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CITY OF SOUTH PORTLAND, MAINE

Comprehensive Annual Financial Report



For Fiscal Year Ended June 30, 2014

CITY OF SOUTH PORTLAND, MAINE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2014



Photo Credit: Chris Kessler

Prepared By:
City of South Portland
Department of Finance

CITY OF SOUTH PORTLAND, MAINE
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

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INTRODUCTORY SECTION





FINANCE DEPARTMENT

GREGORY N. L'HEUREUX
Director of Finance

January 19, 2015

Honorable Linda Cohen, Mayor,
Distinguished Members of the City Council,
And Citizens of the City of South Portland, Maine

Maine state statutes and the South Portland City Charter require that the City issue annually a financial report audited in accordance with generally accepted auditing standards. Pursuant to these requirements, we hereby issue the comprehensive annual financial report of the City of South Portland, Maine, for the fiscal year ended June 30, 2014.

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, 2014. The independent auditor's report is located at the front of the financial section of this report.

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

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section, which is not audited, includes this transmittal letter, 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 statements and schedules, as well as the independent auditor's report on the financial statements and schedules. The statistical section, which is not audited, includes selected financial and demographic information, generally presented on a multi-year basis.

The City is required to undergo an annual single audit in conformity with the Single Audit Act of 1984 and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The "Single Audit" is designed to meet the special

needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including a schedule of expenditures of federal awards, findings, recommendations and the independent auditor's reports on the internal control and compliance with applicable laws and regulations are included in a separately issued single audit report.

Profile of the City of South Portland

The City of South Portland is located on the southern coast of the State of Maine in the southeastern section of the County of Cumberland, the State's most populous county. South Portland is the fourth largest city in Maine and the second largest in its region. The City currently occupies 12.93 square miles and serves a population of 25,002. Under Maine statutes, the City is empowered to levy a property tax on both real and personal property located within its boundaries.

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

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

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

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

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

The appropriated budget is prepared by fund, function (e.g., public safety) and department (e.g., police). The City Manager may transfer appropriations within a department. Transfers between departments, however, need approval from the City Council. Budget to actual comparisons are provided in this report for the general fund. This comparison is presented on page 36 as part of the basic financial statements for the governmental funds.

Relevant Financial Policies

The City's fund balance policy established a minimum unassigned fund balance in the general fund of 9%. In the event that the unassigned fund balance drops below this minimum level, the City will develop a plan implemented through the annual budget process to bring the balance back to the target level over a period of no more than three fiscal years. According to the policy, funds in excess of 12% may, with the approval of the City Council be used for capital improvements or other one-time expenditures. For the year ended June 30, 2014, the amount of unassigned fund balance totaled \$10,838,800 or 14.0% of the fiscal year 2015 general fund budget.

Local Economy

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

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

The western half of the City is home to a regional mall that forms the hub of the largest shopping district in the State. Additionally, there are two world-class semiconductor factories and a number of major hotel chains. Major companies with headquarters or divisions located within the western half of the City include a semiconductor manufacturer, an international financial services company, and two insurance companies. The mall and surrounding businesses increase the population of the City from 25,002 to between 46,000 and 102,000 per day. According to the latest 2010 census figures, a total of 24,178 workers are employed in South Portland, and the City serves as a regional employment center.

The City exhibits above average wealth and housing levels relative to the State of Maine as a whole. The City experienced rapid tax base growth in the last ten years with its taxable base growing by \$1,170,608,000 or 45.9% from 2004 to 2009. This increase included the impact of a full revaluation done in 2007. However, from 2009 to 2014, the City's taxable base decreased by \$238,272,330 or 6.4%. Since the last revaluation in April 2006, market conditions due to the economy required the City to re-evaluate its property value tables in both 2009 and again in 2010. Over the past three years, valuations have stabilized. Additionally, there has also been a continued shift to exempt personal property with the implementation of the State of Maine Business Equipment Tax Exemption (BETE) reimbursement program. Under this program, the State reimburses the municipality for a portion of the taxes that would have been collected from this exempt property. For fiscal year 2014, the exempt value under BETE was \$192,012,700 and the City received BETE reimbursement at a rate 56.96% (and certain TIF property at 100%), totaling \$2,415,757. The City's current-year property tax collection rate remained at a very healthy 98.27%.

The City has a balanced and fairly diverse tax base with an approximately 50/50 split between residential (real) and commercial (real and personal) property value, its largest tax payer comprising 6.77% of its total tax base, and its top ten tax payers combined representing 21.00% of the total tax base.

Long-term Financial Planning

In preparing for the future, the City has identified several major programs necessary to meet citizens' needs for services, while continuing to meet the sharply rising fixed costs imposed on the City. Among these programs are a new municipal services facility, road repair and reconstruction, storm water separation, upgrades to Thornton Heights area, recreational activities, vehicle and equipment purchases, and building renovations. These initiatives were done in accordance with the City's basic financial planning document, its seven-year Capital Improvement Program (CIP), which is reviewed and updated annually by the City Council.

This year's capital plan calls for continuing work on the City's street paving program and sidewalk replacement program, sewer and storm water separation, City hall improvements, various vehicle replacements, traffic islands, and improvements to pedestrian/bicycle projects.

This year's multi-year equipment and vehicle replacement plan calls for the purchase of two transit buses for the Transportation Department and a new plow truck for the Parks Department. Additionally, this year's CIP includes continued funding of the numerous other projects including improvements to the City's fiber optic infrastructure, City Hall renovations, an asphalt hot box and pavement recycler for Public Works, improvements to combined sewer overflow projects for water resources, and numerous recreation and parks projects.

Major Initiatives

After numerous workshops and public review, the City Council sent the Municipal Services Facility Project to the voters in early November of 2013. With a favorable vote of over 1,000 votes, the voters of the City approved bonding of \$14 million for the project on Highland Avenue for a new Municipal Services Facility. The new facility will allow for the Transportation, Public Works, and Parks Department to be in one facility. The facility will feature partial covered parking, a maintenance garage, storage, and administrative offices. The City anticipates starting Phase I of construction for the new transfer station in 2015 and starting Phase II construction of the larger facility in 2016. The financing for the project is expected to occur in 2016.

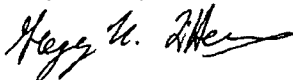
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Portland, Maine for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the seventh year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Gregory N. L'Heureux
Director of Finance

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Government Finance Officers Association

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

Presented to

**City of South Portland
Maine**

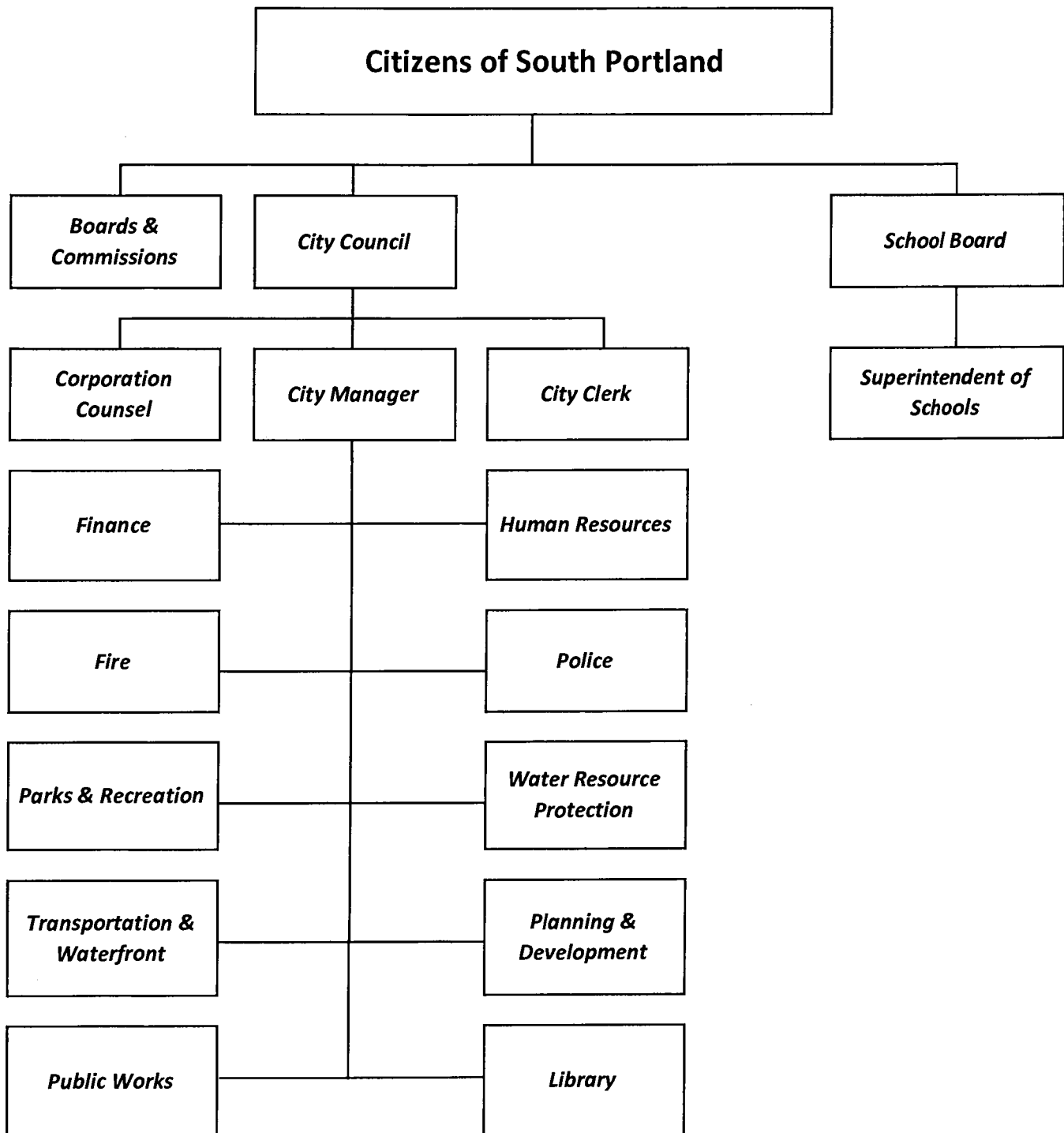
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

CITY OF SOUTH PORTLAND, MAINE

Organizational Chart



CITY OF SOUTH PORTLAND, MAINE

LIST OF PRINCIPAL OFFICIALS (ELECTED AND APPOINTED)

June 30, 2014

Elected Officials

Council Member – District 5 - Mayor	Gerard Jalbert
Council Member – At Large	Thomas Blake
Council Member – District 2	Patricia Smith
Council Member – District 3	Melissa Linscott
Council Member – At Large	Maxine Beecher
Council Member – District 1	Michael Pock
Council Member – District 4	Linda Cohen
Board of Education – District 5 - Chairman	Tappan Fitzgerald
Board of Education – District 1	Richard L. Carter
Board of Education – At Large	Mary House
Board of Education – At Large	Karen U. Callaghan
Board of Education – District 2	Sara B. Goldberg
Board of Education – District 3	Richard Matthews
Board of Education – District 4	James H. Gilboy

Appointed Officials

City Manager	James H. Gailey
Assistant City Manager	Jon P. Jennings
City Clerk	Susan M. Mooney
Finance Director	Gregory N. L'Heureux
Fire Chief	Kevin W. Guimond
Human Resource Director	Donald I. Brewer
Parks and Recreation Director	Richard G. Towle
Public Works Director	Douglas R. Howard
Planning & Development Director	Charles A. Haeuser
Police Chief	Edward J. Googins
Superintendent of Schools	Suzanne T. Godin
Transportation & Waterfront Director	Arthur Handman
Water Resource Protection Director	Patrick M. Cloutier

FINANCIAL SECTION



Independent Auditor's Report

City Council
City of South Portland, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Portland, Maine as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Portland, Maine, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the TIF Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

City Council
City of South Portland, Maine

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2015 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of South Portland, Maine's internal control over financial reporting and compliance.

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

January 19, 2015
South Portland, Maine

CITY OF SOUTH PORTLAND, MAINE
Management's Discussion and Analysis
June 30, 2014

As management of the City of South Portland, we offer readers of the City of South Portland's financial statements this narrative overview and analysis of the financial activities of the City of South Portland for the fiscal year ended June 30, 2014.

Financial Highlights

- The assets of the City of South Portland exceeded its liabilities at the close of the most recent fiscal year by \$167,147,834 (*net position*). Of this amount, \$26,945,768 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$3,789,366.
- As of the close of the current fiscal year, the City of South Portland's governmental activities reported ending net position of \$105,860,769, an increase of \$3,659,313 in comparison with the prior year. Approximately 18.5% of this total amount, \$19,617,685, is *available for spending* at the City's discretion (*unrestricted net position*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,838,800, or 14.95% of total general fund expenditures (budget basis).
- The City's total bonded debt increased by \$5,505,115 during the current fiscal year as a result of new bond issues of \$8,850,000 and \$664,450 for financing the balance of previously approved High School Renovations bonds. Repayments on existing bonds totaled \$3,810,000.
- Voters approved a bond referendum for \$14,000,000 for the construction of a new community services facility housing the Public Works, Parks and Bus operations and maintenance garage. This facility will be designed and constructed over the next 2 years with bond financing anticipated sometime in 2016.
- The High School Construction project completed phase 1 with the grand opening of the new space in January of 2014. The remaining phase 2 of this renovation project is ongoing with an anticipated January 2015 completion date.

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 and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of South Portland is improving or deteriorating.

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

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

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

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

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

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

The City of South Portland adopts an annual appropriated budget for its general fund and TIF funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found on pages 33-34 of this report.

Proprietary funds. The City of South Portland maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of South Portland uses an enterprise fund to account for its sewer user fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information on the individual enterprise fund, which is considered to be a major fund of the City of South Portland.

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

The basic proprietary fund financial statements can be found on pages 37-39 of this report. The budgetary basis schedule demonstrating compliance can be found on page 95 of this report.

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of South Portland's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 40-41 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 42-63 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 67-108 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of South Portland, assets exceeded liabilities by \$167,147,834 at the close of the most recent fiscal year.

City of South Portland's Net Position

	Governmental Activities		Business-type Activities		Total Activities	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 54,199,617	\$ 55,980,875	\$ 12,116,473	\$ 11,834,868	\$ 66,316,090	\$ 67,815,743
Capital assets	122,115,041	111,601,253	50,318,683	50,137,633	172,433,724	161,738,886
Total assets	176,314,658	167,582,128	62,435,156	61,972,501	238,749,814	229,554,629
Long-term liabilities	62,735,662	57,251,311	657,690	684,041	63,393,352	57,935,352
Other liabilities	7,718,227	8,129,361	490,401	131,448	8,208,628	8,260,809
Total liabilities	70,453,889	65,380,672	1,148,091	815,489	71,601,980	66,196,161
Net investment						
in capital assets	73,600,630	72,207,636	49,898,598	49,690,446	123,499,228	121,898,082
Restricted	12,642,454	11,601,604	4,060,384	4,543,966	16,702,838	16,145,570
Unrestricted	19,617,685	18,392,216	7,328,083	6,922,600	26,945,768	25,314,816
Total net position	\$ 105,860,769	\$ 102,201,456	\$ 61,287,065	\$ 61,157,012	\$ 167,147,834	\$ 163,358,468

By far, the largest portion of the City of South Portland's net position (73.9% or \$123,499,228) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of South Portland uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of South Portland's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of South Portland's net position (10% or \$16,702,838) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (16.1% or \$26,945,768) 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.

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

The City's total net position increased by \$3,789,366 during the current fiscal year. This increase is attributable to a combination of actual revenues being in excess of estimates and management's efforts to control and reduce budgeted expenditures.

