using the discount rate of 3.26%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.26%) or 1 percentage-point higher (4.26%) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB liability	\$ 4,447,686	3,813,686	3,297,875

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

		1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$	3,235,600	3,813,686	4,555,646

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MEABT

General Information about the OPEB Plan

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

Benefits Provided - MEABT provides healthcare insurance benefits for retirees and their dependents. The employee must have participated in the MEABT health plan for the 12 months prior to retirement and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits. The retiree is eligible for a State subsidy of 60% 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 40% 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, 2024, the following employees were covered by the benefit terms:

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

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

The City’s total OPEB liability for governmental activities of \$9,322,849 was measured as of June 30, 2023, and was determined through roll-forward procedures of an actuarial valuation as of June 30, 2022.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2023	\$ 9,324,858
Changes for the year:	
Service cost	144,721
Interest	329,395
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(143,948)
Benefit payments	(332,177)
Net changes	(2,009)
Balance at June 30, 2024	\$ 9,322,849

Change in assumptions reflects a change in the discount rate from 3.54% to 3.65%.

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

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

For the year ended June 30, 2024, The City recognized OPEB expense for governmental activities of \$183,402. At June 30, 2024, 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	\$ 74,265	-
Differences between expected and actual experience	72,551	-
City contributions subsequent to the measurement date	380,241	-
Total	\$ 527,057	-

\$380,241 is reported for governmental activities as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025. 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:	
2025	\$ 152,302
2026	72,317
2027	72,316
2028	(59,522)
2029	(70,033)
Thereafter	(20,564)

Actuarial Assumptions - The total OPEB liability in the June 30, 2023 actuarial valuation for the total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.70%
Salary increases	2.75% per year
Discount rate	3.65% per annum
Healthcare cost trend rates - Pre-Medicare	7.95% for 2023 grading over 19 years to 4.00%
Healthcare cost trend rates – Medicare	0.00% for 2023 and 5.62% for 2024 grading over 18 years to 4.29%
Retirees’ share of the benefit related costs	40% of the blended premium rate with a State subsidy for the remaining 60% of the blended premium rate

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

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

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

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

Discount Rate - The rate used to measure the total OPEB liability was 3.65% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the City’s total OPEB liability calculated using the discount rate of 3.65%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.65%) or 1 percentage-point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	\$ 10,766,137	9,322,849	8,155,768

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	\$ 8,010,875	9,322,849	10,970,490

DEFERRED COMPENSATION PLAN

The City of South Portland offers on a voluntary basis to all permanent employees working at least fifteen hours per week and covered by the City’s Section 215 Agreement (Social Security), and who do not participate in the Maine Public Employees Retirement System Plan, the following options, with a City contribution: Internal Revenue Code Section 457, Deferred Compensation Plan or Internal Revenue Code Section 401(a), Defined Contribution Plan. In addition, employees who participate in the MPERS plan or 401(a) plans may also participate in the 457 Deferred Compensation Plan without a City contribution. The employees’ accounts are not available until termination, retirement, death or an unforeseeable emergency. The City contributed approximately \$380,649 to the plans during the year ended June 30, 2024.

RISK MANAGEMENT

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

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

RISK MANAGEMENT, CONTINUED

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 2024:

	<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>	937	-
Total incurred claims	937	-
Payments:		
Claims attributable to current year	-	-
<u>Claims attributable to prior year</u>	-	-
Total payments	-	-
<u>Unpaid claims, end of year</u>	<u>\$ 5,566</u>	<u>-</u>

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

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

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

LEASES

Lease Receivable

The City leases cell tower space to a third party. The lease matures in 2034 and the City receives monthly payments of \$2,070, which is adjusted for inflation every five years. The City recognized \$23,997 in lease revenue and \$12,015 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the City's receivable for lease payments was \$393,519. 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, 2024, the balance of the deferred inflow of resources was \$359,956.

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

LEASES, CONTINUED

The City leases cell tower space to a third party. The lease matures in 2043 and the City receives monthly payments of \$2,100, which is adjusted for inflation annually. The City recognized \$18,133 in lease revenue and \$16,109 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the City's receivable for lease payments was \$531,511. 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, 2024, the balance of the deferred inflow of resources was \$530,380.

The City leases marina space to a third party. The lease matures in 2050 and the City receives monthly payments of \$23,539. The City recognized \$189,178 in lease revenue and \$154,619 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the City's receivable for lease payments was \$5,084,429. 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, 2024, the balance of the deferred inflow of resources was \$4,902,870.

Lease Payable

In January, 2021, the City executed a fifteen-year agreement with Avesta Housing Management to lease a portion of a building for use as office space. The lease does not include an extension period, and rent remains fixed during term of the lease, and as of July 1, 2021, the City recorded a right of use asset of \$124,684 and lease liability of \$124,684. During the year, the city paid \$7,093 in principal and \$3,392 of interest.

In July, 2023, the City executed a five-year agreement with OTS Lease Corp to lease photo copiers for the School Department. The lease does not include an extension period and rent remains fixed during term of the lease. During the year, the City recorded both a right of use asset and liability of \$58,058 and paid \$9,684 in principal and \$2,432 of interest.

City of South Portland Governmental Activities (Lessee)

Year Ending June 30	Right of use asset book value	Annual Amortization	Lease Liability – Long Term	Lease Liability – Short Term	Annual Payment	Annual Interest	Annual Principal
2025	\$124,334	19,039	111,726	19,195	23,702	5,303	18,399
2026	105,295	19,039	91,698	20,028	23,702	4,507	19,195
2027	86,256	19,039	70,801	20,897	23,702	3,675	20,027
2028	67,218	13,188	61,361	20,898	23,702	2,805	20,897
2029	54,030	13,188	52,743	9,440	11,586	2,146	9,440
2030 - 2034	12,468	41,561	15,330	N/A	52,425	6,395	46,030
2035 - 2036	N/A	12,468	N/A	N/A	15,727	397	15,330

RESTATEMENT OF FUND BALANCE AND NET POSITION

During the year, it was discovered that a pay requisition related to construction services performed in the prior year was not included in construction in progress for governmental activities. The total amount not capitalized was \$544,423. The effect of the correcting error is shown in column A of the table on the next page.

During the year, it was also found that the City had not properly identified a prior lease of property. The addition of this lease in the prior year increased capital assets by \$124,684, accumulated depreciation by \$20,781, and lease liability by \$107,589. The effect of the correcting error is shown in column A of the table below.

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

RESTATEMENT OF FUND BALANCE AND NET POSITION, CONTINUED

Additionally, during the year it was discovered that the City misinterpreted the cost sharing provisions of a federally funded road project. The City was not accounting for the 75% reimbursement to be received for the project and underreported revenues as a result. The total federal revenues that were underreported in the prior year totaled \$220,152. Additionally, \$136,106 in prior year expenditures were not properly accrued. The effect of the correcting error is shown in column A of the table below.

During the current year, it was discovered that the School Department under reported grant revenues related to the English Learner Hardship program. The total grant revenues that were not reported in the prior year totaled \$411,796. The effect of the correcting error is shown in column A of the table below.

Finally, the City Special Revenue Fund was determined to be a major fund in fiscal year 2024. This change within the reporting entity resulted in \$10,664,157 being reclassified from non-major funds.

During fiscal year 2024, correction of errors in previously issued reports and the change within the reporting entity resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	June 30, 2024, as Previously Reported	Error Correction (A)	Change within Reporting Entity	June 30, 2024, as Restated
Government-Wide				
Governmental Activities	\$133,412,984	\$1,036,579	-	\$134,449,563
Business-Type Activities	68,203,535	-	-	68,203,535
Total Primary Government	<u>201,616,519</u>	<u>1,036,579</u>	<u>-</u>	<u>202,653,098</u>
Governmental Funds				
Major Funds				
General	30,350,927	411,796	-	30,762,723
TIF	10,359,464	-	-	10,359,464
Capital Projects	9,216,631	(95,954)	-	9,120,677
ARPA	4,222	-	-	4,222
City Bus Service	(720)	-	-	(720)
City Special Revenue	-	180,000	10,664,157	10,844,157
Nonmajor Funds	12,174,275	-	(10,664,157)	1,510,118
Total Governmental Funds	<u>62,104,799</u>	<u>495,842</u>	<u>-</u>	<u>62,600,641</u>
Proprietary Funds				
Major Fund				
Sewer	68,203,535	-	-	68,203,535
Total Proprietary Funds	<u>\$ 68,203,535</u>	<u>-</u>	<u>-</u>	<u>\$ 68,203,535</u>

SUBSEQUENT EVENTS

Effective in January 2025, the City of South Portland transferred City Bus Service operations to the Greater Portland Transit District (also known as Greater Portland Metro). All operations were transferred, including buses, passenger stations, and other equipment with a book value of \$1,365,290.

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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service cost	\$ 125,659	150,948	164,571	142,250	104,897	119,463	100,023
Interest	138,446	83,927	86,028	100,308	171,098	153,762	154,034
Changes of benefit terms	-	-	-	-	(74,909)	-	-
Differences between expected and actual experience	(667,815)	-	(242,162)	-	(1,188,949)	-	50,155
Changes of assumptions or other inputs	686,029	(427,897)	140,622	228,289	569,061	(392,360)	227,448
Benefit payments	(128,098)	(140,681)	(97,965)	(94,197)	(166,351)	(159,953)	(152,457)
Net change in total OPEB Liability	154,221	(333,703)	51,094	376,650	(585,153)	(279,088)	379,203
Total OPEB liability - beginning	3,659,465	3,993,168	3,942,074	3,565,424	4,150,577	4,429,665	4,050,462
Total OPEB liability - ending	\$ 3,813,686	3,659,465	3,993,168	3,942,074	3,565,424	4,150,577	4,429,665
Covered-employee payroll	\$ 16,611,563	14,061,999	14,061,999	14,486,458	14,486,458	12,670,169	12,670,169
Total OPEB liability as a percent of covered-employee payroll	23.0%	26.0%	28.4%	27.2%	24.6%	32.8%	35.0%

*Only seven years of information available.

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

CITY OF SOUTH PORTLAND, MAINE
Required Supplementary Information, Continued

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability						
Service cost	\$ 144,721	184,720	170,461	89,729	76,048	81,043
Interest	329,395	207,940	209,638	325,843	339,728	325,956
Changes of benefit terms	-	-	-	(879,151)	-	-
Differences between expected and actual experience	-	58,505	-	75,776	-	-
Changes of assumptions or other inputs	(143,948)	(404,788)	73,583	847,089	479,910	(376,640)
Benefit payments	(332,177)	(325,593)	(328,244)	(398,008)	(358,156)	(345,777)
Net change in total OPEB Liability	(2,009)	(279,216)	125,438	61,278	537,530	(315,418)
Total OPEB liability - beginning	9,324,858	9,604,074	9,478,636	9,417,358	8,879,828	9,195,246
Total OPEB liability - ending	\$ 9,322,849	9,324,858	9,604,074	9,478,636	9,417,358	8,879,828
Covered-employee payroll	\$ 23,323,862	22,754,988	22,421,039	21,874,185	23,347,539	22,722,666
Total OPEB liability as a percent of covered-employee payroll	40.0%	41.0%	42.8%	43.3%	40.3%	39.1%

*Only six years of information available.

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

CITY OF SOUTH PORTLAND, MAINE
Required Supplementary Information, Continued

Schedule of 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*

	2024	2023	2022	2021	2020	2019	2018
PLD Plan							
City's proportion of the net OPEB liability	3.3570%	3.3468%	3.3019%	3.1859%	3.1896%	3.1390%	3.1749%
City's proportionate share of the net OPEB liability	\$ 458,057	484,719	340,886	420,295	682,504	634,111	530,896
City's covered payroll	18,840,598	16,426,079	14,937,614	13,408,609	13,675,811	12,667,956	12,293,702
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	2.43%	2.95%	2.28%	3.13%	4.99%	5.01%	4.32%
Plan fiduciary net position as a percentage of the total OPEB liability	59.71%	55.88%	67.26%	55.40%	43.18%	43.92%	47.42%
SET Plan							
City's proportion of the net OPEB liability	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
City's proportionate share of the net OPEB liability	-	-	-	-	-	-	-
State's proportionate share of the net OPEB liability associated with the City	805,369	916,412	450,691	928,551	890,785	893,199	852,965
Total	\$ 805,369	916,412	450,691	928,551	890,785	893,199	852,965
Plan fiduciary net position as a percentage of the total OPEB liability	56.97%	52.39%	62.90%	49.51%	49.22%	48.04%	47.29%

* Only seven 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*

	2024	2023	2022	2021	2020	2019	2018
PLD OPEB Plan							
Contractually required contribution	11,284	12,080	11,348	12,225	10,976	11,681	11,850
Contributions in relation to the contractually required contribution	(11,284)	(12,080)	(11,348)	(12,225)	(10,976)	(11,681)	(11,850)
Contribution deficiency (excess)	-						
City's covered payroll	19,521,402	18,840,598	16,426,079	14,937,614	13,408,609	13,675,811	12,667,956
Contributions as a percentage of covered payroll	0.06%	0.06%	0.07%	0.08%	0.08%	0.09%	0.09%