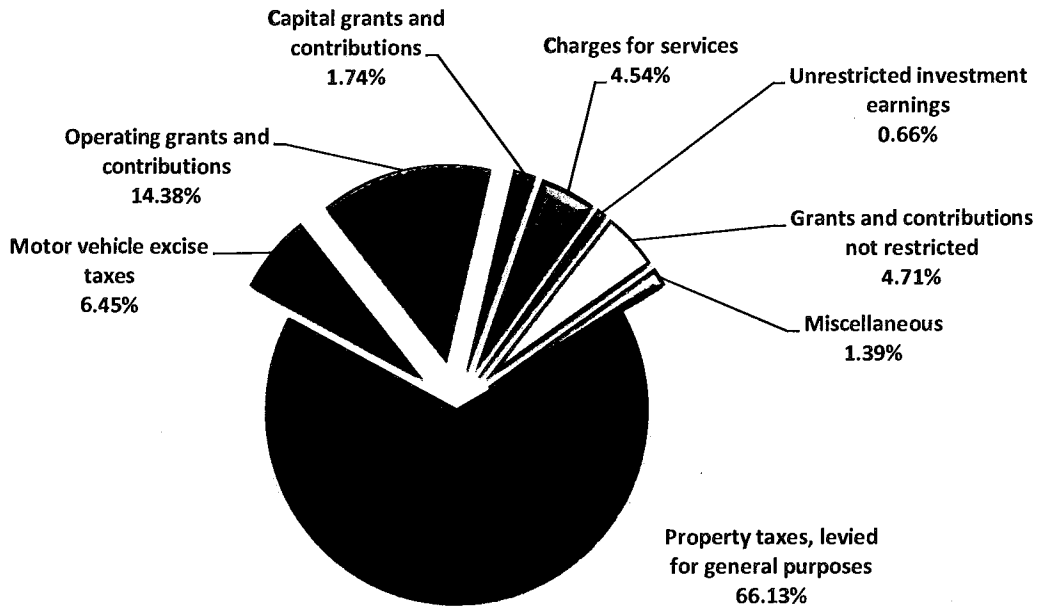
City of South Portland's Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenues:						
Charges for services	\$ 4,108,338	\$ 4,310,410	\$ 5,927,684	\$ 5,637,193	\$ 10,036,022	\$ 9,947,603
Operating grants and contributions	12,995,004	10,382,263	-	-	12,995,004	10,382,263
Capital grants and contributions	1,574,695	518,319	-	138,232	1,574,695	656,551
General revenues:						
Property and other taxes	65,608,432	64,392,887	-	-	65,608,432	64,392,887
Grants and contributions not restricted to specific programs	4,259,604	4,391,399	-	-	4,259,604	4,391,399
Other	1,847,442	1,832,641	30,101	27,079	1,877,543	1,859,720
Total revenues	90,393,515	85,827,919	5,957,785	5,802,504	96,351,300	91,630,423
Expenses:						
General government	11,234,446	10,512,718	-	-	11,234,446	10,512,718
Public safety	12,553,773	12,030,128	-	-	12,553,773	12,030,128
Public works	7,519,818	7,282,274	-	-	7,519,818	7,282,274
Culture and recreation	4,431,468	4,333,705	-	-	4,431,468	4,333,705
Transportation and waterfront	1,381,048	1,218,546	-	-	1,381,048	1,218,546
Health, wealth and social services	335,866	329,143	-	-	335,866	329,143
Interest on debt service	1,470,118	1,761,281	-	-	1,470,118	1,761,281
Education	47,501,590	44,402,127	-	-	47,501,590	44,402,127
Sewer	-	-	6,133,807	5,885,557	6,133,807	5,885,557
Total expenses	86,428,127	81,869,922	6,133,807	5,885,557	92,561,934	87,755,479
Increase (decrease) in net position before transfers	3,965,388	3,957,997	(176,022)	(83,053)	3,789,366	3,874,944
Transfers	(306,075)	(298,992)	306,075	298,992	-	-
Increase (decrease) in net position	3,659,313	3,659,005	130,053	215,939	3,789,366	3,874,944
Net position - beginning of year	102,201,456	98,542,451	61,157,012	60,941,073	163,358,468	159,483,524
Net position - end of year	\$ 105,860,769	\$ 102,201,456	\$ 61,287,065	\$ 61,157,012	\$ 167,147,834	\$ 163,358,468

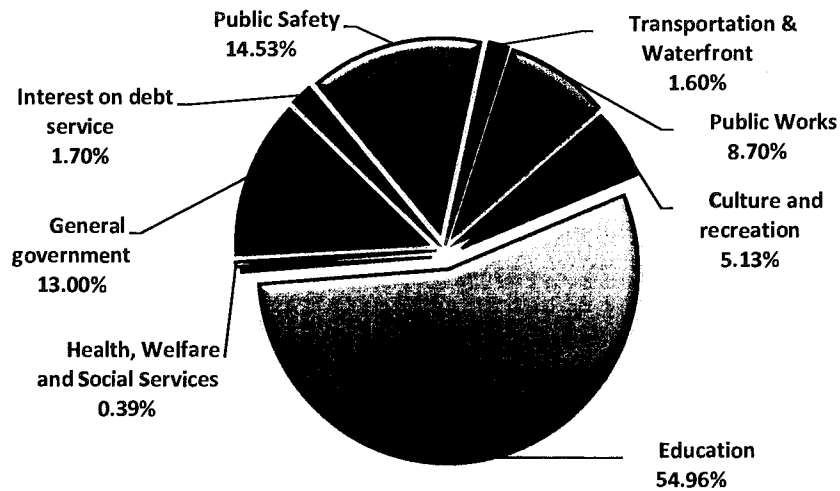
Governmental activities. During this past fiscal year, Governmental activities saw an increase in the City of South Portland's net position of \$3.659 million. This amount represented an increase in the net position of 3.58%. Key elements of this increase are as follows:

- Property and other taxes increased by \$1.22 million (1.9%). This was primary due to an increase in taxes to support the School and City budgets. Included in this tax increase was an increase to support the High School renovation project which the funding for is being phased in over several years.
- Operating grants for education increased significantly by \$2.77 million as a result of improved funding formula factors while unrestricted general grants and contributions decreased slightly. Capital grants increased as a result of federal funding received for the transit hub and two new transit buses and state funds for a road project.
- Total expenses increased by \$4.56 million (5.6%). The largest increase in expenses was for education which increased by \$3.1 million with increases in general government of \$.7 million and public safety of \$.5 million.

Government-wide
Revenues by Source -Governmental Activities
Fiscal Year 2014



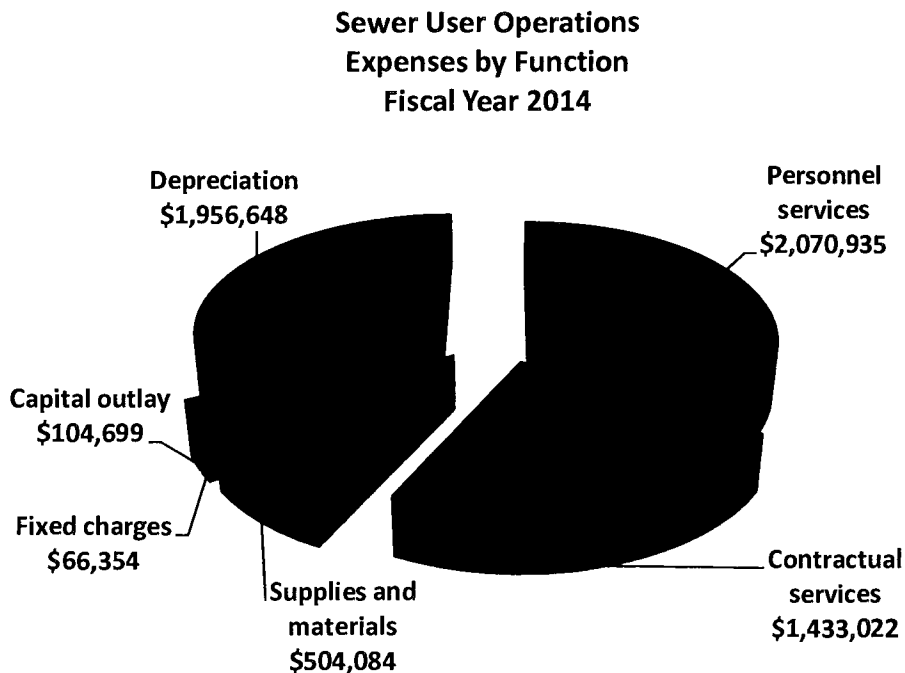
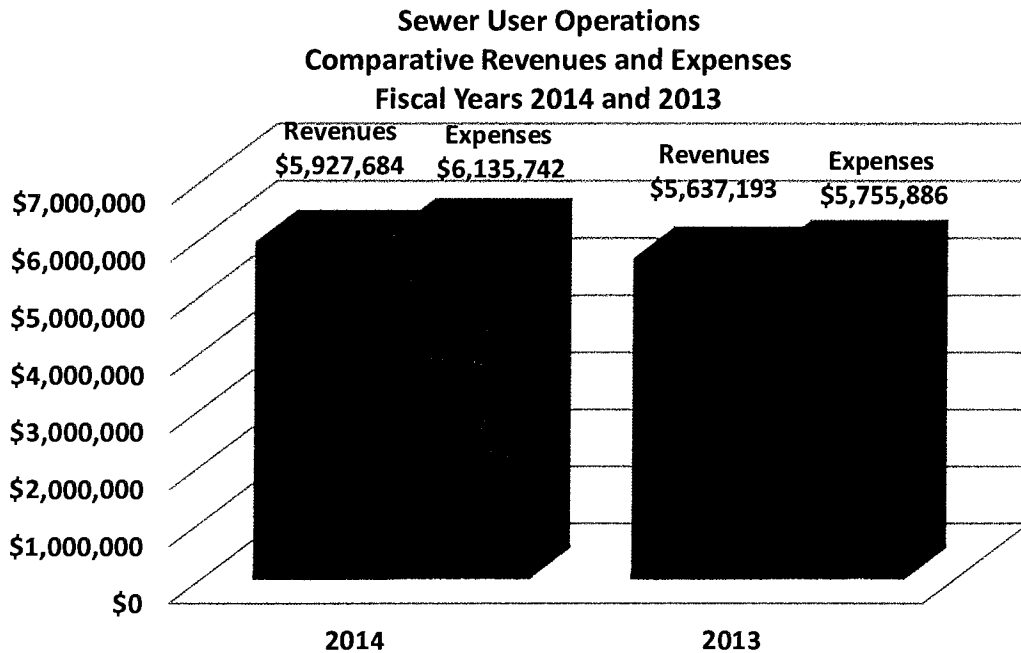
Government-wide
Expenses by Function -Governmental Activities
Fiscal Year 2014



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

Business-type activities. The City's business-type activities, which consist of sewer user operations, increased the City of South Portland's net position by \$130K. A large portion of this was the result of the City's TIF districts transferring \$300K towards the sewer capital projects.

Revenues for business-type activities increased by \$290K due to an increase in user rates which were somewhat offset by lower residential consumption during the year. Total operating expenses for business-type activities increased in total \$380K or 6.6% due primarily to an increase in contractual services for engineering related to the update to the facility plan and related projects (\$180K), sludge disposal cost increases (\$36K), manhole and other ongoing road maintenance cost increases (\$55K) and depreciation (\$34K).



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

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 \$45.56 million, a decrease of \$1.6 million in comparison with the prior year. This resulted primarily from the continued expenditure relating to the High School renovation capital project.

General Fund - The general fund is the central operating fund of the City of South Portland. At the end of the current fiscal year, the total fund balance of the general fund was \$22,132,372. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. General fund fund balance represents 28.61% of total general fund expenditures (\$77,347,783). Under the breakdown of fund balance, unspent appropriations related to education are reported as restricted. At June 30, 2014, general fund restricted balance for education totaled \$3,693,988, a decrease of \$378,238. Additionally, the City maintains various reserve balances for various future needs. These balances are now reported as either committed or assigned and in total increased by \$144,668 during the year, primarily as a result of additional funds being set aside.

In June of 2011, the City Council amended its fund balance policy to better reflect the changes brought about by GASB Statement No. 54 which alters the focus and terminology used for fund balance reporting. The purpose of the fund balance policy is to help insure the future financial stability of the City and to mitigate financial risk that can occur from unforeseen revenue fluctuations or unanticipated expenditures. The City's fund balance policy, which is based on the new unassigned fund balance component of fund balance, establishes a minimum unassigned fund balance of 9% of the City's general fund budget. As of June 30, 2014, the unassigned fund balance was \$10,838,800 or 14.0% of the City's FY 2015, budget (\$77,380,358).

The total fund balance of the City of South Portland's general fund increased by \$461,190 during the current fiscal year. Key factors in this change are as follows:

- Total actual revenues collected exceeded budgeted by approximately \$2,520,016. The largest budgetary surplus resulted from excise taxes collected in excess of budget totaling approximately \$1.3 million. The City collects considerable excise taxes from fleet vehicles. However, the reliability of this revenue stream is at times uncertain and as a result, the City budgets conservatively. Property taxes also exceeded budget by \$38K. State education subsidy changes were made late in the process at the state level and after the school budget was approved an additional \$847K was received. \$300K of that additional education subsidy was then used to reduce the amount of taxes raised for the High School project reserve. Additionally, estimated budgets for various revenues were exceeded; State BETE revenue (\$135K), building permits (\$176K), rescue billing (\$35K) and interest income (\$80K). For more detailed information on actual revenues to budget, please refer to the General Fund Highlights and Exhibit A-2.
- Total actual expenditures were less than budgeted by approximately \$1.167 million. The major discrepancies included: unexpended education appropriations (\$655K), Citywide insurance and benefit costs (\$293K), various public safety departments totaling \$43K, and public works (\$109K) coming in less than anticipated. For more detailed information on actual expenditures to budget, please refer to the General Fund Highlights and Exhibit A-2.
- As part of the City's 2014-15 capital improvement budget, the City appropriated \$1 million from unassigned fund balance to fund certain City capital projects.

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

TIF - The TIF (Tax Increment Financing) fund includes all of the activity in the City's ten tax increment financing districts. At the end of the current fiscal year, the total fund balance of the TIF fund was \$6,499,564, all of which must be used for eligible projects as defined by Maine State Law. TIF funds are typically used to fund credit enhancement agreements with developers and also to fund capital improvement projects in and around the TIF districts. During the year, the City appropriated \$533K towards sewer, storm water and public works capital improvement projects.

Capital Projects - The capital projects fund has a total fund balance of \$12,240,069. During the year, the fund balance decreased as a result of the expenditure of approximately \$12.9 million for completion of the first phase and the start of the second phase of the High School Renovation project that was approved by the voters in November of 2010. Additionally, the City issued the remaining bonds (\$9.315 million) for the second phase of the High School project.

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 \$7,328,083, an increase of \$405K. The City sets aside funds in various reserves for future capital needs. As part of its budgetary process annual appropriations are made to the reserves and are available to fund future improvements. On a budgetary basis, the sewer fund reported a surplus of \$621K, of which revenues came in greater than anticipated by \$469K and expenditures came in approximately \$153K under budget.

Budgetary Highlights

General Fund:

Revenue for the general fund totaled \$75,456,484 (on the budgetary basis of accounting) in the fiscal year ended June 30, 2014. Actual revenues exceeded estimates by \$2,520,016.

General Fund Revenues Budget to Actual Summary

	Budget	Actual	Variance
Revenues:			
Taxes	\$ 61,656,648	62,998,089	1,341,441
Intergovernmental	8,292,724	9,081,165	788,441
Licenses, permits, fees and fines	815,150	966,203	151,053
Charges for services	1,643,506	1,762,372	118,866
Unclassified	128,440	168,670	40,230
Interest earned	400,000	479,985	79,985
Total revenues	\$ 72,936,468	75,456,484	2,520,016

The revenue sources responsible for this surplus include the following:

- A taxes surplus of \$1.341 million of which \$1.304 million is attributable to an excise tax surplus due primarily to budgeting conservatively for fleet vehicles which are susceptible to major swings. Additionally, property taxes exceeded budget by \$38K.
- A surplus in State education subsidy of \$547K, State BETE revenue of \$136K.
- Building permit licenses came in with a surplus of \$162K.
- A surplus in charges for services relating to ambulance billings and bus service ridership which exceed anticipated revenues by \$36K and \$35K respectively.
- An investment earnings surplus of \$80K as a result of better interest rates on investments during the year.

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

Expenditures for the general fund totaled \$72,514,870 (on the budgetary basis of accounting) in the fiscal year ended June 30, 2014.

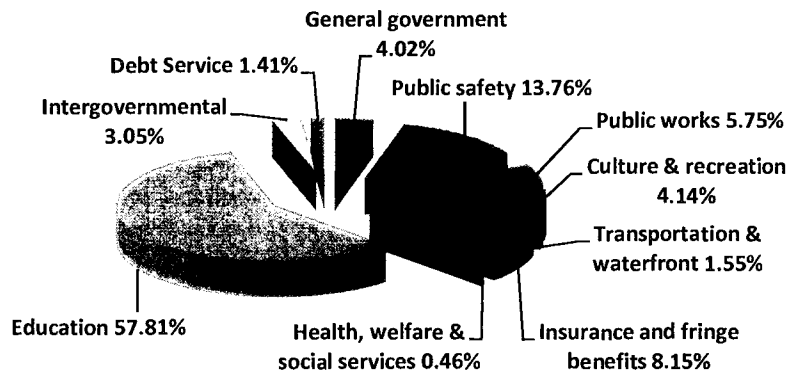
General Fund Expenditures Budget to Actual Summary

	Budget	Actual	Variance
Expenditures:			
General government	\$ 2,787,847	2,766,549	21,298
Public safety	10,019,278	9,975,958	43,320
Public works	4,276,061	4,166,795	109,266
Culture and recreation	3,019,889	3,003,817	16,072
Transportation and waterfront	1,133,726	1,120,431	13,295
Health, welfare and social services	339,488	335,866	3,622
Insurance and fringe benefits	6,205,742	5,912,535	293,207
Education	42,574,298	41,919,427	654,871
Intergovernmental (county tax)	2,215,084	2,215,084	-
Other	88,800	77,178	11,622
Debt Service	1,021,231	1,021,230	1
Total expenditures	\$ 73,681,444	72,514,870	1,166,574

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

- General government expenditures were lower than anticipated with a surplus to budget of \$21K with surpluses of \$8K in legal fees and \$5K in human resources expenditures.
- Public safety expenditures were under budget with police (surplus of \$3K), fire (surplus of \$4K) and communications (surplus of \$33K) making up the larger components.
- Public works was under budget because of lower tonage for rubbish disposal (surplus of \$93K), streets and sidewalks (surplus of \$23K) and the garage (surplus of \$10K).
- Citywide insurance and benefits cost surplus of \$293K, with the largest surplus coming from health insurance coming in under budget by \$254K.
- Education surplus of \$655K attributable to lower than anticipated, High School (surplus of \$118K), Middle Schools (surpluses of \$116K), special education costs (surplus of \$312K), and board of education (surplus of \$95).