* Only seven 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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
PLD Pension Plan										
City's proportion of the net pension liability (asset)	2.4750%	2.5140%	2.5398%	2.5828%	2.5616%	2.5212%	2.5383%	2.5640%	2.5958%	2.6531%
City's proportionate share of the net pension liability (asset)	\$ 7,897,744	6,683,127	(816,199)	10,261,907	7,829,928	6,899,904	10,392,557	13,623,357	8,281,849	4,082,632
City's covered payroll	18,840,598	16,426,079	14,937,614	13,408,609	13,675,811	12,667,956	12,293,702	11,567,444	10,562,181	9,928,201
City's proportionate share of net Pension liability (asset) as a percentage of its covered payroll	41.92%	40.69%	-5.46%	76.53%	57.25%	54.47%	84.54%	117.77%	78.41%	41.12%
Plan fiduciary net position as a percentage of the total pension liability	92.34%	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	81.61%	88.27%	94.10%
SET Pension Plan										
City's proportion of the net pension liability	0.177%	0.135%	0.108%	0.079%	0.089%	0.0868%	0.1057%	0.0960%	0.0951%	0.0684%
City's proportionate share of the net pension liability	\$ 2,677,009	2,005,462	916,402	1,289,610	1,304,981	1,171,829	1,534,939	1,695,765	1,284,556	739,151
State's proportionate share of the net pension liability associated with the City	30,605,634	27,620,276	16,399,934	32,514,810	28,353,847	26,564,893	28,198,719	33,940,464	25,808,454	20,178,883
Total	\$ 33,282,643	29,625,738	17,316,336	33,804,420	29,658,828	27,736,722	29,733,658	35,636,229	27,093,010	20,918,034
City's covered payroll	\$ 32,218,888	28,085,767	27,347,869	26,774,977	25,636,843	25,252,193	24,703,124	23,686,664	22,885,971	21,703,551
City's proportion share of the net pension liability as a percentage of its covered payroll	8.31%	7.14%	3.35%	4.82%	5.09%	4.64%	6.21%	7.16%	5.61%	3.41%
Plan fiduciary net position as a percentage of the total pension liability	86.03%	85.79%	90.90%	81.03%	82.73%	82.90%	80.78%	76.21%	81.18%	83.91%

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

CITY OF SOUTH PORTLAND, MAINE
Required Supplementary Information, Continued

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
PLD Plan										
Contractually required contribution	\$ 2,234,306	2,207,413	1,658,161	1,732,557	1,551,737	1,565,840	1,398,549	1,300,791	1,197,620	1,027,150
Contributions in relation to the contractually required contribution	(2,234,306)	(2,207,413)	(1,658,161)	(1,732,557)	(1,551,737)	(1,565,840)	(1,398,549)	(1,300,791)	(1,197,620)	(1,027,150)
Contribution deficiency (excess)	\$ -	-								
City's covered payroll	\$ 19,521,402	18,840,598	16,426,079	14,937,614	13,408,609	13,675,811	12,667,956	12,293,702	11,567,444	10,562,181
Contributions as a percentage of covered payroll	11.45%	11.72%	10.09%	11.60%	11.57%	11.45%	11.04%	10.58%	10.35%	9.72%
SET Plan										
Contractually required contribution	\$ 1,570,511	1,237,092	1,078,435	1,137,004	1,113,504	1,017,746	1,002,500	829,843	795,989	606,477
Contributions in relation to the contractually required contribution	(1,570,511)	(1,237,092)	(1,078,435)	(1,137,004)	(1,113,504)	(1,017,746)	(1,002,500)	(829,843)	(795,989)	(606,477)
Contribution deficiency (excess)	\$ -	-								
City's covered payroll	\$ 35,144,485	32,218,888	28,085,767	27,347,869	26,774,977	25,636,843	25,252,193	24,703,124	23,686,664	22,885,971
Contributions as a percentage of covered payroll	4.47%	3.84%	3.84%	4.16%	4.16%	3.97%	3.97%	3.36%	3.36%	2.65%

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>
Discount rate - PLD	6.50%	6.75%	6.75%	6.75%	6.875%	7.125%	7.250%
Discount rate - SET	6.50%	6.75%	6.75%	6.75%	6.875%	7.125%	7.125%
Inflation rate	2.75%	2.75%	2.75%	2.75%	2.75%	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%
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%
Cost of living increases - PLD	1.91%	1.91%	1.91%	1.91%	2.20%	2.55%	3.12%
Cost of living increases - SET	2.20%	2.20%	2.20%	2.20%	2.20%	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>2024</u>	<u>2023</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate - MMEHT Health Plan	3.26%	3.72%	2.06%	2.12%	2.12%	4.10%	3.44%	3.78%
Discount rate - MEABT Health Plan	3.65%	3.54%	2.16%	2.21%	2.21%	3.87%	3.58%	N/A

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

Mortality rates:

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

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

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

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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.

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CITY OF SOUTH PORTLAND, MAINE
General Fund
Comparative Balance Sheets
June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 5,568,197	2,907,118
Investments	32,970,644	31,000,162
Due from other governments	528,907	447,584
Receivables, net of allowance of \$682,150	893,822	475,773
Taxes receivable	1,314,021	828,833
Tax liens and tax acquired property	252,995	153,674
Lease Receivable	6,009,459	6,162,317
Prepaid expenditures	177,921	-
Interfund loans receivable	-	5,720,709
Restricted assets, cash	50,000	50,000
Total assets	47,765,966	47,746,170
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	3,185,482	2,551,350
Accrued liabilities	1,214,857	1,179,453
Due to other Governments	-	1,505,122
Prepaid taxes	177,383	-
Unearned revenue	20,986	165,864
Interfund loans payable	197,749	-
Accrued teachers' summer salaries and benefits	5,923,237	5,331,544
Total liabilities	10,719,694	10,733,333
Deferred inflows of resources:		
Unavailable revenue - property taxes	1,076,110	637,394
Lease related	5,793,206	6,024,516
Total deferred inflows of resources	6,869,316	6,661,910
Fund balances:		
Nonspendable	394,174	137,801
Restricted	2,803,851	4,963,708
Committed	5,895,784	5,276,027
Assigned	2,545,274	4,080,341
Unassigned	18,537,873	15,893,050
Total fund balances	30,176,956	30,350,927
Total liabilities, deferred inflows of resources and fund balances	\$ 47,765,966	47,746,170

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, 2024

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes:			
Property	\$ 76,316,655	72,964,442	(3,352,213)
Excise	6,226,000	7,952,666	1,726,666
Interest and penalties	80,000	59,671	(20,329)
Payments in lieu of taxes	331,506	332,842	1,336
Total taxes	82,954,161	81,309,621	(1,644,540)
Intergovernmental:			
State revenue sharing	3,671,317	3,840,221	168,904
State BETE Revenue	2,600,000	2,233,153	(366,847)
Homestead reimbursement	1,412,000	1,538,347	126,347
State education subsidy	13,641,151	13,731,829	90,678
State agency client	24,000	188,671	164,671
MaineCare	45,000	73,194	28,194
General assistance	1,934,240	999,255	(934,985)
Other State revenue	357,379	385,547	28,168
Total intergovernmental	23,685,087	22,990,217	(694,870)
Licenses, permits, fees, and fines:			
Cable franchise fee	135,000	101,399	(33,601)
City clerk	201,600	245,911	44,311
Planning	48,000	46,066	(1,934)
Police	76,879	98,304	21,425
Code enforcement	745,000	814,707	69,707
Other	12,490	12,811	321
Total licenses, permits, fees, and fines	1,218,969	1,319,198	100,229
Charges for services:			
Rent and leases	302,940	368,729	65,789
Finance	96,000	81,462	(14,538)
Fire	1,464,200	1,487,133	22,933
Public works - transfer facility	147,000	192,457	45,457
Culture, Parks, and recreation	1,458,855	1,952,506	493,651
Other	-	1,462	1,462
Education	170,000	68,435	(101,565)
Total charges for services	3,638,995	4,152,184	513,189
Intercity charges:			
Executive	87,389	88,009	620
Finance	55,723	73,669	17,946
Information technology	121,705	121,705	-
Human resources	5,000	5,000	-
Insurance & employee benefits	746,280	118,303	(627,977)
Police	193,221	469,852	276,631
Fire	-	413,167	413,167
Public works	-	24,015	24,015
Parks & recreation	-	7,095	7,095
General assistance	365,000	365,000	-
Total Intercity	1,574,318	1,685,815	111,497
Unclassified:			
City clerk	25,000	25,744	744
Finance	18,000	27,647	9,647
Police and fire	10,500	84,129	73,629
Planning and code enforcement	5,500	2,710	(2,790)
Public works	9,500	17,301	7,801
Other	5,720	9,310	3,590
Education	50,000	367,682	317,682
Total unclassified	124,220	534,523	410,303
Interest earned	550,000	1,271,877	721,877
Total revenues	113,745,750	113,263,435	(482,315)

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, 2024

	Budget	Actual	Variance positive (negative)
Expenditures:			
Current:			
General government:			
City council	\$ 261,870	237,885	23,985
Executive	504,676	490,577	14,099
City clerk	334,705	331,002	3,703
Corporation council	213,094	226,366	(13,272)
Finance	1,423,036	1,447,167	(24,131)
Information technology	875,997	845,807	30,190
Planning	422,692	386,499	36,193
Sustainability	276,432	227,474	48,958
Human resources	497,754	511,194	(13,440)
Facilities	1,161,254	1,152,507	8,747
Citywide insurance and benefit costs	9,444,501	8,810,316	634,185
General government encumbrances	-	(3,436)	3,436
Total general government	15,416,011	14,663,358	752,653
Public safety:			
Police department	5,878,630	5,913,090	(34,460)
Fire department	6,461,155	6,608,834	(147,679)
Communications	1,344,845	1,353,416	(8,571)
Code enforcement	537,176	516,203	20,973
Public safety encumbrances	-	1,304	(1,304)
Total public safety	14,221,806	14,392,847	(171,041)
Public works:			
Administration	275,480	273,918	1,562
Streets and sidewalks	3,348,081	3,101,413	246,668
Rubbish disposal	1,674,316	1,607,161	67,155
Public works garage	323,185	182,380	140,805
Transfer facility	322,321	270,816	51,505
Public works encumbrances	-	36,997	(36,997)
Total public works	5,943,383	5,472,685	470,698
Culture:			
Public library	890,713	815,285	75,428
Total culture	890,713	815,285	75,428
Parks and recreation:			
Administration	190,900	187,482	3,418
Parks	1,425,650	1,367,701	57,949
Pool	398,108	365,258	32,850
Recreation	1,789,526	1,826,982	(37,456)
Parks and recreation encumbrances	-	5,589	(5,589)
Total parks and recreation	3,804,184	3,753,012	51,172
Total culture, parks, and recreation	4,694,897	4,568,297	126,600
Transportation and waterfront:			
Bus service	-	-	-
Waterfront	61,057	61,000	57
Total transportation and waterfront	61,057	61,000	57

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, 2024

	Budget	Actual	Variance positive (negative)
Expenditures, continued:			
Current, continued:			
Health, welfare, and social services:			
Welfare:			
Administration	\$ 296,040	268,864	27,176
General assistance	2,784,700	1,237,281	1,547,419
Total welfare	3,080,740	1,506,145	1,574,595
Health	-	-	-
Total health, welfare, and social services	3,080,740	1,506,145	1,574,595
Intergovernmental - County tax	3,844,189	3,339,067	505,122
Other:			
Contingency and abatement reserve	90,000	32,860	57,140
Total other	90,000	32,860	57,140
Education	65,755,311	66,963,579	(1,208,268)
Debt service (excluding education):			
Principal	1,550,529	1,549,212	1,317
Interest	689,331	690,646	(1,315)
Total debt service	2,239,860	2,239,858	2
Total expenditures	115,347,254	113,239,696	2,107,558
Excess (deficiency) of revenues over (under) expenditures	(1,601,504)	23,739	1,625,243
Other financing sources (uses):			
Budgeted use of surplus - City	500,000	-	(500,000)
Budgeted use of surplus - School	1,600,000	-	(1,600,000)
Transfers in - City	3,500	687,645	684,145
Transfers in - School	320,796	467,099	146,303
Transfers out - City	(522,792)	(1,800,460)	(1,277,668)
Transfers out - School	(300,000)	(312,912)	(12,912)
Total other financing sources (uses)	1,601,504	(958,628)	(2,560,132)
Net change in fund balance - budgetary basis	-	(934,889)	(934,889)
Reconciliation to GAAP basis:			
Change in encumbrances - City		(215,633)	
Change in encumbrances - School		1,513	
Change in reserves		563,242	
Net change in fund balance - GAAP basis		(585,767)	
Fund balance, beginning of year, restated		30,762,723	
Fund balance, end of year	\$	30,176,956	

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, 2024

	Budget	Actual	Variance positive (negative)
Revenues:			
Local assessment	\$ 50,204,364	50,204,364	-
State education subsidy	13,641,151	13,731,829	90,678
State agency client	24,000	188,671	164,671
MaineCare	45,000	73,194	28,194
Charges for services	170,000	68,435	(101,565)
Other	50,000	367,682	317,682
Total revenues	64,134,515	64,634,175	499,660
Expenditures:			
Current:			
Brown Elementary	2,378,081	2,319,643	58,438
Dyer Elementary	1,968,667	2,428,885	(460,218)
Kaler Elementary	2,222,949	1,868,154	354,795
Skillin Elementary	3,260,147	3,443,595	(183,448)
Small Elementary	2,272,756	2,427,123	(154,367)
Mahoney Middle School	-	24,000	(24,000)
Memorial Middle School	8,941,866	9,231,253	(289,387)
South Portland High School	8,135,210	8,175,387	(40,177)
K-12 instrumental music	99,094	155,645	(56,551)
6-12 athletics	1,059,556	997,903	61,653
Special education	12,608,624	12,064,077	544,547
Health	689,332	822,870	(133,538)
Board of Education	206,343	436,029	(229,686)
Superintendent of Schools	537,895	670,659	(132,764)
Assistant Superintendent	1,906,310	1,929,922	(23,612)
Curriculum	675,632	645,049	30,583
Technology	1,289,903	1,093,197	196,706
Business office	1,186,615	1,238,462	(51,847)
Operations/maintenance	5,196,908	5,488,086	(291,178)
Transportation	2,403,836	2,788,053	(384,217)
Debt service:			
Principal	5,515,390	5,515,390	-
Interest	3,200,197	3,200,197	-
Total expenditures	65,755,311	66,963,579	(1,208,268)
Excess (deficiency) of revenues over (under) expenditures	(1,620,796)	(2,329,404)	(708,608)
Other financing sources (uses):			
Transfers in	320,796	467,099	146,303
Transfers out	(300,000)	(312,912)	(12,912)
Refunding bonds issued and premium	-	-	-
Payments to refunded bonds escrow agent and fees	-	-	-
Budgeted use of surplus	1,600,000	-	(1,600,000)
Total other financing sources (uses)	1,620,796	154,187	(1,466,609)
Net change in fund balances - budgetary basis	-	(2,175,217)	(2,175,217)
Reconciliation to GAAP basis:			
Change in encumbrances		1,513	
Change in reserves		(298,497)	
Net change in fund balance - GAAP basis		(2,472,201)	
Fund balance, beginning of year, restated		5,375,504	
Fund balance, end of year	\$	2,903,303	

CITY OF SOUTH PORTLAND, MAINE
Reserves - General Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2024

		Fund balance beginning of year	Revenues		Expenditures	Other financing sources (uses)	Fund balance end of year
			Other	Investment earnings (loss)		Transfers	
<u>City committed reserves:</u>							
1801	Equipment replacement	\$ 247,672	-	9,820	-	-	257,492
1803	Unemployment - City	67,049	-	2,622	-	-	69,671
1804	Self-Insurance - City	167,076	257,858	5,531	183,165	-	247,300
1805	Municipal facilities	74,123	-	2,628	35,445	-	41,306
1806	Safety reserve	250,963	-	7,698	10,000	-	248,661
1807	Computerization project	146,920	2,768	5,930	795	35,000	189,823
1809	Litigation - legal	87,275	-	3,460	-	-	90,735
1822	Communication equipment - police	37,907	-	2,338	-	-	40,245
1824	Body armor - police	18,853	-	-	-	11,859	30,712
1830	Fire	727,253	285,383	27,330	141,328	175,000	1,073,638
1834	Traffic improvements	111,562	-	4,423	-	-	115,985
1836	Public works equipment	43,224	23,775	2,575	-	-	69,574
1840	Snow removal	431,943	-	17,127	-	-	449,070
1842	Library	4,041	-	160	-	-	4,201
1844	Parks and Recreation equipment	15,749	-	624	-	-	16,373
1845	Cummings Road sewer	234,362	-	9,293	-	-	243,655
1847	Bus	41,307	-	1,334	-	-	42,641
1850	Senior Property Tax Program	9,366	-	368	500	-	9,234
1858	Climate Action Plan	30,732	-	1,219	-	-	31,951
1861	Tax stabilization	2,314,465	-	91,770	-	-	2,406,235
1864	Call company retirement	39,530	-	1,567	-	-	41,097
1869	Energy efficient	221	-	8	-	-	229
1871	Solid waste	38,388	-	1,522	-	-	39,910
1872	Municipal buildings & land acq.	136,046	-	-	-	-	136,046
Subtotal City committed reserves		5,276,027	569,784	199,347	371,233	221,859	5,895,784
<u>City assigned reserves:</u>							
1828	Vehicle replacement - police	117,235	69,665	-	48,450	-	138,450
1867	Phone system	101,544	-	3,917	8,125	-	97,336
1868	Compensated absences	1,433,170	-	54,824	3,459	(624,147)	860,388
1899	Investment unrealized gain (loss)	(1,609,735)	-	840,956	-	-	(768,779)
2172	Outside OT - Police	68,464	160,882	-	187,967	-	41,379
2173	Outside OT - Fire	8,438	-	-	-	-	8,438
2176	Fuel distribution	118,633	-	-	16,114	-	102,519
Subtotal City assigned reserves		237,749	230,547	899,697	264,115	(624,147)	479,731
Total City reserves		5,513,776	800,331	1,099,044	635,348	(402,288)	6,375,515
<u>School reserves:</u>							
0202	Restricted school reserve funds:						
	School consolidation	166,016	-	-	63,184	-	102,832
	School tech upgrade	(123,176)	-	-	17,637	-	(140,813)
	Unemployment - School	-	-	-	62,967	-	(62,967)
	School elementary	92,581	-	-	-	-	92,581
	Self-insurance - School	7,718	-	-	-	-	7,718
	Musical program	79,410	-	-	-	-	79,410
	Maintenance	160,518	-	-	143,753	-	16,765
	Adult education	4,147	-	-	-	-	4,147
	Student educational support	17,161	-	-	10,235	-	6,926
	Laptop repair	(2,003)	-	-	1,054	-	(3,057)
	Special education	150,000	-	-	-	-	150,000
0456	School facility	8,400	-	333	-	-	8,733
Total School reserves		560,772	-	333	298,830	-	262,275
Total reserves		\$ 6,074,548	800,331	1,099,377	934,178	(402,288)	6,637,790

TIF FUNDS

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CITY OF SOUTH PORTLAND, MAINE
TIF Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2024

	2501 Fairchild Semiconductor	2502 Texas Instruments	2503 One Wallace Avenue	2504 Cummings Road	2505 Long Creek	2507 Affordable Housing	2508 Jared	2509 Hannaford	2510 Downtown	2511 Transit	2550 Economic Development	Total
Revenues:												
Taxes	\$ 547,703	1,231,207	81,569	-	-	1,054,651	19,751	140,348	409,611	23,012	-	3,507,852
State BETE revenue	1,311,136	-	-	-	-	-	-	-	-	-	-	1,311,136
Investment earnings	185,929	86,210	37,050	13	19,611	27,824	5,017	55,959	58,536	5,744	-	481,893
Total revenues	2,044,768	1,317,417	118,619	13	19,611	1,082,475	24,768	196,307	468,147	28,756	-	5,300,881
Expenditures:												
Current:												
General government	89,795	57,335	-	21,600	11,780	2,232	5,656	-	-	-	423,063	611,461
Public works	10,922	10,922	-	-	1,162	-	232	-	-	-	-	23,238
Other	229,117	-	-	-	-	855,902	-	-	-	-	-	1,085,019
Total expenditures	329,834	68,257	-	21,600	12,942	858,134	5,888	-	-	-	423,063	1,719,718
Excess (deficiency) of revenues over (under) expenditures	1,714,934	1,249,160	118,619	(21,587)	6,669	224,341	18,880	196,307	468,147	28,756	(423,063)	3,581,163
Other financing sources (uses):												
Transfers in	-	-	-	116,190	-	-	-	-	-	-	423,301	539,491
Transfers out	(708,989)	(105,825)	(105,825)	-	(105,825)	(467,098)	-	-	-	-	-	(1,493,562)
Total other financing sources (uses)	(708,989)	(105,825)	(105,825)	116,190	(105,825)	(467,098)	-	-	-	-	423,301	(954,071)
Net change in fund balances	1,005,945	1,143,335	12,794	94,603	(99,156)	(242,757)	18,880	196,307	468,147	28,756	238	2,627,092
Fund balances, beginning of year	3,973,091	1,581,193	892,820	4,448	501,971	546,081	119,705	1,339,766	1,267,488	133,139	(238)	10,359,464
Fund balances, end of year	\$ 4,979,036	2,724,528	905,614	99,051	402,815	303,324	138,585	1,536,073	1,735,635	161,895	-	12,986,556

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CAPITAL PROJECTS FUNDS

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CITY OF SOUTH PORTLAND, MAINE
Capital Project Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2024

	Restated Fund balance (deficit) beginning of year, restated	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	\$ 72,413	-	-	2,871	-	-	-	75,284
4012 Bug Light Park	19,020	158	-	-	-	-	-	19,178
4018 Chlorination/dechlorinate	17,227	-	-	-	-	-	-	17,227
4045 City FY 03 projects	132	-	-	-	-	-	-	132
4059 City Facilities	42,327	-	-	-	34,444	-	-	7,883
4061 Library CIP	22,067	-	-	-	-	-	-	22,067
4063 Police CIP	298,932	-	-	9,631	134,089	-	-	174,474
4064 Fire CIP	793,124	-	-	9,510	183,676	-	-	618,958
4072 Public works CIP	593,837	-	-	31,673	256,832	-	-	368,678
4077 Parks and recreation CIP	269,952	73	-	-	19,796	-	-	250,229
4079 Municipal services facility	39,435	-	-	1,592	-	-	-	41,027
4080 Bus CIP	116,123	-	-	-	17,838	-	-	98,285
4081 Waterfront CIP	12,990	-	-	-	-	-	-	12,990
4151 Municipal projects CIP	376,773	-	-	-	11,891	-	(116,190)	248,692
4155 Information technology CIP	7,180	-	-	-	-	-	-	7,180
4156 Planning CIP	308,366	-	-	-	55,079	-	-	253,287
4157 Sustainability CIP	14,622	-	-	-	-	-	-	14,622
4164 Cash Corner Fire Station	304,642	-	-	-	-	-	-	304,642
4200 CIP	1,642,646	-	-	-	2,037,809	-	1,464,191	1,069,028
Total City capital projects	4,951,808	231	-	55,277	2,751,454	-	1,348,001	3,603,863
School capital projects:								
0300 Middle School Project	4,132,236	-	-	98,440	3,926,148	-	-	304,528
0301 School FY 02 projects	(10,794)	-	-	-	-	-	-	(10,794)
0304 Facilities/Bus Garage	(12,996)	-	-	-	-	-	-	(12,996)
0400 School FY 03 projects	3,566	-	-	17	3,432	-	-	151
0401 School FY 04 projects	26,528	-	-	905	25,799	-	-	1,634
0402 School FY 01 projects	7,001	-	-	61	6,827	-	-	235
0403 School FY 05 projects	13,658	-	-	378	4,780	-	-	9,256
0404 School FY 07 projects	2,334	-	-	-	-	-	-	2,334
0455 School FY 08 projects	7,336	-	-	-	-	-	-	7,336
Total School capital projects	4,168,869	-	-	99,801	3,966,986	-	-	301,684
Total capital projects	\$ 9,120,677	231	-	155,078	6,718,440	-	1,348,001	3,905,547

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ALL OTHER GOVERNMENTAL FUNDS

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CITY OF SOUTH PORTLAND, MAINE
All Other Governmental Funds
Combining Balance Sheet
June 30, 2024

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
ASSETS			
Cash and cash equivalents	232,159	-	232,159
Investments	\$ -	357,613	357,613
Due from other governments	4,041,459	-	4,041,459
Accounts receivable, net of allowance of \$3,445	4,350	-	4,350
Interfund loans receivable	113,672	23	113,695
Loans receivable	-	-	-
Inventory	49,047	-	49,047
Total assets	4,440,687	357,636	4,798,323
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	141,816	-	141,816
Accrued liabilities	10,303	3,337	13,640
Interfund loans payable	2,531,230	11,134	2,542,364
Accrued teachers' summer salaries	565,469	-	565,469
Total liabilities	3,248,818	14,471	3,263,289
Deferred inflows of resources:			
Unavailable revenue - settlement proceeds	-	-	-
Total deferred inflows of resources	-	-	-
Fund balances:			
Nonspendable	49,047	193,519	242,566
Restricted	1,017,427	149,646	1,167,073
Committed	232,159	-	232,159
Unassigned	(106,764)	-	(106,764)
Total fund balances	1,191,869	343,165	1,535,034
Total liabilities and fund balances	\$ 4,440,687	357,636	4,798,323

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, 2024

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
Revenues:			
Taxes	\$ 75,000	-	75,000
Intergovernmental	8,060,607	-	8,060,607
Charges for services	393,732	-	393,732
Investment income (loss)	-	11,622	11,622
Other	575,450	-	575,450
Total revenues	9,104,789	11,622	9,116,411
Expenditures:			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Transportation and waterfront	-	-	-
Education	6,532,824	-	6,532,824
School lunch program	2,855,429	-	2,855,429
Other	-	16,154	16,154
Total expenditures	9,388,253	16,154	9,404,407
Excess (deficiency) of revenues over (under) expenditures	(283,464)	(4,532)	(287,996)
Other financing sources (uses):			
Transfers in (out)	312,912	-	312,912
Total other financing sources (uses)	312,912	-	312,912
Net change in fund balances	29,448	(4,532)	24,916
Fund balances, beginning of year, as restated	1,162,421	347,697	1,510,118
Fund balances, end of year	\$ 1,191,869	343,165	1,535,034

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.

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CITY OF SOUTH PORTLAND, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2024

		School Grant Funds	School Adult Education	Student Activity Funds	School Lunch Fund	Total Nonmajor Special Revenue Funds
ASSETS						
Cash and cash equivalents	\$	-	-	232,159	-	232,159
Investments		-	-	-	-	-
Due from other governments		3,835,967	-	-	205,492	4,041,459
Accounts receivable		4,350	-	-	-	4,350
Interfund loans receivable		-	572	-	113,100	113,672
Notes receivable		-	-	-	-	-
Inventory		-	-	-	49,047	49,047
Total assets		3,840,317	572	232,159	367,639	4,440,687
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable		141,065	-	-	751	141,816
Accrued liabilities		-	-	-	10,303	10,303
Interfund loans payable		2,531,230	-	-	-	2,531,230
Accrued teachers' summer salaries		565,146	323	-	-	565,469
Total liabilities		3,237,441	323	-	11,054	3,248,818
Deferred inflows of resources:						
Unavailable revenue - settlement proceeds		-	-	-	-	-
Total deferred inflows of resources		-	-	-	-	-
Fund balances:						
Nonspendable		-	-	-	49,047	49,047
Restricted		709,640	249	-	307,538	1,017,427
Committed		-	-	232,159	-	232,159
Unassigned		(106,764)	-	-	-	(106,764)
Total fund balances (deficit)		602,876	249	232,159	356,585	1,191,869
Total liabilities and fund balances	\$	3,840,317	572	232,159	367,639	4,440,687

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, 2024

	School Grant Funds (Schedule 2)	School Adult Education	Student Activity Funds	School Lunch Fund	Total Nonmajor Special Revenue Funds
Revenues:					
Taxes	\$ -	75,000	-	-	75,000
Intergovernmental	6,031,008	12,555	-	2,017,044	8,060,607
Charges for services	-	-	27,312	366,420	393,732
Investment income (loss)	-	-	-	-	-
Other	452,853	-	95,346	27,251	575,450
Total revenues	6,483,861	87,555	122,658	2,410,715	9,104,789
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Transportation and waterfront	-	-	-	-	-
Education	6,371,804	85,030	75,990	-	6,532,824
School lunch program	-	-	-	2,855,429	2,855,429
Total expenditures	6,371,804	85,030	75,990	2,855,429	9,388,253
Excess (deficiency) of revenues over (under) expenditures	112,057	2,525	46,668	(444,714)	(283,464)
Other financing sources (uses):					
Transfers in (out)	12,912	-	-	300,000	312,912
Total other financing sources and (uses)	12,912	-	-	300,000	312,912
Net change in fund balances	124,969	2,525	46,668	(144,714)	29,448
Fund balances, beginning of year (restated)	477,907	(2,276)	185,491	501,299	1,162,421
Fund balances, end of year	\$ 602,876	249	232,159	356,585	1,191,869

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.