**General Fund
Expenditure Components
Fiscal Year 2014**



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

Capital Asset and Debt Administration

Capital assets. The City of South Portland's investment in capital assets for its governmental and business-type activities as of June 30, 2014 amounts to \$172,433,724 (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 6.61% (a 9.42% increase for governmental activities and a 0.36% increase for business-type activities).

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Land	\$ 9,448,819	9,391,119	1,221,558	1,221,558	10,670,377	10,612,677
Buildings	86,370,643	50,670,634	15,965,352	16,660,283	102,335,995	67,330,917
Improvements other than buildings	1,661,490	1,836,458	-	-	1,661,490	1,836,458
Machinery and equipment	4,920,038	3,809,592	5,827,963	6,377,580	10,748,001	10,187,172
Infrastructure	11,578,988	12,152,780	24,676,067	24,893,928	36,255,055	37,046,708
Construction in progress	3,314,315	29,179,795	2,336,046	588,433	5,650,361	29,768,228
Vehicles	4,820,748	4,560,875	291,697	395,851	5,112,445	4,956,726
Total	\$122,115,041	111,601,253	50,318,683	50,137,633	172,433,724	161,738,886

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

- City hall improvements to siding totaling \$101,000.
- High School Renovation project and related equipment and furniture totaling \$12.6 million.
- Various vehicles purchased included (2) Gillig transit buses totaling \$790,000, a new ambulance totaling \$192,000, and various other City vehicles totaling \$195,000.
- Various paving and sidewalk projects totaling \$537,000.
- Completion of the Mussey combined sewer overflow work totaling \$382,000, the start of Phase 1 of the Thornton Heights sewer separation and storm water project totaling \$1,150,000, Maine Mall road sewer replacement project totaling \$264,000, and the Treatment plant expansion studies totaling \$265,000.
- Restoration of various school roof projects totaling \$199,000.
- Millcreek Transit HUB shelter building for \$337,000.
- New HVAC system for Redbank community center for \$35,000, dugouts at Wainwright field for \$21,000, Community Center new Aquabond pool decking for \$45,000 and Shelter building at Wilkinson Park.

Additional information on the City of South Portland's capital assets can be found in the notes to the financial statements on pages 51-52 of this report.

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

Long-term debt. The State allows municipalities to borrow up to 15% of their total valuation. With the City's State Valuation at \$3,537,700,000 for 2014, the debt limit would be over \$530,000,000. Our current debt is \$53,200,200 or about 1.5% of State Valuation or approximately 10.02% of the City's debt limit. Another measure of a municipality's debt load is debt per capita. As of June 30, 2014, the City of South Portland's debt per capita (including lease obligations) was \$2,243 as compared to the prior year of \$2,034.

The following is a summary of bond and note transactions of the City for the year ended June 30, 2014:

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
General Obligation Bonds payable at June 30, 2013	\$ 47,275,000	447,187	47,722,187
Principal additions	9,315,115	-	9,315,115
Principal payments	(3,810,000)	(27,102)	(3,837,102)
General Obligation Bonds payable at June 30, 2014	\$ 52,780,115	420,085	53,200,200

The City of South Portland's total bonded debt increased by \$5,478,013 during the current fiscal year as a result of the new borrowings for the High School project of \$9,315,115 which exceeded repayments of \$3,837,102.

The City voters approved a bond referendum last November authorizing the bonding of \$14,000,000 for the construction of a new Municipal Services Facility that will house Public Works, Parks and Transportation departments. The new facility will provide the departments with a much needed modern maintenance facility and administrative offices. The bonding for this project is not anticipated until 2016 and future debt repayments will overlap the retirement of certain old bond issues resulting in minimal impact to the City's overall budget.

The City of South Portland maintains an "Aaa" rating from Moody's and an "AA+" 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 52-54 of this report.

Economic Factors and Next Year's Budgets and Rates

South Portland continues to be the retail center for Northern New England with a diverse economic base that includes a regional mall, numerous large insurance and financial service companies, two semi-conductor manufacturing plants, hotels and restaurants, and petroleum distribution facilities. The local economy of the City of South Portland has not been immune from the recent global recession experience over the past few years. However, development has continued with strong building permit activity into the new fiscal year.

- The November 2014 unemployment rate for the Portland/South Portland area is currently at 4.2% which is .6% less from the rate a year ago of 4.8%. This rate compares favorably to the state's average unemployment rate of 5.7% and the national average rate of 5.8%.
- As of December 2013, the vacancy rate for Class A office space in the mall area was 13.53% down from 15.56% in December 2012 and the vacancy rate for Class B office space in the mall area was 13.61% up from 8.95% in December 2012. We believe that more recent activity would conclude that the office space has improved since that time.

In adopting the budget for the ensuing fiscal year 2015, the City officials considered many factors in making judgments and estimates about the finances of the upcoming year. A primary objective was to continue to provide basic City services to the citizens while attempting to keep the property tax rate low.

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

During the upcoming fiscal year (2015), 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:

- Continuing uncertainty in the State budget and the funding formula for local school aid and state revenue sharing. For FY15, the City expects to experience a decrease in both school aide and state revenue sharing. The State budget continues to attack local revenue sharing and the distribution of funding for other local programs.
- Risk of rolling back into recession that may translate to a reduction in building permits, automobile excise revenues, recreational fees, and tax collections. Several larger building projects have come forward but continuing to be relatively conservative moving forward.

Property Values and Business Development:

- The regional economy appears to have stabilized in regards to property market values, however we will be watching this very closely over the coming months. Vacancy rates in the mall area appear to have declined significantly and the City has been working with businesses to assist in business development.
- City has established a new Growth TIF district and will be marketing that program to redevelop specific areas of the City that have been identified as having redevelopment needs.

Health Insurance and Other Costs:

- The cost of health insurance continues to rise. The City is actively taking steps to improve the City's health insurance experience rating. 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 employer cost for funding the City's defined benefit retirement plan has increased 25% each year for the 3 years and approximately 12% per year for the for the present and future year.
- The costs of maintaining our facilities, vehicles and infrastructure including expanding paving streets.
- Electrical costs have seen a significant increase. City will be looking at ways to reduce usage and has completed feasibility study looking at the construction of a solar farm on the City's closed landfill.

The fiscal year 2015 budget was approved in June 2014, with a \$2,780,569 (3.73%) increase in the overall general fund expenditure budget. Due to increases in various revenues, the impact to property taxes was an increase of \$1,930,421 (3.4%). Overall the tax rate increased (2.4%) to 17.10 per thousand from the prior year 16.70.

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.

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BASIC FINANCIAL STATEMENTS

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CITY OF SOUTH PORTLAND, MAINE
Statement of Net Position
June 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 52,317,376	-	52,317,376
Investments	9,523,502	-	9,523,502
Receivables, net of allow. of \$876,086 and \$87,153	2,026,971	550,731	2,577,702
Taxes receivable	1,316,969	-	1,316,969
Tax liens and acquired property	490,497	-	490,497
Prepaid expenses	-	10,434	10,434
Inventory	29,610	-	29,610
Internal balances	(11,555,308)	11,555,308	-
Restricted assets, cash	50,000	-	50,000
Capital assets, not being depreciated	12,763,134	3,557,604	16,320,738
Capital assets, net of accumulated depreciation	109,351,907	46,761,079	156,112,986
Total assets	176,314,658	62,435,156	238,749,814
LIABILITIES			
Accounts payable	2,540,240	481,461	3,021,701
Accrued liabilities	636,200	8,940	645,140
Accrued interest	690,873	-	690,873
Accrued teachers' summer salaries	3,850,914	-	3,850,914
Non-current liabilities:			
Due within one year	5,820,830	103,052	5,923,882
Due in more than one year	56,914,832	554,638	57,469,470
Total liabilities	70,453,889	1,148,091	71,601,980
NET POSITION			
Net investment in capital assets	73,600,630	49,898,598	123,499,228
Restricted for:			
Permanent Funds - Nonexpendable principal	198,949	-	198,949
Permanent Funds - Expendable	128,146	-	128,146
Education	3,693,988	-	3,693,988
Other grants	2,121,807	-	2,121,807
Tax Increment Financing	6,499,564	-	6,499,564
Capital	-	4,060,384	4,060,384
Unrestricted	19,617,685	7,328,083	26,945,768
Total net position	\$ 105,860,769	61,287,065	167,147,834

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statement of Activities
For the year ended June 30, 2014

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total
					Governmental activities	Business-type activities	
Primary government:							
Governmental activities:							
General government	\$ 11,234,446	417,451	643,717	-	(10,173,278)	-	(10,173,278)
Public safety	12,553,773	1,448,532	567,073	-	(10,538,168)	-	(10,538,168)
Public works	7,519,818	283,953	-	603,688	(6,632,177)	-	(6,632,177)
Culture and recreation	4,431,468	922,321	-	-	(3,509,147)	-	(3,509,147)
Transportation and waterfront	1,381,048	439,386	349,745	771,672	179,755	-	179,755
Health, welfare and social services	335,866	-	125,937	-	(209,929)	-	(209,929)
Education	47,506,758	596,695	11,308,532	199,335	(35,402,196)	-	(35,402,196)
Interest on debt service	1,464,950	-	-	-	(1,464,950)	-	(1,464,950)
Total governmental activities	86,428,127	4,108,338	12,995,004	1,574,695	(67,750,090)	-	(67,750,090)
Business-type activities:							
Sewer	6,133,807	5,927,684	-	-	-	(206,123)	(206,123)
Total business-type activities	6,133,807	5,927,684	-	-	-	(206,123)	(206,123)
Total primary government	\$ 92,561,934	10,036,022	12,995,004	1,574,695	(67,750,090)	(206,123)	(67,956,213)
General revenues:							
Property taxes, levied for general purposes					59,778,935	-	59,778,935
Motor vehicle excise taxes					5,829,497	-	5,829,497
Cable television franchise					166,543	-	166,543
Grants and contributions not restricted to specific programs:							
State Revenue Sharing					1,315,198	-	1,315,198
Homestead exemption					478,706	-	478,706
Other State aid					2,465,700	-	2,465,700
Unrestricted investment earnings					592,776	30,101	622,877
Miscellaneous					1,088,123	-	1,088,123
Transfers					(306,075)	306,075	-
Total general revenues and transfers					71,409,403	336,176	71,745,579
Change in net position					3,659,313	130,053	3,789,366
Net position - beginning					102,201,456	61,157,012	163,358,468
Net position - ending					\$ 105,860,769	61,287,065	167,147,834

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE

Balance Sheet
Governmental Funds
June 30, 2014

	General	Tax Increment Financing	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 32,417,052	6,483,688	13,416,636	-	52,317,376
Investments	8,678,748	-	-	844,754	9,523,502
Due from other governments	264,520	-	212,931	1,147,066	1,624,517
Accounts receivable, net of allowance of \$876,086	292,181	22,679	-	87,594	402,454
Taxes receivable	1,316,969	-	-	-	1,316,969
Tax liens and tax acquired property	490,497	-	-	-	490,497
Interfund loans receivable	-	-	-	3,019,127	3,019,127
Inventory	-	-	-	29,610	29,610
Restricted assets, cash	50,000	-	-	-	50,000
Total assets	\$ 43,509,967	6,506,367	13,629,567	5,128,151	68,774,052
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	1,062,053	6,803	1,389,498	78,382	2,536,736
Accrued liabilities	594,044	-	-	42,156	636,200
Interfund loans payable	14,443,987	-	-	133,952	14,577,939
Accrued teachers' summer salaries	3,663,511	-	-	187,403	3,850,914
Total liabilities	19,763,595	6,803	1,389,498	441,893	21,601,789
Deferred inflows of resources:					
Unavailable revenue - property taxes	1,614,000	-	-	-	1,614,000
Total deferred inflows of resources	1,614,000	-	-	-	1,614,000
Fund balances:					
Nonspendable	-	-	-	228,559	228,559
Restricted	3,693,988	6,499,564	7,801,509	2,249,953	20,245,014
Committed	4,482,037	-	4,438,560	2,277,290	11,197,887
Assigned	3,117,547	-	-	-	3,117,547
Unassigned	10,838,800	-	-	(69,544)	10,769,256
Total fund balances	22,132,372	6,499,564	12,240,069	4,686,258	45,558,263
Total liabilities, deferred inflows of resources, and fund balances	\$ 43,509,967	6,506,367	13,629,567	5,128,151	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					122,115,041
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.					1,614,000
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:					
Bond premiums					(2,555,573)
Accrued compensated absences					(3,090,000)
Other postemployment benefits liability					(1,331,472)
Accrued interest					(690,873)
Landfill closure					(108,270)
Capital leases					(2,870,232)
Bonds payable					(52,780,115)
Net position of governmental activities					\$ 105,860,769

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, 2014

	General	Tax Increment Financing	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 62,998,089	2,334,343	-	20,000	65,352,432
Intergovernmental	12,414,831	1,279,995	1,042,137	3,893,005	18,629,968
Licenses, permits, fees and fines	966,203	-	-	-	966,203
Charges for services	1,762,372	-	-	1,546,306	3,308,678
Unclassified	699,563	-	3,284	424,214	1,127,061
Interest earned	504,786	31,155	31,826	25,009	592,776
Total revenues	79,345,844	3,645,493	1,077,247	5,908,534	89,977,118
Expenditures:					
Current:					
General government	8,967,965	95,650	-	887,808	9,951,423
Public safety	10,204,366	-	-	526,892	10,731,258
Public works	4,304,702	122,147	-	166,335	4,593,184
Culture and recreation	3,028,849	-	-	790,157	3,819,006
Transportation and waterfront	1,129,059	-	-	18,822	1,147,881
Health, welfare and social services	335,866	-	-	-	335,866
Education	46,065,146	-	-	1,989,734	48,054,880
School lunch program	-	-	-	1,681,737	1,681,737
Intergovernmental	2,215,084	-	-	-	2,215,084
Other	75,516	1,397,465	-	1,681	1,474,662
Debt service (excluding education)	1,021,230	-	282,900	-	1,304,130
Capital expenditures	-	-	15,811,139	-	15,811,139
Total expenditures	77,347,783	1,615,262	16,094,039	6,063,166	101,120,250
Excess (deficiency) of revenues over (under) expenditures	1,998,061	2,030,231	(15,016,792)	(154,632)	(11,143,132)
Other financing sources (uses):					
Transfers in	473,151	-	1,749,163	564,475	2,786,789
Transfers out	(2,093,517)	(686,716)	(66,850)	(245,781)	(3,092,864)
Refunding bonds issued	1,928,405	-	-	-	1,928,405
Payment to refunded bonds escrow agent	(1,927,910)	-	-	-	(1,927,910)
Issuance of debt	83,000	-	9,747,306	-	9,830,306
Total other financing sources (uses)	(1,536,871)	(686,716)	11,429,619	318,694	9,524,726
Net change in fund balances	461,190	1,343,515	(3,587,173)	164,062	(1,618,406)
Fund balances, beginning of year	21,671,182	5,156,049	15,827,242	4,522,196	47,176,669
Fund balances, end of year	\$ 22,132,372	6,499,564	12,240,069	4,686,258	45,558,263

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, 2014

Net change in fund balances - total governmental funds (from Statement 4)	\$	(1,618,406)
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Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital acquisitions (\$15,815,164) exceed book value of disposed assets (\$360,792) and depreciation (\$4,940,584).	10,513,788
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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.	256,000
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Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds (\$83,000) are less than repayments (\$346,109).	263,109
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Change in accruals are recorded on the statement of net position, but not on the governmental fund balance sheet - accrued compensated absences (-\$34,656), accrued interest (\$7,718), and other postemployment benefits liability (\$300,520).	(273,582)
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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.	3,230
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. During the year, the City issued bonds in the amount of \$9,514,450 and premiums totaling \$232,856. 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. During the year, the City amortized \$253,145 of bond premiums. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. For the year, the amount of repayments was \$3,810,000 and had debt forgiveness of \$199,335.	(5,484,826)
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Change in net position of governmental activities (see Statement 2)	\$	3,659,313
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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, 2014