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CITY OF SOUTH PORTLAND, MAINE
Nonmajor Permanent Funds
Combining Balance Sheet
June 30, 2024

	7001	7002	7003	7004	7006	7007	7008	7009	
	Lillian Anderson Bequest	Lois V. Whitten Bequest	Reta Nappi Bequest	Virginia Boyd Bequest	Sandra Coolbroth Trust	Callahan Trust	Virginia Lewis Bequest	W.P. Adams Maintenance Liberty Ship Memorial	Total
ASSETS									
Investments	\$ 30,367	(2)	3,043	4,127	100,769	138,740	48,525	32,044	357,613
Interfund loans receivable	-	23	-	-	-	-	-	-	23
Total assets	30,367	21	3,043	4,127	100,769	138,740	48,525	32,044	357,636
LIABILITIES AND FUND BALANCES									
Liabilities:									
Interfund loans payable	-	-	-	-	-	-	11,134	-	11,134
Accounts payable	-	-	-	-	-	-	3,337	-	3,337
Total liabilities	-	-	-	-	-	-	14,471	-	14,471
Fund balances:									
Nonspendable principal	16,406	-	1,566	3,150	52,238	70,502	24,657	25,000	193,519
Restricted	13,961	21	1,477	977	48,531	68,238	9,397	7,044	149,646
Total fund balances	30,367	21	3,043	4,127	100,769	138,740	34,054	32,044	343,165
Total liabilities and fund balances	\$ 30,367	21	3,043	4,127	100,769	138,740	48,525	32,044	357,636

CITY OF SOUTH PORTLAND, MAINE
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2024

	7001	7002	7003	7004	7006	7007	7008	7009	
	Lillian Anderson Bequest	Lois V. Whitten Bequest	Reta Nappi Bequest	Virginia Boyd Bequest	Sandra Coolbroth Trust	Callahan Trust	Virginia Lewis Bequest	W.P. Adams Maintenance Liberty Ship Memorial	Total
Revenues:									
Investment income									
Interest income	\$ 598	-	60	81	1,984	2,731	955	631	7,040
Unrealized gain/(loss)	394	1	39	52	1,304	1,792	627	373	4,582
Total revenues	992	1	99	133	3,288	4,523	1,582	1,004	11,622
Expenditures:									
Other	142	-	14	20	471	649	14,698	160	16,154
Total expenditures	142	-	14	20	471	649	14,698	160	16,154
Net change in fund balances	850	1	85	113	2,817	3,874	(13,116)	844	(4,532)
Fund balances, beginning of year	29,517	20	2,958	4,014	97,952	134,866	47,170	31,200	347,697
Fund balances, end of year	\$ 30,367	21	3,043	4,127	100,769	138,740	34,054	32,044	343,165

PROPRIETARY FUND

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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, 2024

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 7,629,334	7,629,334	7,988,543	359,209
Interest and penalties	-	-	251	251
Licenses	81,842	81,842	56,830	(25,012)
Other	-	-	12,964	12,964
Total operating revenues	7,711,176	7,711,176	8,058,588	347,412
Operating expenses:				
Administration	196,479	196,479	192,457	4,022
Treatment plant	1,323,510	1,323,510	1,253,131	70,379
Pump stations	696,565	696,565	663,437	33,128
Billing	230,339	230,339	232,912	(2,573)
Sewer maintenance	1,046,090	1,046,090	964,696	81,394
Engineering	293,783	293,783	209,859	83,924
Debt service	94,970	94,970	94,970	-
Compliance	117,410	117,410	107,338	10,072
Sludge disposal	1,048,620	1,048,620	712,141	336,479
Insurance	1,130,186	1,130,186	1,020,285	109,901
Total operating expenses	6,177,952	6,177,952	5,451,226	726,726
Operating income	1,533,224	1,533,224	2,607,362	1,074,138
Nonoperating revenue (expense):				
Interest revenue	28,000	28,000	133,032	105,032
Equipment reserve	(1,619,352)	(1,619,352)	(1,595,770)	23,582
Total nonoperating expenses	(1,591,352)	(1,591,352)	(1,462,738)	128,614
Income before transfers	(58,128)	(58,128)	1,144,624	1,202,752
Other financing uses:				
Use of Surplus	53,002	53,002	-	(53,002)
Transfers out	(864)	(864)	-	864
Total other financing uses	52,138	52,138	-	(52,138)
Change in net position - budgetary basis	(5,990)	(5,990)	1,144,624	1,150,614
Reconciliation to GAAP basis:				
Revenues and expenditures in the reserve funds are included on the GAAP basis, but not the budgetary basis:				
Reserve revenues			243,507	
Reserve expenditures			(3,066,989)	
Transfers into reserves			1,595,770	
Transfers in from other funds			793,679	
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			3,200,806	
Depreciation expense			(2,327,058)	
Change in accruals are recorded on the GAAP basis, but not on the budgetary basis:				
Pension and OPEB			(78,509)	
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	
Change in net position - GAAP basis			1,702,932	
Net position, beginning of year			68,203,535	
Net position, end of year			\$ 69,906,467	

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SCHEDULES

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CITY OF SOUTH PORTLAND, MAINE
City Special Revenues
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2024

		Fund balance	Revenues			Other financing sources (uses)		Fund balance
		beginning of year, restated	Inter- governmental	Other	Expenditures	Issuance of debt	Transfers	end of year
General Government:								
Federal grants:								
2115	CDBG - Entitlement Community	\$ 8,153	300,587	-	299,689	-	-	9,051
2155	Housing Revolving Loan	114,431	-	-	-	-	300,000	414,431
2251	Brownfields Grant	5,097	74,377	-	63,796	-	-	15,678
3100	Other Federal Grants (310157)	(13,743)	30,631	-	16,888	-	-	-
State grants:								
2031	Watershed Plan	20,656	14,864	926	7,586	-	-	28,860
2138	Greater Portland Public Development	56,970	-	-	-	-	-	56,970
2154	Land Use Regulation Grant	233	-	-	-	-	-	233
3000	Other State Grants (300157)	-	-	-	34,692	-	-	(34,692)
Other:								
2008	Restoration of Records	1,254	-	-	-	-	-	1,254
2042	Business Development Revolving Loan	55,090	-	-	-	-	-	55,090
2044	Employee Appreciation Fund	62,785	-	22,309	15,793	-	-	69,301
2053	Wallace Avenue Directional	2,459	-	97	-	-	-	2,556
2057	Downeast Energy Traffic Improvement	5,278	-	209	-	-	-	5,487
2058	NE Audio/Tweeter Sidewalks	11,200	-	444	-	-	-	11,644
2067	Toys "R" Us Sidewalks	11,721	-	465	-	-	-	12,186
2088	SPCTV	618,334	-	127,877	265,189	-	-	481,022
2094	Gannett Traffic Signal Escrow	32,690	-	1,296	-	-	-	33,986
2097	Wellness Committee	(1,508)	-	9,709	9,674	-	-	(1,473)
2108	Longhorn Steakhouse Escrow	20,851	-	827	-	-	-	21,678
2114	Millcreek Traffic Impact	15,433	-	612	-	-	-	16,045
2120	Evan/Highland Toddle Inn Escrow	25,403	-	1,007	-	-	-	26,410
2129	Westbrook/Western Escrow	55,761	-	2,211	-	-	-	57,972
2136	Knightville/Mill Creek Plan	7,981	-	-	-	-	-	7,981
2139	Brick Hill Traffic Escrow	1,333	-	53	-	-	-	1,386
2146	Heating Assistance	30,124	-	6,280	2,262	-	-	34,142
2149	Westbrook/South Portland Assessing	915	-	-	-	-	-	915
2161	War Memorial	2,001	-	-	-	-	-	2,001
2165	Freshwater Wetland Fund	292,311	-	82,388	-	-	-	374,699
2169	John Roberts Road Escrow	2,550	-	-	-	-	-	2,550
2179	Land Bank Trust	3,782,509	-	146,460	103,812	-	(250,000)	3,575,157
2188	Long Creek Tragedy Memorial	237	-	-	-	-	-	237
2196	Solar	-	-	-	-	-	125,000	125,000
2257	Sustainability Grants	(88)	-	-	-	-	-	(88)
2400	City Council Donations (240150)	6,318	-	-	3,443	-	-	2,875
2400	Planning Donations (240156)	-	-	70,000	37,511	-	-	32,489
2400	Sustainability Donations (240157)	-	-	18,322	8,783	-	-	9,539
2400	Facilities Donations (240159)	9,217	-	-	-	-	-	9,217
Total General Government		5,243,956	420,459	491,492	869,118	-	175,000	5,461,789

CITY OF SOUTH PORTLAND, MAINE
City Special Revenues
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2024

		Fund balance (deficit) beginning of year, restated	Revenues		Expenditures	Other financing sources (uses)		Fund balance (deficit) end of year
			Inter- governmental	Other		Issuance of debt	Transfers	
Public Safety:								
Federal grants:								
2023	Distracted Driver/OUI Grants	\$ 5,749	-	-	-	-	-	5,749
2050	Asset Forfeiture - Federal	2,492,437	1,839	87,540	541,570	-	-	2,040,246
2064	Seat Belt Enforcement Grant	721	-	-	-	-	-	721
2102	Body Armor	-	-	-	-	-	(1,859)	(1,859)
2121	Supplemental Homeland Security	16,565	101,251	-	165,268	-	-	(47,452)
2125	County Hazmat Grant	4,105	18,446	-	20,543	-	-	2,008
2126	State Hazmat Grant	5,226	-	-	-	-	-	5,226
2151	Justice Assistance Grant	(11,424)	18,137	-	400	-	-	6,313
2160	Speed Enforcement	6,077	-	-	-	-	-	6,077
2195	Drug Free Community	-	120,922	-	120,922	-	-	-
3100	Other Federal Grants (310263)	(5,446)	-	-	-	-	-	(5,446)
3100	Other Federal Grants (310264)	-	4,072	-	-	-	-	4,072
State grants:								
2049	Asset Forfeiture - State	11,199	-	444	-	-	-	11,643
Other:								
2018	Hazardous Materials	84,941	-	-	-	-	-	84,941
2086	Police Donations	(2,928)	-	-	5,907	-	-	(8,835)
2107	Tobacco Cessation	6,775	-	-	6,775	-	-	-
2142	SP Police Youth Program	5,707	-	-	1,725	-	-	3,982
2156	Engine 4	-	-	-	981	-	-	(981)
2174	Fire Donation	13,410	-	-	4,440	-	-	8,970
2178	Outside OT - Code Enforcement	5,041	-	-	-	-	-	5,041
2182	Compliance Check	970	-	-	-	-	-	970
2194	Fire Training	10,600	-	-	-	-	-	10,600
2400	Other Police Donations (240263)	170	-	6,477	-	-	-	6,647
3000	Opioid Settlement Funds (300263)	215,072	235,176	-	63,258	-	-	386,990
Total Public Safety		2,864,967	499,843	94,461	931,789	-	(1,859)	2,525,623

CITY OF SOUTH PORTLAND, MAINE
City Special Revenues
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2024

	Fund balance (deficit) beginning of year, restated	Revenues		Expenditures	Other financing sources (uses)		Fund balance (deficit) end of year
		Inter- governmental	Other		Issuance of debt	Transfers	
Public Works:							
Federal grants:							
3100 Other Federal Grants (3103720)	-	193,770	-	193,770	-	-	-
State grants:							
2046 State Aid Highway Block Grant	1,153,637	-	35,990	105,810	-	(60,312)	1,023,505
3000 PW Other State Grants (300300 & 3003720)	22,290	50,000	-	103,184	-	-	(30,894)
Other:							
2024 Recycling	6,424	-	-	-	-	-	6,424
2025 Donations	176	-	-	-	-	-	176
2082 Street Openings	458,319	-	94,612	61,327	-	-	491,604
2084 Sewer Impact	432,567	-	113,641	72,330	-	-	473,878
Total Public Works	2,073,413	243,770	244,243	536,421	-	(60,312)	1,964,693
Culture and Recreation:							
Federal grants:							
3100 Other Federal Grants (310476)	2,588	2,588	-	6,000	-	-	(824)
3100 Other Federal Grants (310477)	-	10,000	-	9,518	-	-	482
Other:							
2035 Tree Fund	9,612	-	-	2,941	-	-	6,671
2037 Debevoise Tennis Court	2,127	-	-	-	-	-	2,127
2056 Library Donations	65,882	-	88,829	286	-	-	154,425
2071 Golf Course	403,209	-	297,488	154,022	-	(68,731)	477,944
2072 Recreation	75	-	-	-	-	-	75
2073 Donations to Parks and Recreation	43,528	-	25,555	18,938	-	-	50,145
2076 Art in the Park	48,892	-	29,781	25,709	-	-	52,964
2116 GE Erskine Park	1,987	-	-	-	-	-	1,987
2152 Friends of South Portland Libraries	(3,986)	-	10,532	8,640	-	-	(2,094)
2189 Communities Promoting Health	575	-	-	-	-	-	575
2317 Brown Hill Cemetery	65,281	-	2,450	-	-	(3,500)	64,231
2400 Other Parks/Rec Donations (240477)	-	-	9,098	2,292	-	-	6,806
2400 Other Library Donations (240476)	1,800	-	-	-	-	-	1,800
Total Culture and Recreation	641,570	12,588	463,733	228,346	-	(72,231)	817,314
Transportation and Waterfront:							
Federal grants:							
2041 Planning/Capital Grants	8,194	-	-	-	-	-	8,194
2093 Rural Transit Assistance Grant	2,283	-	-	-	-	-	2,283
3100 Other Federal Grants (310580)	-	81,666	-	72,958	-	-	8,708
Other:							
2074 Boat Ramp	3,511	-	106	-	-	-	3,617
2117 Thomas Knight Boat Landing	6,263	-	75	-	-	-	6,338
Total Transportation and Waterfront	20,251	81,666	181	72,958	-	-	29,140
Total	\$ 10,844,157	1,258,326	1,294,110	2,638,632	-	40,598	10,798,559

CITY OF SOUTH PORTLAND, MAINE
School Grant Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2024

	Fund balance (deficit) beginning of year	Revenues	Expenditures	Transfers	Fund balance (deficit) end of year
Federal Grants:					
0230 Title IA - Disadvantaged	\$ -	685,198	685,198	-	-
0231 Title IA - Program Improvement	(445)	19,694	26,760	-	(7,511)
0240 Title IV - Student Support and AE	226	137,710	137,710	-	226
0247 Local Entitlement	(727)	1,150,611	1,150,166	-	(282)
0251 Preschool Grant	-	21,130	21,130	-	-
0260 Coronavirus Relief	-	2,467,857	2,467,857	-	-
0261 McKinney-Vento Homeless	-	490,528	490,528	-	-
0263 Vocational Education - 21st Century	-	22,604	23,412	-	(808)
0264 Title V	348	-	-	-	348
0268 Title III - Language Acquisition	-	53,938	53,938	-	-
0270 Title II A - Supporting Effective Instruction	14,086	65,420	66,995	-	12,511
0271 Pre K Spec Ed	-	201,012	181,885	-	19,127
0275 Elementary School Program	500	191,290	192,559	-	(769)
0295 Adult Basic Education	(17,382)	33,510	18,828	-	(2,700)
Total federal grants	(3,394)	5,540,502	5,516,966	-	20,142
State Grants:					
0216 MMSA Cooperating School	2,704	-	-	-	2,704
0220 MSLN Grant	-	96,624	79,921	-	16,703
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	(10,827)	20,432	10,006	-	(401)
Extended Learning	(31,743)	160,834	129,091	-	-
0223 State Proficiency Grants	141,921	151,011	142,290	-	150,642
0224 Partners in Arts & Learning	-	386	-	-	386
0225 Reading Recovery	1,248	-	-	-	1,248
0228 Art Department Grant	2,000	-	-	-	2,000
0229 State Agency Clients	17,082	-	-	-	17,082
0262 WAVES / Teens to trails	-	61,219	61,165	-	54
0284 E-Rate	(5,593)	-	-	-	(5,593)
Total state grants	120,949	490,506	422,473	-	188,982
Local Grants and Other Special Funds:					
0200 SPHS Auditorium:					
SPHS Auditorium	46,429	42,515	18,873	-	70,071
Elaine Wolfson Memorial	1,158	-	-	-	1,158
0201 Local SPHS:					
High School Musical	951	21,204	14,807	-	7,348
High School Aspirations	9,564	-	4,809	-	4,755
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, 2024

	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)	-	261	-	(3,944)
National Semiconductor (STEM Grant)	76	-	-	-	76
Texas Instruments (Stem Grant)	(3)	-	-	-	(3)
Innovative Idea (Thurlow)	1,558	-	-	-	1,558
Summer Music (Memorial)	1,579	-	1,570	-	9
Kids Consortium Memorial	477	-	-	-	477
Memorial Friends	16,573	-	10	-	16,563
Great Bay Foundation - Kaler	444	-	-	-	444
Target Kaler Prof. Development Grant	750	-	-	-	750
Girls Leadership Initiative	31	-	-	-	31
Donations	10,213	-	-	-	10,213
Transition Books	1,414	-	-	-	1,414
School Nutrition Donations	13,424	-	-	-	13,424
Project Based Learning	3,425	-	-	-	3,425
MEA Wellness Program	1,627	500	-	-	2,127
Unum/Skillin/Mem Stem Reg	1,045	-	-	-	1,045
United Way Brick/Beam	3,727	-	-	-	3,727
ME Communication Foundation Family	15,771	25,000	59,241	-	(18,470)
United Way Adopt A School	(2,778)	-	-	-	(2,778)
Community Donation Family	4,183	3,866	4,084	-	3,965
East Point Church Homeless Grant	8,233	-	4,164	-	4,069
ME Communication Foundation WIFI	7,000	-	-	-	7,000
King Foundation	3,475	-	-	-	3,475
Catholic Charities	(6,106)	20,779	16,165	-	(1,492)
United Way Grant	(1,037)	-	-	-	(1,037)
Opportunity Alliance-Completers Coord	-	22,237	-	-	22,237
Refugee Support Services Program	-	52,930	52,116	-	814
South Portland Rotary Club	-	5,000	1,390	-	3,610
John T. Gorman Foundation	83,376	100,000	86,594	-	96,782
0205 Local Boosters:					
MSSPA Playoffs	23,002	3,668	-	-	26,670
SPHS Athletic Shed	5,000	-	-	-	5,000
Johnson Athletic	62,706	-	10,571	12,912	65,047
Athletic Sponsorship Program	40,575	-	-	-	40,575
0206 Southern Maine (LCA) Project	137	-	-	-	137
0207 Dyer Friends	420	-	-	-	420
0208 Staff Computer Training	(476)	-	-	-	(476)
0209 Future Builders/Summer School	(20,920)	-	-	-	(20,920)
0211 Robotics	(19,602)	-	-	-	(19,602)
0212 21st Century Donations	(15,066)	-	-	-	(15,066)
0213 Quest	7,551	-	-	-	7,551
0214 Skillin Local:					
Skillin Playground	655	-	-	-	655
Friends Skillin Library	1,130	3,534	1,749	-	2,915
Skillin Natural Science	1,116	-	-	-	1,116
Skillin Friends	50	-	-	-	50
Skillin Winterkids Games	788	-	-	-	788
Skillin Donations	475	-	-	-	475
0215 Gates Teacher Leader Grant	1,500	-	-	-	1,500
0217 Art Donations	857	25	-	-	882
0218 Small Friends	209	-	-	-	209
0219 Local Friends Grants:					
Brown Friends	(693)	-	-	-	(693)
Mary F Marsh Book	5,651	-	-	-	5,651
Mahoney Friends	2,325	-	-	-	2,325
Kaler Friends	3,218	-	-	-	3,218
Brown/United Way Grant	3,062	-	3,828	-	(766)
Donations	365	-	-	-	365
0222 Special Education Access Channel	13,294	-	7,370	-	5,924
0227 Teamwork for Kids - Fallon	1,000	-	-	-	1,000
0233 Adult Education	(8,961)	151,595	144,763	-	(2,129)
0615 Adult Ed Enrichment	12,666	-	-	-	12,666
Total local grants and other special funds	360,352	452,853	432,365	12,912	393,752
Total	\$ 477,907	6,483,861	6,371,804	12,912	602,876

CITY OF SOUTH PORTLAND, MAINE
Private-purpose Trust Funds
Combining Schedule of Changes in Fiduciary Net Position
For the year ended June 30, 2024

		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	\$ 10,247	-	207	136	49	10,541
0803	Lewis Trust (School)	1,131,619	-	24,628	14,139	54,361	1,116,025
0804	Alley Scholarship	7,239	-	167	91	544	6,953
0805	Davidson Scholarship	2,126	-	63	34	517	1,706
0806	Elliot Scholarship	3,912	-	99	53	527	3,537
0807	Friese Scholarship	1,965	-	60	30	517	1,538
0808	Harvie Scholarship	(227)	-	12	11	2	(206)
0809	Naylon Scholarship	5	-	-	-	-	5
0810	Norwood Scholarship	68,025	-	7,049	20,069	1,500	93,643
0811	Reynolds Scholarship	82	-	2	1	-	85
0812	Robinson Scholarship	33	-	1	-	-	34
0813	Schwartz Scholarship	896	-	18	11	5	920
0814	Smart Scholarship	6,987	-	176	90	3,048	4,205
0815	Super Runion Scholarship	5,068	-	123	67	533	4,725
0816	Wiggin Scholarship	5,231	-	126	68	533	4,892
0817	Paul Fiore Scholarship	6,912	-	140	79	36	7,095
0818	John Millington Scholarship	7,141	-	185	118	1,045	6,399
0819	Stu Brown Scholarship	87	-	4	-	-	91
0820	William Linskey Memorial	4,285	-	107	56	29	4,419
0821	SPHS Recycle Club Scholarship	1	-	-	-	-	1
0822	Governor's Restaurant Scholarship	3	-	-	-	-	3
0823	Book Trust	197	-	10	4	3	208
0824	Eagles Association Scholarship	1	-	-	-	-	1
0825	Sherrie Libby Scholarship	8,458	-	177	103	445	8,293
0826	Gustaf W Johnson Scholarship	424,933	-	9,441	5,210	21,991	417,593
0827	A Varanelli Scholarship	(232)	-	-	(24)	3	(259)
0828	Downing Trust	198	-	-	-	-	198
0829	Robert Graff Scholarship	41	-	32	41	2	112
0830	Rosella Loveitt Trust	1,358	-	28	26	5	1,407
0831	Deveboise Scholarship	13,078	-	440	-	4,000	9,518
0833	Walker Scholarship	2,515	600	66	36	767	2,450
0835	Ralph Baxter Scholarship	1,399	-	28	16	7	1,436
0836	Scholars	89,941	-	3,528	-	6,000	87,469
0837	Steve Linskey Scholarship	21,000	-	-	-	2,000	19,000
0838	Class of 1948 Scholarship	3,672,554	-	75,665	51,600	263,904	3,535,915
7506	Eleanor Hatch Trust	16,426	-	333	218	79	16,898
7509	HRC Scholarship	8,776	4,500	158	181	39	13,576
Total private-purpose trusts		\$ 5,522,280	5,100	123,073	92,464	362,491	5,380,426

STATISTICAL SECTION



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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

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets	\$ 75,413,372	\$ 79,523,948	\$ 82,323,833	\$ 82,508,257	\$ 84,566,316	\$ 88,649,566	\$ 99,288,948	\$ 99,347,533	\$ 100,756,168	\$ 107,219,129
Restricted	11,581,748	12,399,159	14,425,257	11,510,846	11,326,214	13,056,972	15,909,639	15,910,094	21,014,273	21,705,125
Unrestricted	15,159,920	13,880,761	15,435,585	13,762,193	9,526,783	8,668,984	5,806,948	10,993,663	11,642,543	11,956,730
Total governmental activities net position	\$ 102,155,040	\$ 105,803,868	\$ 112,184,675	\$ 107,781,296	\$ 105,419,313	\$ 110,375,522	\$ 121,005,535	\$ 126,251,290	\$ 133,412,984	\$ 140,880,984
Business-type activities:										
Net investment in capital assets	\$ 50,967,438	\$ 50,111,131	\$ 49,737,946	\$ 49,680,645	\$ 52,833,701	\$ 53,385,092	\$ 54,564,870	\$ 55,801,493	\$ 54,995,478	\$ 56,860,007
Restricted	2,152,583	4,617,231	3,434,257	6,901,280	5,418,253	4,042,278	-	-	-	-
Unrestricted	8,084,079	8,277,339	8,164,927	7,867,011	6,556,199	7,318,996	10,064,140	11,178,972	13,208,057	13,046,460
Total business-type activities net position	\$ 61,204,100	\$ 63,005,701	\$ 61,337,130	\$ 64,448,936	\$ 64,808,153	\$ 64,746,366	\$ 64,629,010	\$ 66,980,465	\$ 68,203,535	\$ 69,906,467
Primary government:										
Net investment in capital assets	\$ 126,380,810	\$ 129,635,079	\$ 132,061,779	\$ 132,188,902	\$ 137,400,017	\$ 142,034,658	\$ 153,853,818	\$ 155,149,026	\$ 155,751,646	\$ 164,079,136
Restricted	13,734,331	17,016,390	17,859,514	18,412,126	16,744,467	17,099,250	15,909,639	15,910,094	21,014,273	21,705,125
Unrestricted	23,243,999	22,158,100	23,600,512	21,629,204	16,082,982	15,987,980	15,871,088	22,172,635	24,850,600	25,003,190
Total primary government net position	\$ 163,359,140	\$ 168,809,569	\$ 173,521,805	\$ 172,230,232	\$ 170,227,466	\$ 175,121,888	\$ 185,634,545	\$ 193,231,755	\$ 201,616,519	\$ 210,787,451