	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	\$ 61,656,648	61,656,648	62,998,089	1,341,441	2,296,800	2,296,800	2,334,343	37,543
Intergovernmental	8,292,724	8,292,724	9,081,165	788,441	850,000	850,000	1,279,995	429,995
Licenses, permits, fees and fines	815,150	815,150	966,203	151,053	-	-	-	-
Charges for services	1,643,506	1,643,506	1,762,372	118,866	-	-	-	-
Unclassified	128,440	128,440	168,670	40,230	-	-	-	-
Interest earned	400,000	400,000	479,985	79,985	-	-	31,155	31,155
Total revenues	72,936,468	72,936,468	75,456,484	2,520,016	3,146,800	3,146,800	3,645,493	498,693
Expenditures:								
Current:								
General government	9,035,247	8,993,589	8,679,084	314,505	128,718	128,718	95,650	33,068
Public safety	9,985,027	10,019,278	9,975,958	43,320	-	-	-	-
Public works	4,243,352	4,276,061	4,166,795	109,266	162,808	162,808	122,147	40,661
Culture and recreation	3,006,834	3,019,889	3,003,817	16,072	-	-	-	-
Transportation and waterfront	1,132,083	1,133,726	1,120,431	13,295	-	-	-	-
Health, welfare and social services	339,488	339,488	335,866	3,622	-	-	-	-
Education	42,574,298	42,574,298	41,919,427	654,871	-	-	-	-
Intergovernmental	2,215,084	2,215,084	2,215,084	-	-	-	-	-
Other	103,800	88,800	77,178	11,622	1,425,956	1,425,956	1,397,465	28,491
Debt service (excluding education)	1,021,231	1,021,231	1,021,230	1	-	-	-	-
Capital expenditures	-	-	-	-	1,342,658	785,575	-	785,575
Total expenditures	73,656,444	73,681,444	72,514,870	1,166,574	3,060,140	2,503,057	1,615,262	887,795
Excess (deficiency) of revenues over (under) expenditures	(719,976)	(744,976)	2,941,614	3,686,590	86,660	643,743	2,030,231	1,386,488
Other financing sources (uses):								
Budgeted use of surplus - City	-	1,075,172	-	(1,075,172)	77,911	77,911	-	(77,911)
Budgeted use of surplus - School	875,000	875,000	-	(875,000)	-	-	-	-
Refunding bonds issued	-	-	1,928,405	1,928,405	-	-	-	-
Payment to refunded bonds escrow agent	-	-	(1,927,910)	(1,927,910)	-	-	-	-
Transfer in	768,321	768,321	218,221	(550,100)	-	-	-	-
Transfers out	(923,345)	(1,973,517)	(2,093,517)	(120,000)	(164,571)	(721,654)	(686,716)	34,938
Total other financing sources (uses)	719,976	744,976	(1,874,801)	(2,619,777)	(86,660)	(643,743)	(686,716)	(42,973)
Net change in fund balance - budgetary basis	-	-	1,066,813	1,066,813	-	-	1,343,515	1,343,515
Reconciliation to GAAP basis:								
Change in encumbrances - City			27,250				-	
Change in encumbrances - School			42,078				-	
Unbudgeted teacher summer benefits			(534,857)				-	
Change in reserves			(140,094)				-	
Net change in fund balance - GAAP basis			461,190				1,343,515	
Fund balance, beginning of year			21,671,182				5,156,049	
Fund balance, end of year	\$		22,132,372				6,499,564	

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2014 and 2013

Business-type Activities - Enterprise Funds		
	Sewer	
	2014	2013
ASSETS		
Current assets:		
Receivables, net of allowance of \$87,153 and \$87,225, respectively	\$ 548,274	426,960
Sewer liens	2,457	6,913
Prepaid expenses	10,434	8,661
Interfund loan receivables	11,555,308	11,392,334
Total current assets	12,116,473	11,834,868
Noncurrent assets:		
Capital assets, not being depreciated	3,557,604	1,809,991
Capital assets	88,904,121	88,514,036
Accumulated depreciation	(42,143,042)	(40,186,394)
Total noncurrent assets	50,318,683	50,137,633
Total assets	62,435,156	61,972,501
LIABILITIES		
Current liabilities:		
Accounts payable	481,461	129,787
Accrued wages	8,940	1,661
Current portion of noncurrent liabilities:		
Compensated absences	75,950	85,248
Bonds payable	27,102	27,102
Total current liabilities	593,453	243,798
Noncurrent liabilities:		
Compensated absences	161,655	151,606
Bonds payable	392,983	420,085
Total noncurrent liabilities	554,638	571,691
Total liabilities	1,148,091	815,489
NET POSITION		
Net investment in capital assets	49,898,598	49,690,446
Restricted for capital projects	4,060,384	4,543,966
Unrestricted	7,328,083	6,922,600
Total net position	\$ 61,287,065	61,157,012

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the years ended June 30, 2014 and 2013

Business-type Activities - Enterprise Funds		
	Sewer	
	2014	2013
Operating revenues:		
Charges for services	\$ 5,864,629	5,590,721
Interest and penalties	1,148	442
Licenses	61,907	46,030
Total operating revenues	5,927,684	5,637,193
Operating expenses:		
Personnel services	2,070,935	2,040,722
Contractual services	1,433,022	1,156,395
Supplies and materials	504,084	526,777
Fixed charges	66,354	60,855
Capital outlay	104,699	48,141
Depreciation	1,956,648	1,922,996
Total operating expenses	6,135,742	5,755,886
Operating loss	(208,058)	(118,693)
Nonoperating revenues (expenses):		
Interest revenue	30,101	27,079
Gain (loss) on disposal of capital assets	3,290	(128,316)
Interest and other debt issuance expense	(1,355)	(1,355)
Total nonoperating revenues (expenses)	32,036	(102,592)
Loss before transfers and capital contributions	(176,022)	(221,285)
Capital contributions	-	138,232
Transfers in	307,083	300,000
Transfer out	(1,008)	(1,008)
Total transfers and capital contributions	306,075	437,224
Change in net position	130,053	215,939
Net position, beginning of year	61,157,012	60,941,073
Net position, end of year	\$ 61,287,065	61,157,012

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statement of Cash Flows
Proprietary Funds
For the years ended June 30, 2014 and 2013

Business-type Activities - Enterprise Funds		
	Sewer	
	2014	2013
Cash flows from operating activities:		
Receipts from customers and users	\$ 5,810,826	5,721,746
Payments to suppliers	(1,758,258)	(2,480,639)
Payments to employees	(2,062,905)	(2,037,140)
Net cash provided by operating activities	1,989,663	1,203,967
Cash flows from noncapital financing activities:		
Transfer in from other funds	307,083	300,000
Interfund loan	(162,974)	573,595
Transfers to other funds	(1,008)	(1,008)
Net cash provided by noncapital financing activities	143,101	872,587
Cash flows from capital and related financing activities:		
Purchase of capital assets	(2,137,698)	(2,075,176)
Proceeds from sale of capital assets	3,290	-
Interest and debt issuance costs paid on bonds	(1,355)	(1,355)
Principal payments on bonds	(27,102)	(27,102)
Net cash (used in) provided by capital and related financing activities	(2,162,865)	(2,103,633)
Cash flows from investing activities:		
Interest revenue	30,101	27,079
Net cash provided by investing activities	30,101	27,079
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	-
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (208,058)	(118,693)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	1,956,648	1,922,996
(Increase) decrease in receivables	(121,314)	(5,677)
(Increase) decrease in liens	4,456	90,230
(Increase) decrease in prepaid expenses	(1,773)	(768)
Increase (decrease) in accounts payable	351,674	(687,703)
Increase (decrease) in accrued wages	7,279	(203)
Increase (decrease) in compensated absences	751	3,785
Net cash provided by operating activities	\$ 1,989,663	1,203,967
Noncash investing, capital, and financing activities:		
Capital contributions	\$ -	138,232

See accompanying notes to basic financial statements.

CITY OF SOUTH PORTLAND, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

		Private- purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	\$	74,360	110,078
Investments		2,183,771	-
Due from others		3,504	-
Total assets		2,261,635	110,078
LIABILITIES			
Accounts payable		2,500	-
Due to others		-	110,078
Total liabilities		2,500	110,078
NET POSITION			
Held in trust	\$	2,259,135	-

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, 2014

		Private- purpose Trust Funds
<hr/>		
Additions:		
Donations	\$	2,115
Investment earnings:		
Interest		71,653
Unrealized gain (loss)		(33,343)
Total additions		40,425
<hr/>		
Deductions:		
Scholarships and other		62,549
Total deductions		62,549
<hr/>		
Change in net position		(22,124)
<hr/>		
Net position, beginning of year		2,281,259
<hr/>		
Net position, end of year	\$	2,259,135

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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary fund:

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash, Cash Equivalents and Investments

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

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

E. Interfund Loans

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "interfund loans receivable" or "interfund loans payable" on the balance sheet.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

F. Inventories

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.

G. Restricted Assets

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

H. Capital Assets

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

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. If material, interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

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

I. 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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

J. 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.

K. Fund Equity

Governmental Fund fund balance is reported in five classification 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.

L. 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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

M. 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.

N. Use of Estimates

Preparation of the City's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

O. Deferred Inflows of Resources

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category, unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

P. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net investment in capital assets was calculated as follows at June 30, 2014:

	<u>Governmental activities</u>	<u>Business-type activities</u>
Capital assets	\$ 208,923,414	92,461,725
Accumulated depreciation	(86,808,373)	(42,143,042)
Bonds payable and premiums	(55,335,688)	(420,085)
Add back bonds payable pertaining to Maine PERS	1,890,000	-
Add back bond proceeds unexpended	7,801,509	-
Capital leases	(2,870,232)	-
Net investment in capital assets	\$ 73,600,630	49,898,598

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

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

An annual budget is adopted by the City Council for the General Fund, Sewer Use Fund and the TIF Fund. The budgets are prepared substantially in accordance with accounting principles generally accepted in the United States of America, except that the general fund revenues and expenditures related to "on-behalf payments" made by the State of Maine to the Maine Public Employees Retirement System for teachers and other school employees are not budgeted. The Sewer Use Fund budgets for debt service principal and interest payments as an expense and does not budget for depreciation expense. In addition, capital contributions from other funds are not budgeted. The legal level of budgetary control is at the department level.

The City employs encumbrance accounting in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were in the general fund in the amount of \$323,914.

B. Excess of Expenditures Over Appropriations

Per City Charter, the level of budgetary control is at the department level. For the year ended June 30, 2014, all departments were within their charter level budget limits.

C. Deficit Fund Balances

At June 30, 2014, the following funds had deficit fund balances:

<u>Special Revenue Funds:</u>		<u>Private-purpose Trust Funds:</u>	
Long Creek Watershed Plan	\$ 2,608	A Varanelli Scholarship	55
LID Manual	4,826		
Officer Friendly	39		
Bug Light Beautification	941		
Recreation	37,896		
Supplemental Homeland Security	11,580		
Maine Investigative Agent	4,518		
City Hall Water & Soda	309		
Wellness Committee	80		
Title V	2		
Learning Results	405		
Memorial Tech Grant - Koelker	1,237		
National Semiconductor - Brown	3,683		
Dyer Friends	894		
Staff Computer Training	476		
Small Friends	50		

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

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

DEPOSITS AND INVESTMENTS

As of June 30, 2014, 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>
Checking, money market and cash management sweep	\$ 20,985,339	20,985,339	-	-
U.S. Treasury Notes	2,115,353	91,400	1,556,905	467,048
Federal Home Loan Bank	3,554,682	259,984	1,397,139	1,897,559
Federal National Mortgage	5,901,529	-	3,500,078	2,401,451
Certificates of Deposit	33,249,707	8,464,800	24,784,907	-
Stock Mutual Fund	59,456	Not applicable		

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, 2014, the City had bank balances of \$54,235,046. In accordance with its investment policy, the City's funds should, whenever practicable, be fully covered under FDIC, fully insured or fully collateralized, or covered with an irrevocable stand by letter of credit, with pledged collateral being at least 102% of market value of the principal and accrued interest, and must be marked to market daily. As of June 30, 2014, the City had \$61,543 of deposits which were subject to custodial credit risk because they were not insured and not collateralized. This occurred as the result of an agency bond pending investment settlement.

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, 2014, the City had fair value investment balances of \$11,631,020 of which only the stock mutual fund was subject to custodial credit risk. In accordance with its investment policy, the City minimizes custodial credit risk by doing business with authorized institutions, depositories, and broker/dealers, and that funds should be fully covered under FDIC, fully insured or fully collateralized, with pledged collateral being at least 102% of market value of the principal and accrued interest, and must be marked to market daily.

Credit risk – Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. U.S. Treasury Notes are not rated. As of June 30, 2014, the City's investments in Federal Home Loan Banks and Federal National Mortgage Associations were rated AAA 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 15, 2013 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 \$501,852 for the year ended June 30, 2014.

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>2014</u>	<u>2013</u>
Assessed value	\$ 3,562,696,800	3,553,378,500
Tax rate (per \$1,000)	<u>16.70</u>	<u>16.50</u>
Commitment	59,497,037	58,630,745
Add:		
Supplementals	<u>1,603</u>	<u>-</u>
Total commitment	59,498,640	58,630,745
Less:		
Abatements	49,171	22,225
Collections	<u>58,468,581</u>	<u>57,515,651</u>
Current year taxes receivable at end of year	980,888	1,092,869
Taxes and liens receivable - prior years	826,578	634,185
Total taxes and liens receivable	\$ <u>1,807,466</u>	<u>1,727,054</u>

Due dates:	1st quarter	August 15, 2013	August 16, 2012
	2nd quarter	November 21, 2013	November 15, 2012
	3rd quarter	February 13, 2014	February 14, 2013
	4th quarter	May 8, 2014	May 9, 2013

	<u>2014</u>	<u>2013</u>
Interest rate on delinquent taxes	7.00%	7.00%
Collection rate	98.27%	98.14%

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

CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2014 was as follows:

	Balance June 30, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2014</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 9,391,119	131,100	73,400	9,448,819
Construction in progress	29,179,795	3,089,636	28,955,116	3,314,315
Total capital assets not being depreciated	38,570,914	3,220,736	29,028,516	12,763,134
Capital assets, being depreciated:				
Buildings	84,311,336	38,081,925	931,662	121,461,599
Improvements other than buildings	4,599,969	-	-	4,599,969
Machinery and equipment	12,568,880	1,785,448	-	14,354,328
Vehicles	13,556,217	1,144,706	349,751	14,351,172
Infrastructure	40,855,747	537,465	-	41,393,212
Total capital assets being depreciated	155,892,149	41,549,544	1,281,413	196,160,280
Less accumulated depreciation for:				
Buildings	33,640,705	2,094,522	644,270	35,090,957
Improvements other than buildings	2,763,512	174,967	-	2,938,479
Machinery and equipment	8,759,286	675,003	-	9,434,289
Vehicles	8,995,343	884,833	349,751	9,530,425
Infrastructure	28,702,964	1,111,259	-	29,814,223
Total accumulated depreciation	82,861,810	4,940,584	994,021	86,808,373
Total capital assets being depreciated, net	73,030,339	36,608,960	287,392	109,351,907
Governmental activities capital assets, net	\$ 111,601,253	39,829,696	29,315,908	122,115,041

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

Governmental activities:	
General government	\$ 175,263
Public safety	708,977
Public works	1,306,990
Culture and recreation	585,462
Transportation and waterfront	233,167
Education	1,930,725
Total depreciation expense – governmental activities	\$ 4,940,584

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, 2014 was as follows:

	Balance June 30, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2014</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,221,558	-	-	1,221,558
Construction in progress	588,433	1,775,163	27,550	2,336,046
Total capital assets not being depreciated	1,809,991	1,775,163	27,550	3,557,604
Capital assets, being depreciated:				
Buildings	34,049,419	-	-	34,049,419
Improvements other than buildings	80,331	-	-	80,331
Machinery and equipment	15,343,321	39,390	-	15,382,711
Vehicles	1,229,177	-	-	1,229,177
Infrastructure	37,811,788	350,695	-	38,162,483
Total capital assets being depreciated	88,514,036	390,085	-	88,904,121
Less accumulated depreciation for:				
Buildings	17,389,136	694,931	-	18,084,067
Improvements other than buildings	80,331	-	-	80,331
Machinery and equipment	8,965,741	589,006	-	9,554,747
Vehicles	833,325	104,155	-	937,480
Infrastructure	12,917,861	568,556	-	13,486,417
Total accumulated depreciation	40,186,394	1,956,648	-	42,143,042
Total capital assets being depreciated, net	48,327,642	(1,566,563)	-	46,761,079
Business-type activities capital assets, net	\$ 50,137,633	208,600	27,550	50,318,683

LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2014 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
General obligation bonds	\$ 47,275,000	11,404,450	5,899,335	52,780,115	4,301,512
Bond premiums	2,575,862	232,856	253,145	2,555,573	251,202
Capital leases	3,133,341	83,000	346,109	2,870,232	378,819
Landfill closure	111,500	5,026	8,256	108,270	12,030
Other post employment benefits	1,030,952	321,520	21,000	1,331,472	-
Compensated absences	3,124,656	1,250,682	1,285,338	3,090,000	877,267
Governmental activity					
long-term liabilities	\$ 57,251,311	13,297,534	7,813,183	62,735,662	5,820,830

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

LONG-TERM DEBT, CONTINUED

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Business-type activities:					
General obligation bonds	\$ 447,187	-	27,102	420,085	27,102
Compensated absences	236,854	162,405	161,654	237,605	75,950
Business-type activities long-term liabilities	\$ 684,041	162,405	188,756	657,690	103,052

Long-term debt payable at June 30, 2014 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, 2014</u>
Governmental activities:					
1994 Series B - School	12/1/1994	\$ 3,250,000	9/1/2014	5.70-6.50%	125,000
2004 MSRS (1) – City & School	1/15/2004	8,200,000	3/1/2017	3.00-5.10%	-
2007 Paving and Refinancing (2)	5/15/2009	2,075,000	9/1/2016	4.00-5.00%	500,000
2010 1999 Community Center – City	2/1/2010	1,890,000	11/1/2018	2.00-3.00%	1,050,000
2010 HS & MS Renovations - School	2/1/2010	4,613,000	11/1/2029	2.00-4.00%	3,680,000
2011 Refund 2002 & 2003 Elem-Sch.	10/27/2011	8,905,000	7/15/2023	2.00-4.375%	7,720,000
2012 HS Construction – School	5/30/2012	30,000,000	7/15/2032	2.00-4.00%	28,500,000
2013 HS SRRF – School	12/1/2013	664,450	12/1/2023	0%	465,115
2014 MSRS (1) – City & School	4/10/2014	1,890,000	3/1/2017	2.00%	1,890,000
2014 HS Construction – School	4/10/2014	8,850,000	4/15/2034	2.25-3.25%	8,850,000
Total governmental activities					52,780,115
Business-type activities:					
2009 SRF (Long creek)	10/7/2009	749,716	10/1/2029	N/A	420,085
Total business-type activities					420,085
Total bonds payable					\$ 53,200,200

(1) The City refunded these bonds during the year. Of the outstanding bond principal, 81.55% is City (\$1,541,295) and 18.45% is School (\$348,705).