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

Expenses	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
General government	\$ 10,584,081	\$ 13,747,918	\$ 13,548,355	\$ 13,958,497	\$ 11,097,687	\$ 16,587,038	\$ 15,648,947	\$ 13,610,118	\$ 19,518,522	\$ 19,680,609
Public safety	12,766,963	13,000,756	13,344,042	13,857,160	14,378,122	14,715,423	15,538,227	16,888,738	18,023,452	18,006,699
Public works	7,510,853	6,873,549	7,641,727	8,159,709	7,990,357	8,840,505	8,028,758	8,141,159	7,283,330	6,455,860
Culture and recreation	4,440,715	4,587,976	4,372,866	4,938,167	4,911,749	4,762,474	4,474,919	4,958,930	5,376,084	5,552,621
Transportation and waterfront	1,519,381	1,596,383	1,814,621	1,982,271	2,060,680	2,075,168	1,937,271	2,349,034	2,219,244	2,357,789
Health, welfare and social services	369,616	521,834	506,108	559,095	566,904	684,709	735,182	1,001,015	1,767,371	1,506,145
Education	47,485,069	47,943,450	50,058,768	51,900,039	53,243,047	53,789,458	58,136,143	60,054,061	65,913,144	76,029,612
School lunch	1,693,739	1,721,538	1,803,337	1,820,284	1,885,962	1,797,884	1,640,669	2,310,607	2,780,287	2,855,429
Interest on debt service	1,436,958	1,328,266	1,695,611	1,272,571	1,100,838	1,273,613	1,382,369	1,952,654	3,188,722	2,693,253
Total governmental activities expenses	87,807,375	91,321,670	94,785,435	98,447,793	97,235,346	104,526,272	107,522,485	111,266,316	126,070,156	135,138,017
Business-type activities:										
Sewer	6,147,313	6,154,095	6,203,347	6,345,116	6,455,769	6,540,614	6,564,090	6,461,378	7,198,247	7,645,671
Total business-type activities expenses	6,147,313	6,154,095	6,203,347	6,345,116	6,455,769	6,540,614	6,564,090	6,461,378	7,198,247	7,645,671
Total primary government expenses	\$ 93,954,688	\$ 97,475,765	\$ 100,988,782	\$ 104,792,909	\$ 103,691,115	\$ 111,066,886	\$ 114,086,575	\$ 117,727,694	\$ 133,268,403	\$ 142,783,688
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 510,092	\$ 831,509	\$ 442,734	\$ 414,864	\$ 414,772	\$ 443,867	\$ 914,546	\$ 890,999	\$ 900,631	\$ 854,075
Public safety	1,358,246	1,715,339	2,090,407	1,919,169	1,898,476	2,815,926	2,536,995	2,508,844	2,468,632	2,916,074
Public works	300,711	308,979	386,056	242,771	253,305	449,198	332,688	351,645	321,841	364,232
Culture and recreation	974,204	1,078,408	1,119,989	1,316,027	1,410,321	915,697	922,346	1,637,511	2,036,492	2,273,805
Transportation and waterfront	417,158	389,317	376,949	374,004	375,738	291,494	166,254	209,253	274,990	318,082
Education	55,695	105,425	126,000	126,463	124,996	125,000	136,500	185,200	143,351	68,435
School lunch program	559,536	559,536	556,652	639,552	659,174	431,029	40,797	221,176	324,023	393,732
Operating grants and contributions	13,459,862	13,373,025	14,780,259	15,318,974	14,806,576	17,615,005	24,900,449	24,456,740	30,677,045	34,741,598
Capital grants and contributions	382,528	1,917,714	1,783,472	468,032	375,205	334,302	501,471	1,420,388	798,230	940,563
Total governmental activities program revenues	18,018,032	20,279,252	21,662,518	20,819,856	20,318,563	23,421,518	30,452,046	31,881,756	37,945,235	42,870,596
Business-type activities:										
Charges for services:										
Sewer	5,927,684	5,922,343	6,008,622	6,015,315	6,080,533	5,865,711	6,268,760	6,788,661	7,325,491	8,058,588
Capital grants and contributions	-	100,000	254,765	-	-	113,954	-	18,100	-	-
Total business-type activities program revenues	5,927,684	6,022,343	6,263,387	6,015,315	6,080,533	5,979,665	6,268,760	6,806,761	7,325,491	8,058,588
Total primary government program revenues	\$ 23,945,716	\$ 26,301,595	\$ 27,925,905	\$ 26,835,171	\$ 26,399,096	\$ 29,401,183	\$ 36,720,806	\$ 38,688,517	\$ 45,270,726	\$ 50,929,184

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (expense)/revenue										
Governmental activities	\$ (69,789,343)	\$ (71,042,418)	\$ (73,122,927)	\$ (77,627,937)	\$ (76,916,783)	\$ (81,104,754)	\$ (77,070,439)	\$ (79,384,560)	\$ (88,084,520)	\$ (92,267,421)
Business-type activities	(326,984)	(131,752)	60,040	(329,801)	(375,236)	(560,949)	(295,330)	345,383	127,244	412,917
Total primary government net (expense)/revenue	<u>\$ (70,116,327)</u>	<u>\$ (71,174,170)</u>	<u>\$ (73,062,887)</u>	<u>\$ (77,957,738)</u>	<u>\$ (77,292,019)</u>	<u>\$ (81,665,703)</u>	<u>\$ (77,365,769)</u>	<u>\$ (79,039,177)</u>	<u>\$ (87,957,276)</u>	<u>\$ (91,854,504)</u>
General Revenues and other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 61,874,477	\$ 63,183,208	\$ 64,164,888	\$ 65,519,757	\$ 68,265,075	\$ 70,532,733	\$ 72,217,939	\$ 71,392,201	\$ 75,525,375	\$ 77,770,378
Motor vehicle excise tax	6,374,595	7,241,370	7,100,567	7,595,421	7,893,886	6,147,045	7,064,080	6,212,025	6,471,436	7,952,666
Cable television franchise	151,779	120,000	120,000	120,000	120,000	120,000	100,000	104,050	142,451	101,399
Unrestricted grants and contributions	4,321,318	4,427,881	4,911,784	4,883,857	5,165,596	6,218,797	7,374,404	8,987,849	10,823,266	9,588,119
Miscellaneous	1,169,599	945,284	986,617	824,864	1,002,266	956,662	710,746	773,866	351,410	816,387
Investment income (loss)	581,216	630,112	411,583	407,993	1,578,387	2,506,266	206,551	(940,127)	1,230,064	3,383,369
Transfers	(195,242)	(1,856,609) (a)	1,808,295	(3,363,343)	(620,941)	(420,540)	(120,138)	(3,112,160)	(119,335)	(913,476)
Total governmental activities	<u>\$ 74,277,742</u>	<u>\$ 74,691,246</u>	<u>\$ 79,503,734</u>	<u>\$ 75,988,549</u>	<u>\$ 83,404,269</u>	<u>\$ 86,060,963</u>	<u>\$ 87,553,582</u>	<u>\$ 83,417,704</u>	<u>\$ 94,424,667</u>	<u>\$ 98,698,842</u>
Business-type activities:										
Interest and investment earnings	48,777	76,744	79,684	78,264	113,512	78,622	57,836	106,523	264,677	376,539
Miscellaneous	-	-	-	-	-	-	-	-	120,416	-
Transfers	195,242	1,856,609 (a)	(1,808,295)	3,363,343	620,941	420,540	120,138	3,112,160	119,335	913,476
Total business-type activities	<u>244,019</u>	<u>1,933,353</u>	<u>(1,728,611)</u>	<u>3,441,607</u>	<u>734,453</u>	<u>499,162</u>	<u>177,974</u>	<u>3,218,683</u>	<u>504,428</u>	<u>1,290,015</u>
Total primary government	<u>\$ 74,521,761</u>	<u>\$ 76,624,599</u>	<u>\$ 77,775,123</u>	<u>\$ 79,430,156</u>	<u>\$ 84,138,722</u>	<u>\$ 86,560,125</u>	<u>\$ 87,731,556</u>	<u>\$ 86,636,387</u>	<u>\$ 94,929,095</u>	<u>\$ 99,988,857</u>
Change in Net Position										
Governmental activities	\$ 4,488,399	\$ 3,648,828	\$ 6,380,807	\$ (1,639,388)	\$ 6,487,486	\$ 4,956,209	\$ 10,483,143	\$ 4,033,144	\$ 6,340,147	\$ 6,431,421
Business-type activities	(82,965)	1,801,601	(1,668,571)	3,111,806	359,217	(61,787)	(117,356)	3,564,066	631,672	1,702,932
Total primary government	<u>\$ 4,405,434</u>	<u>\$ 5,450,429</u>	<u>\$ 4,712,236</u>	<u>\$ 1,472,418</u>	<u>\$ 6,846,703</u>	<u>\$ 4,894,422</u>	<u>\$ 10,365,787</u>	<u>\$ 7,597,210</u>	<u>\$ 6,971,819</u>	<u>\$ 8,134,353</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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
General government	\$ 1,186,539	\$ 1,404,226	\$ 1,109,773	\$ 1,069,957	\$ 962,243	\$ 1,568,829	\$ 2,488,145	\$ 2,308,846	\$ 2,260,844	\$ 2,216,100
Public safety	1,765,083	1,919,288	2,472,100	2,289,257	2,284,069	3,363,956	3,580,886	4,088,034	5,389,539	4,224,265
Public works	683,239	1,738,026	1,187,743	517,024	582,644	722,018	740,358	843,663	321,841	1,303,552
Culture and recreation	974,204	1,078,408	1,119,989	1,316,027	1,410,321	915,697	946,720	1,667,894	2,062,081	2,918,210
Transportation and waterfront	883,678	1,438,633	2,084,690	1,294,208	1,189,062	1,436,977	1,117,886	1,941,515	2,012,707	1,577,054
Health, welfare and social services	124,747	284,231	250,007	296,491	254,717	377,708	407,832	523,493	1,796,619	1,364,255
Education	12,400,542	12,416,440	13,438,216	14,036,892	13,635,507	15,036,333	21,170,219	20,508,311	24,101,604	29,267,160
Total governmental activities	<u>18,018,032</u>	<u>20,279,252</u>	<u>21,662,518</u>	<u>20,819,856</u>	<u>20,318,563</u>	<u>23,421,518</u>	<u>30,452,046</u>	<u>31,881,756</u>	<u>37,945,235</u>	<u>42,870,596</u>
Business-type activities:										
Sewer	5,820,239	6,022,343	6,263,387	6,015,315	6,080,533	5,979,665	6,268,760	6,806,761	7,325,491	8,058,588
Total business-type activities	<u>5,820,239</u>	<u>6,022,343</u>	<u>6,263,387</u>	<u>6,015,315</u>	<u>6,080,533</u>	<u>5,979,665</u>	<u>6,268,760</u>	<u>6,806,761</u>	<u>7,325,491</u>	<u>8,058,588</u>
Total primary government	<u>\$ 23,838,271</u>	<u>\$ 26,301,595</u>	<u>\$ 27,925,905</u>	<u>\$ 26,835,171</u>	<u>\$ 26,399,096</u>	<u>\$ 29,401,183</u>	<u>\$ 36,720,806</u>	<u>\$ 38,688,517</u>	<u>\$ 45,270,726</u>	<u>\$ 50,929,184</u>

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund:										
Nonspendable	\$ 100,382	\$ 104,615	\$ -	\$ -	\$ -	\$ 100,557	\$ -	\$ 63,665	\$ 137,801	\$ 394,174
Restricted	2,715,462	2,708,544	2,662,892	2,338,747	2,022,736	3,212,321	4,930,223	5,918,840	4,963,708	2,803,851
Committed	3,458,710	4,344,471	4,012,592	3,972,242	3,984,988	5,928,768	6,460,667	5,036,637	5,276,027	5,895,784
Assigned	3,234,394	3,273,424	4,028,667	4,129,161	4,044,926	3,949,069	3,392,636	6,015,262	4,080,341	2,545,274
Unassigned	12,827,588	13,320,584	13,189,251	12,400,808	13,521,328	12,909,528	16,133,999	15,286,137	15,893,050	18,537,873
Total general fund	\$ 22,336,536	\$ 23,751,638	\$ 23,893,402	\$ 22,840,958	\$ 23,573,978	\$ 26,100,243	\$ 30,917,525	\$ 32,320,541	\$ 30,350,927	\$ 30,176,956
All other governmental funds:										
Nonspendable	\$ 228,559	\$ 241,859	\$ 246,523	\$ 241,093	\$ 229,141	\$ 248,438	\$ 193,519	\$ 242,157	\$ 246,842	\$ 242,566
Restricted	9,578,044	9,344,141	15,821,856	9,398,675	9,430,898	9,715,863	12,227,208	48,688,269	24,840,982	14,918,953
Committed	8,160,788	8,585,144	9,154,640	9,643,676	11,056,337	10,773,102	8,113,510	6,474,204	6,879,561	3,400,394
Unassigned	(8,263)	(1,059,302)	(92,080)	(193,496)	(859,755)	(1,541,427)	(5,472,913)	(376,561)	(213,513)	(130,554)
Total all other governmental funds	\$ 17,959,128	\$ 17,111,842	\$ 25,130,939	\$ 19,089,948	\$ 19,856,621	\$ 19,195,976	\$ 15,061,324	\$ 55,028,069	\$ 31,753,872	\$ 18,431,359

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 68,968,072	\$ 70,623,578	\$ 71,188,455	\$ 73,137,978	\$ 76,229,761	\$ 76,680,678	\$ 79,302,519	\$ 77,698,226	\$ 81,923,417	\$ 85,168,557
Intergovernmental	18,163,708	19,718,620	21,350,777	20,670,863	20,347,377	24,168,104	32,306,980	34,474,676	41,610,886	44,273,747
Licenses and permits	893,186	1,162,225	1,224,384	1,081,073	1,106,919	1,900,262	1,402,409	1,234,166	1,101,573	1,319,198
Charges for services	3,434,235	3,946,288	3,731,786	3,787,149	3,984,213	3,369,846	3,747,717	4,874,512	5,510,838	5,970,636
Unclassified	1,377,045	1,607,267	1,541,682	1,251,377	2,254,358	1,405,155	1,464,791	1,175,277	1,856,004	1,734,304
Investment income (loss)	581,216	630,112	411,583	407,993	1,578,387	2,506,266	206,551	(940,127)	1,230,064	3,383,369
Total revenues	93,417,462	97,688,090	99,448,667	100,336,433	105,501,015	110,030,311	118,430,967	118,516,730	133,232,782	141,849,811
Expenditures										
General government	10,446,432	10,826,767	11,397,541	12,397,376	12,788,538	14,053,826	15,103,885	14,156,864	16,418,080	16,258,587
Public safety	10,860,700	11,055,139	11,456,415	11,826,761	12,017,983	12,640,353	13,332,617	14,243,417	14,322,777	15,553,334
Public works	5,170,020	4,856,565	4,521,156	5,085,171	5,547,431	5,851,611	5,081,087	5,727,294	6,990,344	6,619,692
Culture and recreation	3,848,406	3,886,368	3,893,759	4,313,069	4,215,218	4,144,603	3,923,101	4,330,171	4,782,833	5,049,355
Transportation and waterfront	1,214,276	1,288,456	1,465,393	1,503,217	1,561,608	1,575,542	1,476,709	1,911,389	2,745,100	1,904,529
Health, welfare and social services	369,616	521,834	506,108	559,095	566,904	684,709	735,182	1,001,015	1,821,157	1,506,145
Education	45,667,455	45,586,692	47,698,940	49,543,256	51,055,944	52,554,317	59,367,296	57,793,733	63,776,987	71,102,329
School lunch program	1,693,739	1,721,538	1,803,337	1,820,284	1,885,962	1,797,884	1,640,669	2,310,607	2,712,780	2,855,429
County tax	2,327,942	2,434,056	2,504,088	2,598,030	2,785,695	2,952,578	3,084,423	3,119,820	4,746,495	3,339,067
Other	1,297,458	1,036,573	991,155	1,326,066	1,869,725	1,897,901	1,828,319	1,584,506	196,392	1,962,645
Capital projects	9,356,651	6,148,201	14,578,120	7,633,531	4,513,844	5,716,208	15,634,670	33,991,570	31,731,276	7,099,070
Debt Service:										
Principal	4,465,751	4,466,946	4,303,499	4,363,969	4,423,975	4,259,775	4,348,318	4,746,433	4,121,938	7,064,602
Interest	1,766,373	1,625,390	1,683,605	1,743,118	1,560,333	1,465,642	1,491,884	1,492,467	4,022,383	3,890,843
Total expenditures	98,484,819	95,454,525	106,803,116	104,712,943	104,793,160	109,594,949	127,048,160	146,409,286	158,388,542	144,205,627
Excess (deficiency) of revenues over (under) expenditures	(5,067,357)	2,233,565	(7,354,449)	(4,376,510)	707,855	435,362	(8,617,193)	(27,892,556)	(25,155,760)	(2,355,816)

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other financing sources (uses)										
Proceeds - Bonds and premium	\$ -	\$ -	\$ 13,707,015	\$ -	\$ -	\$ -	\$ 9,273,091	\$ 72,352,806	\$ -	\$ -
Proceeds financed purchases	-	190,860	-	456,948	1,412,779	1,850,798	-	-	-	17,017
Lease financing	-	-	-	-	-	-	-	-	-	58,508
Refunding bonds issued and premium	-	-	-	17,562,444	-	-	-	6,107,174	-	-
Payment to refunded bond escrow agent	-	-	-	(17,372,974)	-	-	-	(6,085,503)	-	-
Transfers in	5,002,623	4,675,598	6,456,501	5,128,822	4,005,186	5,089,530	1,708,891	1,750,402	5,118,925	2,993,458
Transfers out	(5,197,865)	(6,532,207)	(4,648,206)	(8,492,165)	(4,626,127)	(5,510,070)	(1,829,029)	(4,862,562)	(5,238,260)	(3,906,934)
Total other financing sources (uses)	<u>(195,242)</u>	<u>(1,665,749)</u>	<u>15,515,310</u>	<u>(2,716,925)</u>	<u>791,838</u>	<u>1,430,258</u>	<u>9,152,953</u>	<u>69,262,317</u>	<u>(119,335)</u>	<u>(837,951)</u>
Net change in fund balances	<u>\$ (5,262,599)</u>	<u>\$ 567,816</u>	<u>\$ 8,160,861</u>	<u>\$ (7,093,435)</u>	<u>\$ 1,499,693</u>	<u>\$ 1,865,620</u>	<u>\$ 535,760</u>	<u>\$ 41,369,761</u>	<u>\$ (25,275,095)</u>	<u>\$ (3,193,767)</u>
Total Debt Service including education	6,232,124	6,092,336	5,987,104	6,107,087	5,984,308	5,725,417	5,840,202	6,238,900	8,144,321	10,955,445
Capital Expenditures (per Statement 5)	9,828,671	7,120,178	14,608,302	7,702,848	5,622,353	7,395,789	20,151,891	35,724,137	34,900,659	11,549,148
Debt service as a percentage of noncapital expenditures	7.03%	6.90%	6.49%	6.30%	6.03%	5.60%	5.46%	5.64%	6.60%	8.26%

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

Fiscal Year	Property Taxes (b)	Vehicle Taxes	Other (a)	Subtotal	TIF Property Taxes	Total
2014	\$ 56,837,797	5,829,497	350,795	63,018,089	2,334,343	65,352,432
2015	59,781,351	6,374,595	359,164	66,515,110	2,452,962	68,968,072
2016	60,517,323	7,241,370	379,194	68,137,887	2,485,691	70,623,578
2017	61,266,181	7,100,567	351,968	68,718,716	2,469,739	71,188,455
2018	62,618,719	7,595,421	344,268	70,558,408	2,579,570	73,137,978
2019	65,176,305	7,893,886	364,035	73,434,226	2,795,535	76,229,761
2020	67,248,267	6,147,045	374,604	73,769,916	2,910,762	76,680,678
2021	69,201,016	7,064,080	395,990	76,661,086	2,641,433	79,302,519
2022	68,203,859	6,212,025	404,836	74,820,720	2,877,506	77,698,226
2023	73,131,002	6,471,436	291,481	79,893,919	2,029,498	81,923,417
2024	73,315,526	7,952,666	392,513	81,660,705	3,507,852	85,168,557

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

(b) includes property taxes allocated to adult education.

Table 7

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

Fiscal Year	State Revenue Sharing	School Aid	General Assistance	Homestead Reimb	Business Equipment Tax Exemption (a)	Other State Aid (b)	Total State Aid
2015	\$ 1,264,320	5,356,835	124,747	477,176	1,259,322	545,061	9,027,461
2016	1,285,328	6,197,822	284,231	484,938	1,522,086	598,505	10,372,910
2017	1,243,362	6,419,831	250,007	729,461	1,648,477	801,921	11,093,059
2018	1,243,362	6,419,831	250,007	729,461	1,648,477	801,921	11,093,059
2019	1,335,998	6,198,835	254,717	1,185,346	1,960,942	838,927	11,774,765
2020	1,920,227	6,892,853	377,708	1,140,898	2,101,001	158,596	12,591,283
2021	2,592,482	6,820,557	407,832	1,610,759	2,027,429	153,796	13,612,855
2022	3,781,382	8,944,247	357,469	1,460,923	2,565,478	155,243	17,264,742
2023	4,362,821	10,010,391	1,347,350	1,155,086	2,559,167	337,141	19,771,956
2024	3,840,221	13,993,694	999,255	1,538,347	2,233,153	385,547	22,990,217

(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							
2015	\$ 1,892,251,700	1,379,303,000	329,605,300	3,601,160,000	143,448,080	3,457,711,920	16.42	3,580,100,000	96.6%
2016	1,907,528,200	1,389,683,400	323,423,000	3,620,634,600	142,855,880	3,477,778,720	16.70	3,696,350,000	94.1%
2017	1,894,613,500	1,392,736,100	323,280,800	3,610,630,400	139,533,280	3,471,097,120	16.97	3,738,700,000	92.8%
2018	1,938,556,760	1,374,023,400	328,933,000	3,641,513,160	143,309,419	3,498,203,741	17.25	4,008,050,000	87.3%
2019	1,974,887,460	1,385,473,700	324,903,900	3,685,265,060	151,109,994	3,534,155,066	17.70	4,308,100,000	82.0%
2020	1,991,184,360	1,375,637,400	319,509,800	3,686,331,560	208,057,569	3,478,273,991	18.26	4,622,350,000	75.2%
2021	1,958,911,800	1,349,459,600	314,214,800	3,622,586,200	183,527,837	3,439,058,363	18.86	4,866,700,000	70.7%
2022	2,941,548,800	1,558,449,200	361,957,900	4,861,955,900	311,574,720	4,550,381,180	14.06	5,183,800,000	87.8%
2023	2,879,056,900	1,665,541,900	366,632,600	4,911,231,400	300,363,328	4,610,868,072	14.69	5,847,800,000	78.8%
2024	3,395,362,650	1,671,290,600	414,598,650	5,481,251,900	360,387,720	5,120,864,180	13.46	6,697,050,000	76.5%

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

	Homestead Assessed Values	Homestead Estimated Actual Values	BETE Assessed Values	BETE Estimated Actual Values
2015	\$ 55,810,000	55,810,000	200,539,700	200,539,700
2016	55,740,000	55,740,000	215,867,700	215,867,700
2017	82,425,000	82,425,000	218,824,290	218,824,290
2018	109,660,000	109,660,000	216,832,800	216,832,800
2019	109,660,000	109,660,000	235,917,900	235,917,900
2020	109,980,000	109,980,000	276,896,400	276,896,400
2021	141,225,000	141,225,000	291,500,500	291,500,500
2022	141,975,000	141,975,000	405,367,000	405,367,000
2023	142,225,000	142,225,000	384,524,000	384,524,000
2024	143,150,000	143,150,000	381,632,900	381,632,900

Table 9

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

Tax Year	Direct Rates			Overlapping Rate	
	General Municipal	Education	Total	Cumberland County (a)	Total
2015	5.24	11.18	16.42	0.68	17.10
2016	5.30	11.40	16.70	0.71	17.41
2017	5.31	11.66	16.97	0.73	17.70
2018	5.36	11.89	17.25	0.75	18.00
2019	5.39	12.31	17.70	0.80	18.50
2020	5.54	12.72	18.26	0.84	19.10
2021	5.66	13.20	18.86	0.89	19.75
2022	4.72	9.34	14.06	0.64	14.70
2023	4.91	9.78	14.69	0.87	15.56
2024	4.63	8.83	13.46	0.68	14.14

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. Note that the County transitioned from a calendar fiscal year to a July-June fiscal year in 2024.

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

Taxpayer	2024			2015		
	Assessed Valuation	Rank	Percentage of Total Assessed Value	Assessed Valuation	Rank	Percentage of Total Assessed Value
TEXAS INSTRUMENTS INCORPORATED	\$ 208,388,300	1	3.80%	\$ 181,117,600	2	5.03%
GGP - MAINE MALL, LLC	181,330,600	2	3.31%	250,647,400	1	6.96%
RED BANK VILLAGE APARTMENTS PROPERTY OWNER LLC	(b) 82,692,100	3	1.51%	55,243,700	4	1.53%
DIODES US MANUFACTURING INC	(a) 81,223,000	4	1.48%	48,703,300	5	1.35%
HANNAFORD/DELHAIZE AMERICA	(c) 63,860,800	5	1.17%	58,788,000	3	1.63%
350 CLARKS POND, LLC	(d) 54,171,500	6	0.99%			
CENTRAL MAINE POWER COMPANY	53,372,200	7	0.97%	39,923,700	7	1.11%
WSL- SABLE LODGE LLC	(d) 43,187,200	8	0.79%			
RIVERPLACE PROPERTIES, LLC	36,451,700	9	0.67%			
PORTLAND PIPE LINC CORP	35,728,200	10	0.65%	44,706,800	6	1.24%
DEAD RIVER COMPANY				31,228,500	8	0.87%
OPROCK PORTLAND				28,485,300	9	0.79%
ANTHEM				27,366,000	10	0.76%
	<u>840,405,600</u>		<u>15.33%</u>	<u>766,210,300</u>		<u>21.28%</u>
Total Assessed Valuation	\$ 5,481,251,900			\$ 3,601,160,000		
Includes:						
Municipal valuation	5,120,864,180			3,457,711,920		
TIF valuation	360,387,720			143,448,080		
	\$ <u>5,481,251,900</u>			\$ <u>3,601,160,000</u>		

(a) DIODES US MANUFACTURING INC (FKA Fairchild Semiconductor, which was acquired by ON Semiconductor on September 19, 2016).

(b) Red Bank Village Apartments Property Owner LLC (FKA Home Properties, which was acquired by LSR Lighthouse Acquisitions LLC, then Portland Portfolio I LLC in 2016 before 2021 purchase)

(c) Hannaford and Delhaize Wholesale, Distribution, and Retail Total

(d) 350 Clarks Pond, LLC and WSL-Sable Lodge LLC did not have improvements to land in prior period

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
2015	\$ 61,546,876	60,720,014	98.66%	808,296	61,528,310	99.97%
2016	62,846,082	62,226,796	99.01%	600,777	62,827,573	99.97%
2017	63,908,158	63,257,315	98.98%	635,186	63,892,501	99.98%
2018	65,547,237	64,890,327	99.00%	644,963	65,535,290	99.98%
2019	68,177,403	67,337,460	98.77%	826,213	68,163,673	99.98%
2020	70,408,933	69,197,377	98.28%	1,192,128	70,389,505	99.97%
2021	71,546,077	70,617,202	98.70%	899,346	71,516,548	99.96%
2022	71,470,752	70,654,940	98.86%	748,566	71,403,506	99.91%
2023	76,418,761	75,642,128	98.98%	513,094	76,155,222	99.66%
2024	77,504,902	76,391,380	98.56%	-	76,391,380	98.56%

CITY OF SOUTH PORTLAND, MAINE
Ratios of Debt Outstanding by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities	Total	Personal Income (a)	Percentage of Personal Income	Population (b)	Per Capita
	General Obligation Bonds (f)	Lease Liabilities	Financed Purchases	Notes from Direct Borrowing					
2015	\$ 50,772,746	-	2,491,412	392,983	53,657,141	569,570,562	9.42%	25,002	2,146
2016	46,348,658	-	2,307,319	3,765,881	52,421,858	569,570,562	9.20%	25,002	2,097
2017	(c) 55,767,421	-	1,910,278	3,568,778	61,246,477	569,570,562	10.75%	25,002	2,450
2018	52,992,634	-	1,943,835	3,371,676	58,308,145	569,570,562	10.24%	25,002	2,332
2019	48,472,852	-	2,582,141	3,174,573	54,229,566	569,570,562	9.52%	25,002	2,169
2020	44,125,111	-	3,461,410	2,977,471	50,563,992	569,570,562	8.88%	26,498	1,908
2021	(d) 49,040,220	-	2,439,128	2,780,369	54,259,717	1,033,501,494	5.25%	26,498	2,048
2022	(e) 116,733,767	114,456	1,739,391	2,583,267	121,170,881	1,033,501,494	11.72%	26,498	4,573
2023	111,827,836	107,589	1,211,735	2,386,164	115,533,324	1,033,501,494	11.18%	26,498	4,360
2024	103,832,568	149,320	894,644	2,189,062	107,065,594	1,317,454,062	8.13%	26,498	4,041

(a) See Table 17. Amount shown is per capita income multiplied by population.