(2) Of the outstanding bond principal, (\$150,000) is for City and (\$350,000) is for School.

In November of 2010, the voters approved a bond referendum for the High School Renovation and Addition project totaling \$41,500,000. During the year ended June 30, 2014, the City issued bonds of \$8,850,000 at a net interest cost (NIC) of 2.76% and \$664,450 at no interest.

During the year, the City did a current refunding of \$1,890,000 on the 2004 MSRS pension obligation bonds. The bonds were issued over the remaining 3 year term of the original bonds and provided the City a present value savings of \$112,694.

Additionally, in November of 2013, the voters approved a \$14,000,000 bond referendum for the construction of a new Municipal Services Facility providing a new garage and administrative offices for the Public Works, Parks and Recreation, and Transportation Departments of the City. At June 30, 2014, \$14,000,000 was authorized but unissued for this project.

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

LONG-TERM DEBT, CONTINUED

All governmental activity debt service payments, including capital leases and compensated absences, were made within the General Fund with the exception of \$282,900 which was paid out of the High School premium reserve which was accounted for in the School Capital Projects funds. Other post employment benefits are not currently being funded on a budgetary level. If and when such funding would occur, it would be funded within the General Fund. Capital lease proceeds have been recorded in the vehicle replacement city reserve fund.

The annual requirements to amortize long-term debt outstanding as of June 30, 2014 are as follows:

<u>June 30,</u>	<u>Governmental activities</u>			<u>Business-type activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 4,301,512	1,692,621	5,994,133	27,102	-	27,102
2016	4,176,512	1,553,837	5,730,349	27,102	-	27,102
2017	4,001,511	1,419,713	5,421,224	27,102	-	27,102
2018	3,321,511	1,290,388	4,611,899	27,102	-	27,102
2019	3,321,511	1,196,588	4,518,099	27,102	-	27,102
2020-2024	14,377,558	4,591,612	18,969,170	135,511	-	135,511
2025-2029	10,850,000	2,354,400	13,204,400	135,511	-	135,511
2030-2034	8,430,000	578,000	9,008,000	13,553	-	13,553
Total	\$ 52,780,115	14,677,159	67,457,274	420,085	-	420,085

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, 2014, the statutory limit for the City was \$530,655,000. The City's outstanding long-term debt of \$53,200,200 at June 30, 2014 was \$477,454,800 less than the statutory limit.

In addition to the notes and bonds payable, the City is contingently responsible for the following overlapping debt as of June 30, 2014:

<u>Governmental Unit</u>	<u>Net debt outstanding</u>	<u>Applicable to South Portland</u>	<u>City of South Portland's share of debt</u>
Cumberland County	\$ 38,325,000	9.16%	3,510,695
Portland Water District	42,514,891	13.93%	5,924,237

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 40 municipalities in Cumberland, Oxford and York counties in Maine. Owned and controlled by 21 member communities, Ecomaine creates electricity through its processing of waste and also operates an extensive recycling program. The City is a member community in Ecomaine. Interlocal (waste handling) agreements between Ecomaine and participating communities obligate the members to deliver certain solid waste produced within the community to Ecomaine for processing and to make service payments and pay tipping fees for such processing. The City has no explicit, measurable equity interest and therefore has not reported an asset in these financial statements in connection with its participation in Ecomaine.

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

JOINTLY GOVERNED ORGANIZATION, CONTINUED

Selected balance sheet information for Ecomaine for the year ended June 30, 2014 includes total assets of \$64,568,980, and total liabilities of \$18,893,073 and unrestricted net position of \$16,593,731. The liabilities include an accrual for landfill closure and postclosure care amounting to \$16,191,575. Ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2014 and a projected closing date. The separate audited financial statements of Ecomaine may be obtained at their administrative office: Ecomaine, 64 Blueberry Road, Portland, Maine 04102.

CAPITAL LEASES

The City has entered into lease agreements as lessee for financing the acquisition of equipment and has also entered into an energy performance lease arrangement. These leases qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of future minimum lease payments as of the date of its inception. The value of assets capitalized under these leases as of June 30, 2014 was \$3,900,197.

The following is a schedule of future minimum lease payments under the capital lease and the present value of the net minimum lease payment at June 30, 2014.

	Governmental activities
2015	\$ 461,063
2016	404,547
2017	364,818
2018	371,093
2019	377,621
<u>2020-2024</u>	<u>1,275,875</u>
Total minimum lease payments	3,255,017
Less: amount representing interest	384,785
Present value of future minimum lease payments	<u>\$ 2,870,232</u>

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, 2014, the City had recorded approximately \$108,270 of estimated cost remaining related to postclosure care of the landfill. The City has amounts available in the general fund to fund these estimated costs. The actual cost may be higher due to inflation, changes in technology, or changes in regulations.

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

INTERFUND BALANCES AND TRANSFERS

As of June 30, 2014, interfund loans receivable and payable were as follows:

<u>Fund</u>	<u>Interfund receivable</u>	<u>Interfund payable</u>
General Fund	\$ -	14,443,987
Sewer Fund	11,555,308	-
Nonmajor Special Revenue Funds:		
City Special Revenues	2,997,038	-
School Grant Funds	-	133,952
School Adult Education	8,440	-
School Lunch Fund	13,649	-
Private-purpose Trust Funds	3,504	-
Total interfund balances	\$ 14,577,939	14,577,939

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

As of June 30, 2014, interfund transfers were as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 473,151	2,093,517
Sewer Fund	307,083	1,008
Tax Increment Financing	-	686,716
Capital Projects	1,749,163	66,850
Nonmajor Special Revenue Funds:		
City Special Revenues	106,836	189,475
School Grant Funds	22,133	800
School Lunch Fund	380,000	-
Total interfund transfers	\$ 3,038,366	3,038,366

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

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

FUND BALANCES

Minimum fund balance policy. The City Council has adopted a financial policy to maintain a minimum level of unassigned fund balance in the general fund. The minimum target level is set at 9% of general fund budgeted expenditures. In the event that the unassigned fund balance drops below this minimum level, the City will develop a plan, implemented through the annual budgetary process, to bring the balance back to the target level over a period of no more than three (3) fiscal years. Amounts in excess of the targeted maximum of 12% of general fund measured on a GAAP basis shall be used for capital improvements or other one-time expenditures as identified by the City Council. The policy was adopted by the City to recognize the financial importance of a stable and sufficient level of unassigned fund balance. However, the City Council reserves the right to appropriate funds from the unassigned fund balance for emergencies and other requirements the City Council believes to be in the best interest of the City of South Portland. At June 30, 2014, the City maintained an unassigned general fund balance of \$10,838,800 which is 14.01 percent of the fiscal year 2015 budget of \$77,380,358.

Stabilization arrangement. In the periods of economic decline where valuation assessments are flat or decreasing, and/or periods of significant estimated revenue loss or periods of high increases in budgeted expenditures, the City Council may set aside funds in the tax rate stabilization reserve to be used to reduce the needs from taxation for the coming year(s). Funds set aside in the tax rate stabilization reserve should have a planned exit strategy to reduce the use of such reserves in subsequent budgets and should be fully funded to the extent necessary to properly provide a declining (tiered) use of this reserve for a period no greater than 5 years. The objective of this tiered approach is to lessen the impact in subsequent years for the lower estimated revenues from the tax rate stabilization reserve. The committed general fund balances include a \$1,715,980 tax rate stabilization reserve at June 30, 2014 with \$500,000 anticipated to be used in the funding of fiscal year ending June 30, 2015 budget.

As of June 30, 2014, fund balance components consisted of the following:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable:			
Inventory	\$ -	29,610	29,610
Principal for permanent funds	-	198,949	198,949
Total nonspendable	-	228,559	228,559
Restricted:			
Education	3,693,988	578,681	4,272,669
TIF funds	-	6,499,564	6,499,564
Capital projects	-	7,801,509	7,801,509
Grants - General government	-	330,218	330,218
Grants - Public safety	-	122,104	122,104
Grants - Public works	-	906,354	906,354
Grants - Culture and recreation	-	155,837	155,837
Grants - Transit and waterfront	-	28,613	28,613
Permanent funds	-	128,146	128,146
Total restricted	3,693,988	16,551,026	20,245,014

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

FUND BALANCES, CONTINUED

Committed:

General government:

Tax stabilization reserve	\$ 1,715,980	-	1,715,980
Municipal services facility reserve	540,132	-	540,132
Equipment replacement reserve	110,041	-	110,041
Unemployment reserve	26,271	-	26,271
Self-Insurance reserve	40,495	-	40,495
Safety reserve	151,709	-	151,709
Computerization reserve	83,327	-	83,327
Litigation legal reserve	98,883	-	98,883
Municipal buildings and land acquisition	173,454	-	173,454
Other reserves	26,832	-	26,832
South Portland Community TV	-	435,912	435,912
Freshwater Wetland Fund	-	185,674	185,674
Land Bank Trust	-	552,735	552,735

Public safety:

Fire equipment and vehicle reserve	460,912	-	460,912
Police equipment reserves	70,697	-	70,697
Call company retirement reserve	64,698	-	64,698
Hazardous materials fund	-	80,123	80,123

Public works:

Snow removal reserve	420,706	-	420,706
Cummings road sewer reserve	208,213	-	208,213
Solid waste reserve	116,181	-	116,181
Other reserves	44,959	-	44,959
Street openings and recycling funds	-	312,602	312,602
Sewer impact fund	-	408,282	408,282

Transit and waterfront:

Bus reserve	128,547	-	128,547
Portland Street Pier	-	175,220	175,220

Culture and recreation:

Golf Course	-	99,995	99,995
Other	-	26,747	26,747

Capital projects

	-	4,438,560	4,438,560
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Total committed	4,482,037	6,715,850	11,197,887
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Assigned:

Compensated absences reserve	2,529,819	-	2,529,819
Phone system reserve	131,581	-	131,581
Public safety vehicle reserve	50,509	-	50,509
Public works fuel distribution	81,724	-	81,724
Encumbrances	323,914	-	323,914
Total assigned	3,117,547	-	3,117,547

Unassigned	10,838,800	(69,544)	10,769,256
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Total fund balance	\$ 22,132,372	23,425,891	45,558,263
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CITY OF SOUTH PORTLAND, MAINE
Notes to Basic Financial Statements, Continued

CONSTRUCTION COMMITMENTS

The School Department has entered into contracts in connection with the High School construction project. The following is a summary of the commitments at June 30, 2014:

	<u>Contract Total</u>	<u>Percentage Complete</u>	<u>Billed to Date</u>	<u>Balance Remaining</u>
High School Project:				
Construction contract (1)	\$ 40,545,490	88.62%	35,935,041	4,610,449
Construction contract (2)	501,077	55.08%	276,028	225,049
Engineering contract	2,409,994	95.88%	2,310,703	99,291

The High School project is anticipated to be substantially completed in December of 2014.

TAX INCREMENT FINANCING DISTRICTS

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

	<u>Original value</u>	<u>Increase in value</u>	<u>TIF cap</u>	<u>Captured value</u>	<u>Captured tax</u>
Fairchild TIF	\$ 33,512,500	11,212,200	100%	11,212,200	187,244
Texas Instruments TIF	20,509,000	153,630,200	50%	76,815,100	1,282,812
Cummings TIF	1,697,200	25,184,200	30%	-	-
One Wallace TIF	2,178,200	3,711,200	100%	3,711,200	61,977
Long Creek TIF	1,066,300	10,805,500	100%	10,805,500	180,452
Brick Hill TIF	-	20,423,500	100%	20,423,500	341,072
Jared TIF	957,500	1,141,200	100%	1,141,200	19,058
Hannaford TIF	343,000	8,800,300	100%	8,800,300	146,965
Downtown TIF	96,881,900	48,480,600	100%	5,679,930	94,855
Transit TIF	18,373,000	1,192,100	100%	1,192,100	19,908

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (Maine PERS)

Maine Public Employees Retirement System - Consolidated Plan

Description of the Plan - The City contributes to the Maine Public Employees Retirement System Consolidated Plan, a cost sharing multiple-employer public employee retirement system established by the Maine State legislature. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State Legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

Funding Policy - Plan members are required to contribute 2.8% to 6.5% of their annual covered salary and the City of South Portland is required to contribute an actuarially determined rate. The current rate is 6.5% of covered payroll for the regular plan and 10.5% of covered payroll for the special plan. The contribution rates of plan members and the City of South Portland are established and may be amended by the Maine Public Employees Retirement System Board of Trustees. The City's contributions to the Maine Public Employees Retirement System Consolidated Plan for the year ended June 30, 2014, 2013 and 2012 were \$895,201, \$796,790, and \$639,328, respectively, and were equal to the required contribution for each year.

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

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (Maine PERS), CONTINUED

Maine Public Employees Retirement System – Teachers Group

Description of Plan - All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's teacher group. The teacher's group is a cost-sharing plan with a special funding situation, established by the Maine State legislature. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the Maine Public Employees Retirement System Board of Trustees. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Teacher's Group. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

Funding Policy - Plan members are required to contribute 7.65% of their compensation to the retirement system. The State of Maine Department of Education is required to contribute the unfunded actuarial liability portion of the employer contribution rate (13.03%) and the health and benefits component (2.33%) for a total of 15.36%. This amounted to \$3,333,666 for the fiscal year 2014. This amount has been reported as an intergovernmental revenue and education expense/expenditure in the GAAP basis financial statements (Statements 2 and 4). The School Department is required to contribute the normal cost of the employer contribution which amounts to 2.65% of their compensation. The School Department is required to contribute the entire amount of the employer contribution for federally funded teachers, for which the School Department contributed 18.48%. This cost is charged to the applicable grant.

OTHER POST EMPLOYMENT BENEFITS

The Governmental Accounting Standards Board (GASB) promulgated its Statement 45 which addressed the reporting and disclosure requirements for other post employment benefits (OPEB). GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was implemented, as required, by the City of South Portland for the year ended June 30, 2009. Under this pronouncement, it requires that the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

The City is a member of the Maine Municipal Employees Health Trust. The Trust is an agent multiple employer Voluntary Employee's Beneficiary Association. The City is an individually rated member within the Association. The Trust issues a publicly available financial report. That report may be obtained by writing to the Maine Municipal Association at 60 Community Drive, Augusta, ME 04332. The Trust contracted with an outside consultant to assist in the determination and valuation of the City's OPEB liability under GASB Statement 45. The most recent OPEB liability actuarial valuation was completed by the consultants in October 2013 based on an actuarial valuation date of January 1, 2013.

Plan Descriptions - In addition to providing pension benefits, the City provides health care benefits for certain retired employees. Eligibility to receive health care benefits follows the same requirements as MainePERS. Eligible retirees are required to pay 100% of the health insurance premiums to receive health benefit coverage.

Funding Policy and Annual OPEB Cost - GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The City currently plans to fund these benefits on a pay-as-you-go basis primarily from the general fund. No assets have been segregated and restricted to provide postemployment

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

OTHER POST EMPLOYMENT BENEFITS, CONTINUED

benefits. The annual required contribution (ARC), an actuarial determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed thirty years.

The following table represents the OPEB costs for the year and the annual required contribution:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Normal cost	\$ 104,974	104,974	90,618
Amortization of unfunded	228,327	228,327	228,444
Adjustment to ARC	(59,620)	(41,925)	(29,511)
<u>Interest</u>	<u>47,839</u>	<u>35,600</u>	<u>26,731</u>
Annual required contribution	\$ 321,520	326,976	316,282

Net OPEB Obligation - The City's net OPEB obligation was calculated as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
OPEB liability, July 1, 2013	\$ 1,030,952	724,976	510,306
Annual required contribution	321,520	326,976	316,282
<u>Less: Actual contributions</u>	<u>(21,000)</u>	<u>(21,000)</u>	<u>(101,612)</u>
OPEB liability, June 30, 2014	\$ 1,331,472	1,030,952	724,976

Funding Status and Funding Progress - The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation was as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Annual required contribution	\$ 321,520	326,976	316,282
Actual contribution	21,000	21,000	101,612
Percent contributed	6.53%	6.42%	32.13%
Actuarial accrued liability	\$ 4,106,163	4,106,163	4,108,269
<u>Plan assets</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded actuarial accrued liability	\$ 4,106,163	4,106,163	4,108,269
Covered payroll	13,126,194	12,399,860	12,376,330
Unfunded actuarial accrued liability as a percentage of covered payroll	31.28%	33.11%	33.19%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

OTHER POST EMPLOYMENT BENEFITS, CONTINUED

Actuarial Methods and Assumptions - Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets. Significant methods and assumptions were as follows:

Actuarial valuation date	1/1/13
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar, open
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	3.0%
Healthcare cost trend rate	4.25%

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 \$386,186 to the plans during the year ended June 30, 2014.

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 2014, 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, 2014. The City also maintains commercial insurance for other specific liabilities with deductibles from \$1,000 to \$25,000. There have been no changes in commercial coverage from the prior year and no settlements have exceeded insurance coverage in any of the past three years.

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

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

RISK MANAGEMENT, CONTINUED

The following summarizes the claims activity with respect to the City's self-insurance programs during 2014:

	<u>Workers'</u> <u>Compensation</u>	<u>Unemployment</u>
<u>Unpaid claims as of the beginning of year</u>	<u>\$ 97,530</u>	<u>-</u>
Provision for current year events	-	45,097
<u>Increase in provision for prior year events</u>	<u>-</u>	<u>-</u>
Total incurred claims	-	45,097
Payments:		
Claims attributable to current year	-	45,097
<u> Claims attributable to prior year</u>	<u>39,820</u>	<u>-</u>
Total payments	39,820	45,097
<u>Unpaid claims, end of year</u>	<u>\$ 57,710</u>	<u>-</u>

The following summarizes the claims activity with respect to the City's self-insurance programs during 2013:

	<u>Workers'</u> <u>Compensation</u>	<u>Unemployment</u>
<u>Unpaid claims as of the beginning of year</u>	<u>\$ 101,838</u>	<u>-</u>
Provision for current year events	-	54,117
<u>Increase in provision for prior year events</u>	<u>-</u>	<u>-</u>
Total incurred claims	-	54,117
Payments:		
Claims attributable to current year	-	54,117
<u> Claims attributable to prior year</u>	<u>4,308</u>	<u>-</u>
Total payments	4,308	54,117
<u>Unpaid claims, end of year</u>	<u>\$ 97,530</u>	<u>-</u>

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

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.

CITY OF SOUTH PORTLAND, MAINE
Required Supplementary Information

Schedule of Funding Progress
Retiree Healthcare Plan

<u>Fiscal Year</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) – Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a) / c]</u>
2009	1/1/11	\$ -	\$4,108,269	\$4,108,269	0.00%	\$12,367,933	33.22%
2010	1/1/11	\$ -	\$4,108,269	\$4,108,269	0.00%	\$11,048,641	37.18%
2011	1/1/11	\$ -	\$4,108,269	\$4,108,269	0.00%	\$11,964,142	34.34%
2012	1/1/11	\$ -	\$4,108,269	\$4,108,269	0.00%	\$12,376,330	33.19%
2013	1/1/13	\$ -	\$4,106,163	\$4,106,163	0.00%	\$12,399,860	33.11%
2014	1/1/13	\$ -	\$4,106,163	\$4,106,163	0.00%	\$13,126,194	31.28%

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, 2014 and 2013

	2014	2013
ASSETS		
Cash and cash equivalents	\$ 32,417,052	31,973,811
Investments	8,678,748	7,342,079
Due from other governments	264,520	247,261
Receivables, net of allowance of \$872,606 and \$801,100	292,181	162,032
Taxes receivable	1,316,969	1,349,203
Tax liens and tax acquired property	490,497	377,851
Restricted assets, cash	50,000	50,000
Total assets	\$ 43,509,967	41,502,237
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	1,062,053	1,189,887
Accrued liabilities	594,044	429,196
Interfund loans payable	14,443,987	13,946,527
Accrued teachers' summer salaries and benefits	3,663,511	2,907,445
Total liabilities	19,763,595	18,473,055
Deferred inflows of resources:		
Unavailable revenue - property taxes	1,614,000	1,358,000
Total deferred inflows of resources	1,614,000	1,358,000
Fund balances:		
Restricted	3,693,988	4,072,226
Committed	4,482,037	4,419,099
Assigned	3,117,547	3,035,817
Unassigned	10,838,800	10,144,040
Total fund balances	22,132,372	21,671,182
Total liabilities, deferred inflows of resources and fund balances	\$ 43,509,967	41,502,237

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, 2014
(with comparative actual amounts for the year ended June 30, 2013)

	2014		Variance positive (negative)	2013 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property	\$ 56,779,998	56,817,797	37,799	54,639,082
Excise	4,525,000	5,829,497	1,304,497	5,453,056
Interest and penalties	115,000	109,784	(5,216)	105,898
Payments in lieu of taxes	236,650	241,011	4,361	235,542
Total taxes	61,656,648	62,998,089	1,341,441	60,433,578
Intergovernmental:				
State Revenue Sharing	1,290,000	1,315,198	25,198	1,901,233
State BETE Revenue	1,000,000	1,135,762	135,762	1,071,126
Homestead reimbursement	475,000	478,706	3,706	475,200
State education subsidy	4,913,722	5,460,824	547,102	2,691,993
State agency client	25,000	20,726	(4,274)	49,925
Medicaid	50,000	103,103	53,103	60,573
Section 9	339,000	339,743	743	178,127
General assistance	115,000	125,937	10,937	113,648
Other State revenue	85,002	101,166	16,164	83,628
Total intergovernmental	8,292,724	9,081,165	788,441	6,625,453
Licenses, permits, fees, and fines:				
Cable franchise fee	188,000	166,543	(21,457)	176,253
City clerk	149,500	159,223	9,723	152,476
Planning	6,150	12,108	5,958	11,274
Police	99,000	80,405	(18,595)	91,808
Code enforcement	353,000	529,022	176,022	572,472
Public library	19,500	18,902	(598)	21,032
Total licenses, permits, fees, and fines	815,150	966,203	151,053	1,025,315
Charges for services:				
Rent and leases	64,800	76,160	11,360	77,083
Finance and information technology	144,400	142,652	(1,748)	144,543
Fire	803,400	839,105	35,705	842,672
Public works - transfer facility	85,000	97,560	12,560	98,693
Parks and recreation	160,500	188,006	27,506	184,339
Bus service	302,040	336,627	34,587	320,059
Other	4,700	3,596	(1,104)	3,375
Education	78,666	78,666	-	77,350
Total charges for services	1,643,506	1,762,372	118,866	1,748,114
Unclassified:				
City clerk	19,000	20,127	1,127	21,467
Finance	16,000	13,095	(2,905)	15,816
Police	8,000	10,051	2,051	10,591
Fire	3,000	8,280	5,280	3,430
Planning and code enforcement	2,700	6,012	3,312	4,435
Public works	31,000	34,803	3,803	38,223
Other	7,900	11,211	3,311	10,953
Education	40,840	65,091	24,251	55,774
Total unclassified	128,440	168,670	40,230	160,689
Interest earned	400,000	479,985	79,985	261,798
Total revenues	72,936,468	75,456,484	2,520,016	70,254,947

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, 2014
(with comparative actual amounts for the year ended June 30, 2013)

	Budget	Actual	Variance positive (negative)	2013 Actual
Expenditures:				
Current:				
General government:				
City Council	\$ 178,383	178,133	250	147,155
Executive	196,981	195,568	1,413	187,214
City clerk	224,766	224,179	587	215,474
Corporation council	182,412	174,206	8,206	153,161
Finance	954,029	953,307	722	931,483
Information technology	338,644	334,126	4,518	332,092
Planning	216,704	216,681	23	213,122
Human resources	304,463	299,067	5,396	305,350
City building	191,465	191,282	183	188,959
Citywide insurance and benefit costs	6,205,742	5,912,535	293,207	5,552,005
Total general government	8,993,589	8,679,084	314,505	8,226,015
Public safety:				
Police department	3,975,797	3,972,314	3,483	3,864,695
Fire department	4,643,615	4,639,280	4,335	4,527,965
Communications	748,048	715,312	32,736	708,837
Code enforcement	639,718	638,431	1,287	616,326
Civil service	12,100	10,621	1,479	8,361
Total public safety	10,019,278	9,975,958	43,320	9,726,184
Public works:				
Administration	198,136	201,956	(3,820)	162,365
Streets and sidewalks	1,826,982	1,803,442	23,540	1,749,190
Rubbish disposal	1,737,574	1,644,386	93,188	1,817,289
Public works garage	274,984	265,085	9,899	233,626
Transfer facility	238,385	251,926	(13,541)	255,614
Total public works	4,276,061	4,166,795	109,266	4,218,084
Culture:				
Main library	568,760	568,008	752	540,652
Branch library	73,325	66,534	6,791	135,657
Total culture	642,085	634,542	7,543	676,309
Parks and recreation:				
Administration	151,636	151,350	286	145,016
Parks	1,091,756	1,096,809	(5,053)	1,058,555
Pool	358,167	346,524	11,643	336,368
Recreation	776,245	774,592	1,653	783,759
Total parks and recreation	2,377,804	2,369,275	8,529	2,323,698
Total culture, parks, and recreation	3,019,889	3,003,817	16,072	3,000,007
Transportation and waterfront:				
Bus service	1,094,476	1,081,931	12,545	960,157
Waterfront	39,250	38,500	750	37,426
Total transportation and waterfront	1,133,726	1,120,431	13,295	997,583

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, 2014
(with comparative actual amounts for the year ended June 30, 2013)

	Budget	Actual	Variance positive (negative)	2013 Actual
Expenditures, continued:				
Current, continued:				
Health, welfare and social services:				
Welfare:				
Administration	\$ 84,638	83,730	908	77,521
General assistance	237,150	237,136	14	206,794
Total welfare	321,788	320,866	922	284,315
Health	17,700	15,000	2,700	42,578
Total health, welfare and social services	339,488	335,866	3,622	326,893
Intergovernmental - County tax	2,215,084	2,215,084	-	2,075,037
Other:				
Contingency and abatement reserve	88,800	77,178	11,622	82,568
Total other	88,800	77,178	11,622	82,568
Education	42,574,298	41,919,427	654,871	38,788,570
Debt service (excluding education):				
Administration	3,000	3,000	-	1,300
Principal	853,204	853,204	-	850,644
Interest	165,027	165,026	1	196,905
Total debt service	1,021,231	1,021,230	1	1,048,849
Total expenditures	73,681,444	72,514,870	1,166,574	68,489,790
Excess (deficiency) of revenues over (under) expenditures	(744,976)	2,941,614	3,686,590	1,765,157
Other financing sources (uses):				
Budgeted use of surplus - City	1,075,172	-	(1,075,172)	-
Budgeted use of surplus - School	875,000	-	(875,000)	-
Refunding bonds issued	-	1,928,405	1,928,405	-
Payment to refunded bonds escrow agent	-	(1,927,910)	(1,927,910)	-
Transfers in	768,321	218,221	(550,100)	731,353
Transfers out	(1,973,517)	(2,093,517)	(120,000)	(3,664,540)
Total other financing sources (uses)	744,976	(1,874,801)	(2,619,777)	(2,933,187)
Net change in fund balance - budgetary basis	-	1,066,813	1,066,813	(1,168,030)
Reconciliation to GAAP basis:				
Change in encumbrances - City		27,250		73,943
Change in encumbrances - School		42,078		(216,938)
Unbudgeted teacher summer benefits		(534,857)		-
Change in reserves		(140,094)		945,986
Net change in fund balance - GAAP basis		461,190		(365,039)
Fund balance, beginning of year		21,671,182		22,036,221
Fund balance, end of year	\$	22,132,372		21,671,182

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, 2014
(with comparative actual amounts for the year ended June 30, 2013)

	2014		Variance positive (negative)	2013 Actual
	Budget	Actual		
Revenues:				
Local assessment	\$ 37,091,895	37,091,895	-	35,212,648
State education subsidy	4,913,722	5,460,824	547,102	2,691,993
State agency client	25,000	20,726	(4,274)	49,925
Medicaid	50,000	103,103	53,103	60,573
Charges for services	78,666	78,666	-	77,350
Other	40,840	65,091	24,251	55,774
Total revenues	42,200,123	42,820,305	620,182	38,148,263
Expenditures:				
Current:				
Brown Elementary	1,727,973	1,742,277	(14,304)	1,676,440
Dyer Elementary	1,607,156	1,602,979	4,177	1,569,656
Kaler Elementary	1,209,693	1,237,671	(27,978)	1,067,569
Skillin Elementary	2,421,518	2,357,782	63,736	2,239,433
Small Elementary	1,927,798	1,973,828	(46,030)	1,838,693
Mahoney Middle School	2,223,899	2,165,195	58,704	2,201,843
Memorial Middle School	2,572,605	2,515,425	57,180	2,407,302
South Portland High School	6,144,428	6,026,417	118,011	5,835,810
K-12 instrumental music	113,280	114,259	(979)	105,305
6-12 athletics	677,983	669,365	8,618	640,715
Special education	7,668,263	7,356,402	311,861	7,247,230
Health	349,544	324,040	25,504	333,830
Board of education	212,291	117,085	95,206	97,293
Superintendent of schools	380,998	354,168	26,830	369,943
Assistant superintendent	1,655,134	1,678,137	(23,003)	1,769,355
Curriculum	423,862	397,353	26,509	-
Technology	486,589	510,861	(24,272)	554,464
Business office	859,470	888,565	(29,095)	813,362
Operations/maintenance	3,843,895	3,811,429	32,466	3,727,524
Transportation	1,585,479	1,593,750	(8,271)	1,585,119
Debt service:				
Principal	3,224,652	3,224,652	-	1,628,188
Interest	1,257,788	1,257,787	1	1,079,496
Total expenditures	42,574,298	41,919,427	654,871	38,788,570
Excess (deficiency) of revenues over (under) expenditures	(374,175)	900,878	1,275,053	(640,307)
Other financing sources (uses):				
Transfers in	207,433	207,433	-	320,465
Transfers out	(708,258)	(736,258)	(28,000)	(405,938)
Budgeted use of surplus	875,000	-	(875,000)	-
Total other financing sources (uses)	374,175	(528,825)	(903,000)	(85,473)
Net change in fund balances - budgetary basis	-	372,053	372,053	(725,780)
Reconciliation to GAAP basis:				
Change in encumbrances		42,078		(216,938)
Unbudgeted teacher summer benefits		(534,857)		
Change in reserves		(257,512)		(269,080)
Net change in fund balance - GAAP basis		(378,238)		(1,211,798)
Fund balance, beginning of year		4,072,226		5,284,024
Fund balance, end of year	\$	3,693,988		4,072,226

CITY OF SOUTH PORTLAND, MAINE
Reserves - General Fund
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2014