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

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

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

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

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

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

Fiscal Year	General Governmental Activities (g)	Personal Income (a)	Percentage of Personal Income	Population (b)	Per Capita	Percentage of Estimated Actual Taxable Value of Property (c)
2015	\$ 50,772,746	569,570,562	8.91%	25,002	2,031	1.42%
2016	46,348,658	569,570,562	8.14%	25,002	1,854	1.25%
2017	(d) 55,767,421	569,570,562	9.79%	25,002	2,231	1.49%
2018	52,992,634	569,570,562	9.30%	25,002	2,120	1.32%
2019	48,472,852	569,570,562	8.51%	25,002	1,939	1.13%
2020	44,125,111	569,570,562	7.75%	26,498	1,665	0.95%
2021	(e) 49,040,220	1,033,501,494	4.75%	26,498	1,851	1.01%
2022	(f) 116,733,767	1,033,501,494	11.29%	26,498	4,405	2.25%
2023	111,827,836	1,033,501,494	10.82%	26,498	4,220	1.91%
2024	103,832,568	1,317,454,062	7.88%	26,498	3,919	1.55%

(a) See Table 17. Amount shown is per capita income multiplied by population.

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

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

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

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

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

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

CITY OF SOUTH PORTLAND, MAINE
Direct and Overlapping Governmental Activities Debt
June 30, 2024

Jurisdiction	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
City of South Portland General Obligation	\$ 103,832,568	100.00%	\$ 103,832,568
City of South Portland Financed Purchases	894,644	100.00%	894,644
City of South Portland Lease liabilities	149,320	100.00%	149,320
Total direct debt	<u>104,876,532</u>		<u>104,876,532</u>
Overlapping:			
Portland Water District	65,451,334	12.92%	8,456,312
Cumberland County	29,875,601	8.96%	2,676,754
Total overlapping debt	<u>95,326,935</u>		<u>11,133,066</u>
Total direct and overlapping debt	<u>\$ 200,203,467</u>		<u>\$ 116,009,598</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. South Portland only participates in water related debt because it has it's own Sewer Department.

**CITY OF SOUTH PORTLAND, MAINE
Legal Debt Margin Information
June 30, 2024**

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 the most recent State Valuation, the City is in compliance with the total and categorical debt limits:

Legal Debt Margin Calculation for Fiscal Year 2024

State Valuation	\$ 6,697,050,000
Total Debt Limit - 15% of State Valuation	1,004,557,500
Less outstanding debt applicable to debt limit	<u>(97,829,062)</u>
Legal Debt Margin	<u>\$ 906,728,438</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%	\$ 669,705,000	\$ 76,353,954	\$ 593,351,046
Storm or Sanitary Sewer	7.50%	502,278,750	2,189,062	500,089,688
Municipal	7.50%	502,278,750	19,286,046	482,992,704
Total Outstanding			\$ 97,829,062	

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt limit	\$ 537,015,000	\$ 554,452,500	\$ 560,805,000	\$ 601,207,500	\$ 646,215,000	\$ 693,352,500	\$ 730,005,000	\$ 777,570,000	\$ 877,170,000	\$ 1,004,557,500
Total debt applicable to limit	<u>51,165,729</u>	<u>48,067,972</u>	<u>56,569,358</u>	<u>52,225,745</u>	<u>48,072,131</u>	<u>44,073,517</u>	<u>48,049,903</u>	<u>108,776,289</u>	<u>104,872,675</u>	<u>97,829,062</u>
Legal debt margin	\$ 485,849,271	\$ 506,384,528	\$ 504,235,642	\$ 548,981,755	\$ 598,142,869	\$ 649,278,983	\$ 681,955,097	\$ 668,793,711	\$ 772,297,325	\$ 906,728,438
Total debt applicable to the limit as a percentage of debt limit	9.53%	8.67%	10.09%	8.69%	7.44%	6.36%	6.58%	13.99%	11.96%	9.74%

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

Table 16

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

Employer	2024			2015		
	Employees	Rank	(a) Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
City of South Portland	1001 to 1500	1	N/A	870	3	3.48%
Southern Maine Community College	501 to 1000	2	N/A	739	6	2.96%
Texas Instruments Incorporated	1 to 500	3	N/A	540	7	2.16%
Sun Life Financial	1 to 500	4	N/A			
Delhaize America Distribution LLC	1 to 500	5	N/A			
United Parcel Service	1 to 500	6	N/A	200	8	0.80%
VNA Home Health Care	1 to 500	7	N/A			
Anthem Health Systems Inc	1 to 500	8	N/A	1,000	2	4.00%
Target Corp	1 to 500	9	N/A			
Intermed PA	1 to 500	10	N/A			
UnumProvident Life Insurance Co.				3,500	1	14.00%
WEX Inc. (formerly Wright Express)				744	5	2.98%
Marriott Corporation				148	10	0.59%
ON Semiconductor (formerly Fairchild Semi)				775	4	3.10%
Macy's				150	9	0.60%
	N/A		N/A	8,666		34.67%

Source: Maine Department of Labor, Center for Workforce Research and Information - 2024

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

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

Fiscal Year	Population (d)	Personal Income (a)	Per Capita Personal Income (d)	Median Age	School Enrollment (c)	Unemployment Rate (b)
2015	25,002	\$ 569,570,562	\$ 22,781	39.40	3,064	4.0%
2016	25,002	569,570,562	22,781	39.40	3,080	3.1%
2017	25,002	569,570,562	22,781	39.40	3,068	2.9%
2018	25,002	569,570,562	22,781	39.40	3,045	2.8%
2019	25,002	569,570,562	22,781	39.40	2,979	2.6%
2020	26,498	569,570,562	22,781	39.40	2,968	6.2%
2021	26,498	1,033,501,494	39,003	42.20	2,912	4.6%
2022	26,498	1,033,501,494	39,003	42.20	2,890	2.5%
2023	26,498	1,033,501,494	39,003	42.20	3,081	2.5%
2024	26,498	1,317,454,062	49,719	40.70	3,071	2.5%

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

(b) Portland - South Portland Metropolitan Area, State of Maine, CWRI <https://www.maine.gov/labor/cwri/laus2.html>

(c) State of Maine Department of Education, October 1 Census 2023

(d) US Census Bureau <https://www.census.gov/quickfacts/fact/table/southportlandcitymaine/PST045224>

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

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	4.0	4.0	4.0	4.5	5.0	5.0	4.0	5.0	5.0	5.0
City clerk	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Corporation council	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0
Economic Development	-	-	-	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Finance department	12.0	12.0	11.5	11.5	11.5	11.5	11.5	12.0	12.0	13.0
Assessing	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Information technology	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0
SPC-TV	3.0	3.0	3.0	3.0	3.0	2.5	2.5	2.5	2.5	2.5
Planning department	3.0	3.0	3.0	3.0	4.0	4.0	4.0	5.0	5.0	5.0
Human resources	3.0	3.0	3.5	4.5	4.5	4.5	4.5	5.0	5.0	5.0
Facilities	1.0	1.0	1.0	2.0	9.0	9.0	13.0	12.0	11.0	11.0
Sustainability	-	1.0	1.0	1.5	1.5	2.0	3.0	3.0	3.0	3.0
Public Safety										
Police	59.0	59.0	60.0	61.0	62.0	63.0	64.0	62.0	63.6	64.0
Fire	69.5	69.5	69.5	69.5	73.5	73.5	74.0	73.0	73.0	74.5
Dispatch	5.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0
Code Enforcement	5.0	5.0	5.0	5.0	6.0	6.0	6.0	7.0	7.0	7.0
Public Works	22.0	22.0	22.5	23.0	23.0	23.0	24.0	23.5	25.0	26.0
Parks and Recreation										
Parks	13.5	13.5	13.5	13.5	14.0	14.0	14.0	15.0	15.0	14.0
Recreation	21.0	21.0	21.0	21.0	14.0	14.0	25.0	21.0	21.0	22.0
Public Library	13.0	12.0	12.0	12.0	12.0	12.0	12.0	13.0	13.0	14.0
Transportation and Waterfront	15.0	16.0	17.0	18.0	18.0	18.0	20.0	19.0	19.0	19.0
Social Services	2.0	2.0	2.0	2.0	2.0	2.5	4.0	4.0	4.0	4.0
Schools	570.0	565.0	570.0	605.0	605.0	595.0	595.0	625.0	625.0	635.0
Water Resource Protection	29.5	29.0	29.0	29.0	29.0	29.0	29.0	30.0	30.0	31.0
Total	870.5	864.0	871.5	913.0	921.0	913.5	934.5	961.0	963.1	979.0

Source: Payroll Department.

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

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

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

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police (b)										
Physical arrests	676	599	551	440	497	424	387	599	324	374
Calls for Service	36,361	36,337	33,738	33,577	34,825	33,442	30,664	28,363	28,231	27,747
UCR - Crime Index	1,012	804	620	592	565	529	462	511	452	406
Fire										
Fire calls	1,366	1,222	1,166	1,297	1,191	1,346	1,203	2,412	1,377	1,489
Medical calls	3,089	3,279	3,295	3,328	3,522	3,611	3,782	5,553	4,322	4,153
Inspections	1,923	1,915	2,186	2,040	2,085	1,202	1,202	5,304	1,142	1,513
Refuse Collection										
Refuse collected (tons)	5,643	5,519	6,147	5,834	5,635	6,199	6,204	5,699	7,500	8,714
Recyclables collected (tons)	2,333	2,243	2,289	2,277	2,307	2,210	2,281	2,026	9,000	9,392
Other public works										
Street resurfacing (miles)	2.90	2.90	2.90	2.25	2.30	2.38	1.50	3.50	3.92	4.07
Potholes repaired	220	125	220	162	260	134	121	102	213	271
Parks and Recreation										
Community center admissions	189,242	190,143	190,143	186,890	190,138	135,093	85,253	134,624	174,096	179,185
Library										
Items in collection (a)	103,104	107,109	107,109	107,489	109,535	103,013	112,434	112,883	108,855	109,000
Total items circulated (a)	200,337	260,865	260,865	192,021	188,391	135,624	134,925	129,163	138,987	153,792
Total items borrowed (a)	19,353	25,836	25,836	25,869	28,190	21,038	20,195	20,684	22,074	22,518
Water Resource										
Average daily sewage treatment (millions of gallons)	6,078	5,496	6,078	5,850	6,107	5,386	4,792	5,480	5.97	5.69
Treatment Efficiencies										
BOD Removal (%)	0	92	91	91	91	92	92	92	92	92
TSS Removal (%)	0	95	92	92	93	93	94	94	95	94
Annual Biosolids Production (wet tons)	4,695	4,558	4,820	4,511	4,996	4,592	4,842	5,088	5,139	4,932
Transit										
Total route miles	203,469	200,557	209,286	218,885	226,251	222,162	195,557	196,401	213,189	207,513
Passengers	259,824	246,931	270,930	273,167	259,640	208,947	113,838	150,653	243,092	268,755

Sources: Various city departments.

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

Table 20

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

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Buildings	7	7	7	7	7	7	7	6	7	7
Vehicles	1	1	1	1	1	1	1	2	2	2
Police Department										
Buildings	2	2	2	2	2	2	2	3	3	3
Vehicles	34	34	35	35	38	39	35	40	38	43
Fire Department										
Buildings	7	7	7	7	7	7	7	7	7	7
Vehicles	28	28	25	25	27	24	24	28	29	30
Code Enforcement										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	6	6	6	6	6	5	5	5	5	2
Public Works										
Buildings	7	7	7	8	8	8	8	7	7	7
Streets (miles)	115	115	115	115	115	115	115	115	115	115
Vehicles/Trucks	12	12	12	12	11	7	8	7	8	13
Heavy Vehicles	39	39	34	34	35	39	38	41	43	42
Culture and recreation										
Buildings	15	15	15	15	15	10	10	16	16	16
Vehicles	19	19	24	24	24	17	19	24	25	25
Transportation & Waterfront										
Buildings	3	3	3	2	2	2	2	3	3	3
Buses	10	10	8	8	7	8	8	8	10	10
Vehicles	2	2	2	2	2	2	4	4	4	4
Water Resources										
Buildings	38	38	38	38	38	38	38	38	40	40
Vehicles	23	23	23	23	22	22	22	22	21	21
School Department										
Schools	8	8	8	8	8	8	8	8	9	9
Buildings	4	4	4	4	4	4	4	5	5	5
Portable Classrooms	3	3	3	3	5	5	5	4	4	4
School Buses	23	23	29	29	31	31	33	26	28	28
Vehicles	7	7	7	7	9	9	7	9	9	9

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