		Fund balance beginning of year	Revenues		Expenditures	Other financing sources (uses)		Fund balance end of year
			Other	Investment earnings		Issuance of debt	Transfers	
<u>City committed reserves:</u>								
1801	Equipment replacement	\$ 103,122	-	581	16,822	-	23,160	110,041
1803	Unemployment - City	38,261	-	107	45,097	-	33,000	26,271
1804	Self-Insurance - City	42,269	103,984	279	118,537	-	12,500	40,495
1805	Municipal facilities	6,052	-	17	9,521	-	20,000	16,548
1806	Safety reserve	151,205	10,653	649	10,798	-	-	151,709
1807	Computerization project	114,198	135	497	50,503	-	19,000	83,327
1809	Litigation - legal	145,388	-	766	55,271	-	8,000	98,883
1822	Communication equipment - police	62,559	-	358	-	-	2,600	65,517
1824	Body armor - police	2,145	-	-	-	-	3,035	5,180
1830	Fire	266,013	19,200	1,730	1,031	-	175,000	460,912
1834	Traffic improvements	22,921	-	131	-	-	-	23,052
1836	Public works equipment	21,782	-	125	-	-	-	21,907
1840	Snow removal	418,315	-	2,391	-	-	-	420,706
1842	Library	-	3,440	-	-	-	-	3,440
1845	Cummings Road sewer	207,030	-	1,183	-	-	-	208,213
1847	Bus	271,277	7,685	1,592	19,928	-	(132,079)	128,547
1850	Senior Property Tax Program	2,735	-	-	2,735	-	-	-
1861	Tax stabilization	1,706,229	-	9,751	-	-	-	1,715,980
1864	Call company retirement	64,698	-	-	-	-	-	64,698
1869	Energy efficient	14,913	-	-	8,069	-	-	6,844
1871	Solid waste	36,181	-	-	-	-	80,000	116,181
1872	Municipal buildings & land acq.	193,350	3,774	1,082	24,752	-	-	173,454
1873	Municipal services facility	528,456	18,156	3,081	9,561	-	-	540,132
Subtotal City committed reserves		4,419,099	167,027	24,320	372,625	-	244,216	4,482,037
<u>City assigned reserves:</u>								
1828	Vehicle replacement - police	49,261	63,549	-	147,973	83,000	-	47,837
1867	Phone system	124,607	-	-	9,490	-	16,464	131,581
1868	Compensated absences	2,529,819	-	-	-	-	-	2,529,819
2172	Outside OT - Police	111	184,766	-	183,186	-	-	1,691
2173	Outside OT - Fire	81	2,070	-	1,170	-	-	981
2176	Fuel Distribution	35,274	46,450	-	-	-	-	81,724
Subtotal City assigned reserves		2,739,153	296,835	-	341,819	83,000	16,464	2,793,633
Total City reserves		7,158,252	463,862	24,320	714,444	83,000	260,680	7,275,670
<u>School reserves:</u>								
0202	Restricted school reserve funds:							
	School consolidation	323,618	-	-	-	-	-	323,618
	School tech upgrade	795,092	20,115	-	214,358	-	-	600,849
	Unemployment - School	66,098	-	-	25,584	-	20,000	60,514
	School bus	339,923	-	-	-	-	(45,000)	294,923
	School resource officer	39,752	-	-	-	-	(8,750)	31,002
	School elementary	19,511	-	-	-	-	-	19,511
	Self-insurance - School	10,008	-	-	-	-	-	10,008
	Musical program	139,128	-	-	-	-	-	139,128
	Maintenance	533,747	315	-	51,565	-	-	482,497
	Adult education	20,000	-	-	-	-	-	20,000
	Student educational support	(14,374)	13,877	-	27,317	-	28,000	186
	Laptop repair	48,711	32,724	-	450	-	-	80,985
	Special Education	200,000	-	-	-	-	-	200,000
0456	School facility	84,279	-	481	-	-	-	84,760
Total School reserves		2,605,493	67,031	481	319,274	-	(5,750)	2,347,981
Total reserves		\$ 9,763,745	530,893	24,801	1,033,718	83,000	254,930	9,623,651

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, 2014

	2501 Fairchild Semiconductor	2502 Texas Instrument	2503 One Wallace Avenue	2504 Cummings Road	2505 Long Creek	2507 Brick Hill	2508 Jared	2509 Hannaford	2510 Downtown	2511 Transit	Total
Revenues:											
Taxes	\$ 187,244	1,282,812	61,977	-	180,452	341,072	19,058	146,965	94,855	19,908	2,334,343
State BETE revenue	1,279,995	-	-	-	-	-	-	-	-	-	1,279,995
Investment earnings	17,747	1,039	2,704	4,223	2,767	1,090	160	1,088	337	-	31,155
Total revenues	1,484,986	1,283,851	64,681	4,223	183,219	342,162	19,218	148,053	95,192	19,908	3,645,493
Expenditures:											
Current:											
General government	46,740	1,817	13	45,195	1,773	112	-	-	-	-	95,650
Public works	48,017	36,799	-	21,495	11,265	-	4,571	-	-	-	122,147
Other	93,622	1,026,250	6,293	-	92,976	178,324	-	-	-	-	1,397,465
Total expenditures	188,379	1,064,866	6,306	66,690	106,014	178,436	4,571	-	-	-	1,615,262
Excess (deficiency) of revenues over (under) expenditures	1,296,607	218,985	58,375	(62,467)	77,205	163,726	14,647	148,053	95,192	19,908	2,030,231
Other financing uses:											
Transfers out	(317,971)	-	-	-	(190,062)	(153,683)	-	(25,000)	-	-	(686,716)
Total other financing uses	(317,971)	-	-	-	(190,062)	(153,683)	-	(25,000)	-	-	(686,716)
Net change in fund balances	978,636	218,985	58,375	(62,467)	(112,857)	10,043	14,647	123,053	95,192	19,908	1,343,515
Fund balances, beginning of year	2,384,988	432,664	470,359	798,773	549,459	243,816	29,526	189,492	55,183	1,789	5,156,049
Fund balances, end of year	\$ 3,363,624	651,649	528,734	736,306	436,602	253,859	44,173	312,545	150,375	21,697	6,499,564

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CAPITAL PROJECT FUND

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CITY OF SOUTH PORTLAND, MAINE
Capital Projects
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2014

		Fund balance beginning of year	Revenues			Expenditures	Other financing sources (uses)		Fund balance end of year
			Other	Intergov- ernmental	Investment earnings		Issuance of debt	Transfers	
City capital projects:									
4008	Landfill closeout	\$ 3,260	-	-	10	3,270	-	-	-
4009	Transfer facility	113,781	-	-	650	-	-	-	114,431
4011	Paving	1,086,040	-	-	5,646	288,174	-	475,000	1,278,512
4012	Bug Light Park	1,446	1,131	-	-	843	-	-	1,734
4018	Chlorination/Dechlorinate	17,227	-	-	-	-	-	-	17,227
4038	City FY 01 projects	35,175	-	-	189	-	-	(16,863)	18,501
4040	East Broadway improvement	74	-	-	-	-	-	-	74
4045	City FY 03 projects	11,007	-	-	52	9,200	-	-	1,859
4051	City FY 06 projects	34,001	-	21,105	-	26,614	-	-	28,492
4055	City FY 08 projects	42,211	-	-	-	3,950	-	-	38,261
4056	City FY 09 projects	22,000	-	-	-	-	-	(22,000)	-
4061	Library CIP	110,887	-	-	-	22,595	-	(27,987)	60,305
4063	Police CIP	61,863	-	-	-	32,596	-	10,000	39,267
4064	Fire CIP	243,181	-	-	-	207,953	-	99,772	135,000
4072	Public works CIP	983,067	-	249,360	-	666,310	-	241,714	807,831
4077	Parks and recreation CIP	417,242	-	-	-	227,892	-	122,612	311,962
4080	Bus CIP	218,431	-	771,672	-	1,018,941	-	230,106	201,268
4081	Waterfront CIP	30,000	-	-	-	14,760	-	-	15,240
4151	Municipal buildings CIP	88,378	-	-	-	84,678	-	84,375	88,075
4155	Information technology CIP	109,646	-	-	-	40,938	-	166,370	235,078
4156	Planning CIP	48,196	-	-	-	31,252	-	19,214	36,158
Total City capital projects		3,677,113	1,131	1,042,137	6,547	2,679,966	-	1,382,313	3,429,275
School capital projects:									
0301 Major capital projects:									
	ADA Buildings - School	31,468	-	-	-	-	-	-	31,468
	High School Auditorium/Cafeteria	11,927	-	-	-	-	-	-	11,927
	School FY 02 projects	298,261	-	-	1,476	-	-	-	299,737
0303	SPHS construction/renovation	9,871,233	2,153	-	18,626	12,904,243	9,747,306	300,000	7,035,075
0400	School FY 03 projects	193,694	-	-	1,107	-	-	-	194,801
0401	School FY 04 projects	201,479	-	-	1,151	-	-	-	202,630
0402	School FY 01 projects	221,575	-	-	1,149	44,561	-	-	178,163
0403	School FY 05 projects	61,465	-	-	351	-	-	-	61,816
0404	School FY 07 projects	33,265	-	-	-	30,931	-	-	2,334
0455	School FY 08 projects	26,409	-	-	-	-	-	-	26,409
0405	School FY 10 projects	894,042	-	-	1,419	157,642	-	-	737,819
0406	Energy savings projects	305,311	-	-	-	276,696	-	-	28,615
Total School capital projects		12,150,129	2,153	-	25,279	13,414,073	9,747,306	300,000	8,810,794
Total capital projects		\$ 15,827,242	3,284	1,042,137	31,826	16,094,039	9,747,306	1,682,313	12,240,069

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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, 2014

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
ASSETS			
Investments	\$ 517,659	327,095	844,754
Due from other governments	1,147,066	-	1,147,066
Accounts receivable, net of allowance of \$3,480	87,594	-	87,594
Interfund loan receivable	3,019,127	-	3,019,127
Inventory	29,610	-	29,610
Total assets	\$ 4,801,056	327,095	5,128,151
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	78,382	-	78,382
Accrued liabilities	42,156	-	42,156
Accrued teachers' summer salaries	187,403	-	187,403
Interfund loans payable	133,952	-	133,952
Total liabilities	441,893	-	441,893
Fund balances:			
Nonspendable	29,610	198,949	228,559
Restricted	2,121,807	128,146	2,249,953
Committed	2,277,290	-	2,277,290
Unassigned	(69,544)	-	(69,544)
Total fund balances	4,359,163	327,095	4,686,258
Total liabilities and fund balances	\$ 4,801,056	327,095	5,128,151

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, 2014

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
Revenues:			
Taxes	\$ 20,000	-	20,000
Intergovernmental	3,893,005	-	3,893,005
Charges for services	1,546,306	-	1,546,306
Investment income	20,758	4,251	25,009
Other	424,214	-	424,214
Total revenues	5,904,283	4,251	5,908,534
Expenditures:			
General government	887,808	-	887,808
Public safety	526,892	-	526,892
Public works	166,335	-	166,335
Culture and recreation	790,157	-	790,157
Transportation and waterfront	18,822	-	18,822
Education	1,989,734	-	1,989,734
School lunch program	1,681,737	-	1,681,737
Other	-	1,681	1,681
Total expenditures	6,061,485	1,681	6,063,166
Excess (deficiency) of revenues over (under) expenditures	(157,202)	2,570	(154,632)
Other financing sources (uses):			
Transfers in (out)	318,694	-	318,694
Total other financing sources (uses)	318,694	-	318,694
Net change in fund balances	161,492	2,570	164,062
Fund balances, beginning of year	4,197,671	324,525	4,522,196
Fund balances, end of year	\$ 4,359,163	327,095	4,686,258

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, 2014

	City Special Revenues Fund	School Grant Funds	School Adult Education	School Lunch Fund	Total Nonmajor Special Revenue Funds
ASSETS					
Investments	\$ 517,659	-	-	-	517,659
Due from other governments	249,098	853,968	-	44,000	1,147,066
Accounts receivable, net of allowance of \$3,480	84,778	2,351	-	465	87,594
Interfund loans receivable	2,997,038	-	8,440	13,649	3,019,127
Inventory	-	-	-	29,610	29,610
Total assets	\$ 3,848,573	856,319	8,440	87,724	4,801,056
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	48,798	6,946	51	22,587	78,382
Accrued liabilities	42,156	-	-	-	42,156
Accrued teachers' summer salaries	-	180,854	2,765	3,784	187,403
Interfund loans payable	-	133,952	-	-	133,952
Total liabilities	90,954	321,752	2,816	26,371	441,893
Fund balances:					
Nonspendable	-	-	-	29,610	29,610
Restricted	1,543,126	541,314	5,624	31,743	2,121,807
Committed	2,277,290	-	-	-	2,277,290
Unassigned	(62,797)	(6,747)	-	-	(69,544)
Total fund balances	3,757,619	534,567	5,624	61,353	4,359,163
Total liabilities and fund balances	\$ 3,848,573	856,319	8,440	87,724	4,801,056

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, 2014

	City Special Revenues Funds	School Grant Funds	School Adult Education	School Lunch Fund	Total Nonmajor Special Revenue Funds
Revenues:					
Taxes	\$ -	-	20,000	-	20,000
Intergovernmental	1,492,669	1,667,131	10,123	723,082	3,893,005
Charges for services	1,028,277	-	-	518,029	1,546,306
Investment income	20,758	-	-	-	20,758
Other	295,683	128,531	-	-	424,214
Total revenues	2,837,387	1,795,662	30,123	1,241,111	5,904,283
Expenditures:					
Current:					
General government	887,808	-	-	-	887,808
Public safety	526,892	-	-	-	526,892
Public works	166,335	-	-	-	166,335
Culture and recreation	790,157	-	-	-	790,157
Transportation and waterfront	18,822	-	-	-	18,822
Education	-	1,960,567	29,167	-	1,989,734
School lunch program	-	-	-	1,681,737	1,681,737
Total expenditures	2,390,014	1,960,567	29,167	1,681,737	6,061,485
Excess (deficiency) of revenues over (under) expenditures	447,373	(164,905)	956	(440,626)	(157,202)
Other financing sources (uses):					
Transfers in (out)	(82,639)	21,333	-	380,000	318,694
Total other financing sources and (uses)	(82,639)	21,333	-	380,000	318,694
Net change in fund balances	364,734	(143,572)	956	(60,626)	161,492
Fund balances, beginning of year	3,392,885	678,139	4,668	121,979	4,197,671
Fund balances, end of year	\$ 3,757,619	534,567	5,624	61,353	4,359,163

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, 2014

	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	\$ 26,765	9,418	2,684	3,656	90,670	122,369	42,799	28,734	327,095
Total assets	\$ 26,765	9,418	2,684	3,656	90,670	122,369	42,799	28,734	327,095
LIABILITIES AND FUND BALANCES									
Liabilities:									
Interfund loans payable	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-
Fund balances:									
Nonspendable principal	16,406	5,430	1,566	3,150	52,238	70,502	24,657	25,000	198,949
Restricted	10,359	3,988	1,118	506	38,432	51,867	18,142	3,734	128,146
Total fund balances	26,765	9,418	2,684	3,656	90,670	122,369	42,799	28,734	327,095
Total liabilities and fund balances	\$ 26,765	9,418	2,684	3,656	90,670	122,369	42,799	28,734	327,095

CITY OF SOUTH PORTLAND, MAINE
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2014

	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	\$ 802	282	80	110	2,718	3,668	1,283	964	9,907
Unrealized gain/(loss)	(761)	(136)	(38)	(56)	(1,307)	(1,764)	(617)	(977)	(5,656)
Donations	-	-	-	-	-	-	-	-	-
Total revenues	41	146	42	54	1,411	1,904	666	(13)	4,251
Expenditures:									
Other	135	48	14	19	460	621	217	167	1,681
Total expenditures	135	48	14	19	460	621	217	167	1,681
Net change in fund balances	(94)	98	28	35	951	1,283	449	(180)	2,570
Fund balances, beginning of year	26,859	9,320	2,656	3,621	89,719	121,086	42,350	28,914	324,525
Fund balances, end of year	\$ 26,765	9,418	2,684	3,656	90,670	122,369	42,799	28,734	327,095

PROPRIETARY FUNDS

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CITY OF SOUTH PORTLAND, MAINE
Schedule of Revenues, Expenses and Changes in Net Position
Budget and Actual - Proprietary Fund
For the year ended June 30, 2014

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 5,398,811	5,398,811	5,864,629	465,818
Interest and penalties	1,000	1,000	1,148	148
Licenses	59,166	59,166	61,907	2,741
Total operating revenues	5,458,977	5,458,977	5,927,684	468,707
Operating expenses:				
Administration	154,865	154,865	156,065	(1,200)
Treatment plant	910,187	910,187	879,666	30,521
Pump stations	520,500	520,500	492,923	27,577
Billing	194,885	194,885	192,352	2,533
Sewer maintenance	741,732	741,732	738,932	2,800
Engineering	187,828	187,828	182,567	5,261
Debt service	28,458	28,458	28,457	1
Compliance	93,598	93,598	89,598	4,000
Sludge disposal	361,070	361,070	358,412	2,658
Insurance	729,106	729,106	649,888	79,218
Total operating expenses	3,922,229	3,922,229	3,768,860	153,369
Operating income	1,536,748	1,536,748	2,158,824	622,076
Nonoperating revenues (expenses):				
Equipment reserve	(1,536,160)	(1,536,160)	(1,536,160)	-
Total nonoperating revenues (expenses)	(1,536,160)	(1,536,160)	(1,536,160)	-
Income before transfers	588	588	622,664	622,076
Transfers out	(588)	(588)	(1,008)	(420)
Total transfers	(588)	(588)	(1,008)	(420)
Change in net position - budgetary basis	-	-	621,656	621,656
Reconciliation to GAAP basis:				
Revenues and expenditures in the reserve funds are included on the GAAP basis, but not the budgetary basis:				
Reserve revenues			30,101	
Reserve expenditures			(681,980)	
Transfers into reserves			1,536,160	
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			243,289	
Gain (loss) on disposal of capital assets			3,290	
Depreciation expense			(1,956,648)	
Transfers in from TIF Funds			307,083	
Repayment of bond principal is an expenditure on the budgetary basis, but reduces the long-term liability on the GAAP basis:				
Bond principal			27,102	
Change in net position - GAAP basis			130,053	
Net position, beginning of year			61,157,012	
Net position, end of year			\$ 61,287,065	

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AGENCY FUNDS

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CITY OF SOUTH PORTLAND, MAINE
Statement of Changes in Assets and Liabilities
Fiduciary Funds
Agency Funds
For the Year Ended June 30, 2014

		Balance			Balance
		July 1, 2013	Additions	Deductions	June 30, 2014
ASSETS					
Cash and cash equivalents	\$	108,804	209,340	208,066	110,078
Total assets		108,804	209,340	208,066	110,078
LIABILITIES					
Due to others		108,804	209,340	208,066	110,078
Total liabilities	\$	108,804	209,340	208,066	110,078

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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, 2014

		Fund balance beginning of year	Revenues Inter- governmental	Other	Expenditures	Transfers	Fund balance end of year
General Government:							
Federal grants:							
2115	CDBG - Entitlement Community	\$ 40,568	420,074	8,164	447,573	-	21,233
2155	Housing Revolving Loan	64,329	-	83	-	-	64,412
State grants:							
2031	Watershed Plan	(1,249)	35,644	3	37,006	-	(2,608)
2138	Greater Portland Public Development	52,005	-	-	-	-	52,005
2154	Land Use Regulation Grant	233	-	-	-	-	233
Other:							
2008	Restoration of Records	1,251	-	3	-	-	1,254
2042	Business Development Revolving Loan	57,846	-	344	375	-	57,815
2044	City Hall Water & Soda	154	-	847	1,310	-	(309)
2053	Wallace Avenue Directional	2,172	-	12	-	-	2,184
2057	Downeast Energy Traffic Improvement	4,662	-	27	-	-	4,689
2058	NE Audio/Tweeter Sidewalks	9,894	-	57	-	-	9,951
2067	Toys "R" Us Sidewalks	10,354	-	59	-	-	10,413
2088	SPCTV	583,589	-	169,605	204,139	(113,143)	435,912
2094	Gannett Traffic Signal Escrow	25,464	-	145	-	-	25,609
2097	Wellness Committee	125	7,606	-	7,811	-	(80)
2108	Longhorn Steakhouse Escrow	18,367	-	105	-	-	18,472
2114	Sawyer/Broadway Intersection	5,608	-	32	-	-	5,640
2120	Evan/Highland Toddle Inn Escrow	22,494	-	128	-	-	22,622
2129	Westbrook/Western Escrow	6,131	-	7,754	-	-	13,885
2136	Knightville/Mill Creek Plan	7,981	-	-	-	-	7,981
2139	Brick Hill Traffic Escrow	1,175	-	6	-	-	1,181
2146	Heating Assistance	7,795	-	2,800	6,472	-	4,123
2149	Westbrook/South Portland Assessing	1,639	180,393	-	179,651	(168)	2,213
2161	War Memorial	1,766	-	1,490	1,290	-	1,966
2165	Freshwater Wetland Fund	97,702	-	87,972	-	-	185,674
2169	John Roberts Road Escrow	2,100	-	-	-	-	2,100
2179	Land Bank Trust	485,596	-	34,320	2,181	35,000	552,735
2188	Long Creek Tragedy Memorial	237	-	-	-	-	237
2190	LID Manual	(4,826)	-	-	-	-	(4,826)
Total General Government		1,505,162	643,717	313,956	887,808	(78,311)	1,496,716

CITY OF SOUTH PORTLAND, MAINE
City Special Revenues
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2014

		Fund balance beginning of year	Revenues Inter- governmental	Other	Expenditures	Transfers	Fund balance end of year
Public Safety:							
Federal grants:							
2023	OUI Grant	\$ 918	-	-	-	-	918
2050	Asset Forfeiture - Federal	44,503	-	242	20,417	-	24,328
2064	Seat Belt Enforcement Grant	2,228	2,416	-	2,416	-	2,228
2089	Cops Hiring	15	67,082	-	66,623	-	474
2102	Body Armor	-	3,144	-	3,930	1,965	1,179
2121	Supplemental Homeland Security	641	301,935	-	314,156	-	(11,580)
2125	County Hazmat Grant	13,570	4,745	-	5,211	-	13,104
2126	State Hazmat Grant	3,172	-	-	-	-	3,172
2151	Justice Assistance Grant	409	37,541	-	30,552	-	7,398
2160	Speed Enforcement	2,165	10,827	-	10,827	-	2,165
2167	Underage Drinking Enforcement	1,629	7,235	-	7,674	-	1,190
2181	Language Access New America	1,711	-	-	-	-	1,711
State grants:							
2049	Asset Forfeiture - State	4,955	1,375	28	1,535	-	4,823
2192	Maine Investigative Agent	-	53,847	-	58,365	-	(4,518)
Other:							
2009	Officer Friendly	(39)	-	-	-	-	(39)
2018	Hazardous Materials	80,374	1,500	-	1,751	-	80,123
2086	Police Donations	5,070	500	4,050	189	-	9,431
2107	Tobacco Cessation	10,470	-	535	1,031	-	9,974
2142	SP Police Youth Program	10,288	-	100	335	-	10,053
2174	Fire Donation	6,272	-	2,789	-	-	9,061
2178	Outside OT - Code Enforcement	5,041	-	-	-	-	5,041
2182	Compliance Check	970	-	-	-	-	970
2186	County Underage Drinking Enforcement	5,346	2,477	-	1,880	-	5,943
2194	Fire Training	8,941	-	-	-	-	8,941
Total Public Safety		208,649	494,624	7,744	526,892	1,965	186,090

CITY OF SOUTH PORTLAND, MAINE
City Special Revenues
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2014

		Fund balance beginning of year	Revenues		Expenditures	Transfers	Fund balance end of year
			Inter- governmental	Other			
Public Works:							
Federal grants:							
2096	FEMA Disaster Relief	\$ 190,107	28,219	-	-	-	218,326
2191	Safer Routes to Schools	4,018	-	-	-	-	4,018
State grants:							
2046	State Aid Highway Block Grant	446,715	326,109	3,559	17,373	(75,000)	684,010
Other:							
2024	Recycling	3,679	-	427	-	-	4,106
2082	Street Openings	260,359	-	119,933	71,712	(84)	308,496
2084	Sewer Impact	414,975	-	70,557	77,250	-	408,282
Total Public Works		1,319,853	354,328	194,476	166,335	(75,084)	1,627,238
Culture and Recreation:							
Other:							
2035	Tree Fund	300	-	-	-	-	300
2037	Debevoise Tennis Court	2,127	-	-	-	-	2,127
2056	Library Donations	40,367	-	12,591	854	-	52,104
2071	Golf Course	138,843	-	181,639	220,403	(84)	99,995
2072	Recreation	(102,802)	-	519,419	523,388	68,875	(37,896)
2073	Donations to Parks and Recreation	68,840	-	44,449	14,989	-	98,300
2076	Art in the Park	26,406	-	20,253	20,212	-	26,447
2109	Bug Light Beautification	(941)	-	-	-	-	(941)
2116	Ge Erskine Park	1,987	-	-	-	-	1,987
2152	Friends of South Portland Libraries	293	-	10,762	10,311	-	744
2189	Communities Promoting Health	575	-	-	-	-	575
Total Culture and Recreation		175,995	-	789,113	790,157	68,791	243,742
Transportation and Waterfront:							
Federal grants:							
2041	Section 9 Capital	21,436	-	-	-	-	21,436
2093	Rural Transit Assistance Grant	2,283	-	-	-	-	2,283
State grants:							
2133	Small Harbor Improvement Program	4,894	-	-	-	-	4,894
Other:							
2074	Boat Ramp	-	-	12,233	12,949	716	-
2075	Portland Street Pier	154,613	-	27,005	5,402	(996)	175,220
2117	Thomas Knight Boat Landing	-	-	191	471	280	-
Total Transportation and Waterfront		183,226	-	39,429	18,822	-	203,833
Total city special revenues		\$ 3,392,885	1,492,669	1,344,718	2,390,014	(82,639)	3,757,619

CITY OF SOUTH PORTLAND, MAINE
School Grant Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2014

		Fund balance beginning of year	Revenues	Expenditures	Transfers	Fund balance end of year
Federal Grants:						
0230	Title IA - Disadvantaged	\$ -	515,704	515,704	-	-
0231	Title I - Program Improvement	-	34,947	34,947	-	-
0247	Local Entitlement	-	850,101	850,101	-	-
0251	Preschool Grant	-	12,311	12,311	-	-
0264	Title V	(2)	-	-	-	(2)
0268	Title III - Language Acquisition	-	28,559	28,559	-	-
0270	Title II A - Improving Teacher Quality	14,087	168,107	168,107	-	14,087
0275	Elementary School Program	500	-	-	-	500
0295	Adult Basic Education	-	22,708	22,708	-	-
Total federal grants		14,585	1,632,437	1,632,437	-	14,585
State Grants:						
0216	MMSA Cooperating School	2,704	-	-	-	2,704
0220	MSLN Grant	68,001	-	-	-	68,001
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
0223	State Proficiency Grant	-	33,457	9,500	-	23,957
0224	Partners in Arts & Learning	735	-	-	-	735
0225	Reading Recovery	1,248	-	-	-	1,248
0226	Learning Results	(405)	-	-	-	(405)
0228	Art Department Grant	2,000	-	-	-	2,000
0229	State Agency Clients	17,082	-	-	-	17,082
0284	E-Rate	54,262	1,237	-	-	55,499
Total state grants		149,784	34,694	9,500	-	174,978
Local Grants and Other Special Funds:						
0200	SPHS Auditorium:					
	SPHS Auditorium	57,790	3,158	54,652	-	6,296
	Elaine Wolfson Memorial	1,158	-	-	-	1,158
0201	Local SPHS:					
	High School Musical	23,306	38,396	38,708	-	22,994
	High School Aspirations	21,704	16,500	16,932	-	21,272
	SPHS Friends	6,593	2,000	1,797	-	6,796
	SPHS Class of 1940	100	-	-	-	100
	Readiness Partnership	178	-	-	-	178
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, 2014

		Fund balance beginning of year	Revenues	Expenditures	Transfers	Fund balance end of year
Local Grants and Other Special Funds, Continued:						
0204	Local Grants:					
	Memorial Tech Grant Koelker	\$ (1,237)	-	-	-	(1,237)
	National Semiconductor (Morneault)	174	-	-	-	174
	National Semiconductor (Brown)	(3,683)	-	-	-	(3,683)
	National Semiconductor (Stem Grant)	102,042	-	67,288	-	34,754
	Innovative Idea (ThurLOW)	1,558	-	-	-	1,558
	Summer Music (Memorial)	794	2,400	842	-	2,352
	Kids Consortium Memorial	477	-	-	-	477
	Memorial Friends	7,627	2,300	5,375	-	4,552
	Great Bay Foundation - Kaler	32,136	-	30,905	-	1,231
	Target Kaler Prof. Development Grant	4,000	-	-	-	4,000
	Girls Leadership Initiative	31	-	-	-	31
	Donations	5,913	100	-	(800)	5,213
	Transition Books	1,414	-	-	-	1,414
	Opportunity Alliance	10,000	-	-	-	10,000
0205	Local Boosters:					
	Baseball Boosters	500	-	-	-	500
	Lacrosse Club Boys	2,625	-	734	-	1,891
	Lacrosse Club Girls	3,861	-	1,975	-	1,886
	MSSPA Playoffs	4,618	2,784	2,171	-	5,231
	Johnson Athletic	26,137	2,747	23,378	8,258	13,764
0206	Southern Maine (LCA) Project	137	-	-	-	137
0207	Dyer Friends	(1,104)	500	290	-	(894)
0208	Staff Computer Training	(476)	-	-	-	(476)
0209	Future Builders/Summer School	25,159	16,620	18,391	900	24,288
0211	Robotics	-	23,400	23,400	-	-
0212	21st Century Donations	150,000	2,650	11,173	-	141,477
0213	Quest	7,551	-	-	-	7,551
0214	Skillin Local:					
	Skillin Playground	655	-	-	-	655
	Friends Skillin Library	1,827	2,786	3,105	-	1,508
	Skillin Natural Science	1,041	-	363	-	678
	Skillin Friends	228	-	-	-	228
0215	Gates Teacher Leader Grant	1,500	-	-	-	1,500
0217	Art Donations	857	-	-	-	857
0218	Small Friends	(50)	-	-	-	(50)
0219	Local Friends Grants:					
	Brown Friends	1,970	1,595	1,695	-	1,870
	Mary F Marsh Book	5,651	-	-	-	5,651
	Mahoney Friends	276	-	-	-	276
	Kaler Friends	1,190	-	-	-	1,190
0222	Special Education Access Channel	1,848	-	6,421	12,975	8,402
0227	Teamwork for Kids - Fallon	1,000	-	-	-	1,000
0615	Adult Ed Enrichment	(116)	10,595	9,035	-	1,444
	Total local grants and other special funds	513,770	128,531	318,630	21,333	345,004
	Total	\$ 678,139	1,795,662	1,960,567	21,333	534,567

CITY OF SOUTH PORTLAND, MAINE
Private-purpose Trust Funds
Combining Schedule of Changes in Fiduciary Net Position
For the year ended June 30, 2014

	Net position beginning of year	Donations/ other	Interest income	Realized and Unrealized gain (loss)	Deductions	Net position end of year
Private-purpose trusts:						
0801 Dora Small Trust	\$ 9,198	-	279	(134)	47	9,296
0803 Lewis Trust (School)	1,469,509	-	44,714	(24,849)	33,960	1,455,414
0804 Alley Scholarship	11,306	-	348	(192)	562	10,900
0805 Davidson Scholarship	4,918	-	149	(86)	227	4,754
0806 Elliot Scholarship	7,298	-	226	(126)	240	7,158
0807 Friese Scholarship	6,335	-	197	(104)	534	5,894
0808 Harvie Scholarship	4,832	-	146	(60)	126	4,792
0809 Naylon Scholarship	5	-	-	-	-	5
0810 Norwood Scholarship	51,486	-	4,317	3,953	1,500	58,256
0811 Reynolds Scholarship	75	-	2	(1)	-	76
0812 Robinson Scholarship	31	-	1	(1)	-	31
0813 Schwartz Scholarship	817	-	25	(14)	4	824
0814 Smart Scholarship	18,102	-	548	(238)	1,592	16,820
0815 Super Runion Scholarship	7,893	-	244	(138)	244	7,755
0816 Wiggin Scholarship	8,600	-	265	(148)	247	8,470
0817 Paul Fiore Scholarship	6,259	-	189	(99)	33	6,316
0818 John Millington Scholarship	13,220	-	410	(220)	472	12,938
0819 Stu Brown Scholarship	78	-	-	-	-	78
0820 William Linskey Memorial	10,483	-	329	(202)	561	10,049
0821 SPHS Recycle Club Scholarship	1	-	-	-	-	1
0822 Governor's Restaurant Scholarship	3	-	-	-	-	3
0823 Book Trust	2,331	-	75	(37)	213	2,156
0824 Eagles Association Scholarship	1	-	-	-	-	1
0825 Sherrie Libby Scholarship	9,412	500	282	(165)	451	9,578
0826 Gustaf W Johnson Scholarship	589,447	-	17,870	(10,165)	11,702	585,450
0827 A Varanelli Scholarship	(15)	-	(1)	(35)	4	(55)
0828 Downing Trust	7,840	-	238	(44)	8,034	-
0829 Robert Graff Scholarship	3,822	500	87	(18)	511	3,880
0830 Rosella Loveitt Trust	2,218	-	73	(5)	209	2,077
0831 Deveboise Scholarship	18,038	325	175	-	-	18,538
0832 TJ Michaud	321	-	2	-	-	323
0833 Walker Scholarship	2,648	790	16	-	1,000	2,454
7506 Eleanor Hatch Trust	14,747	-	447	(215)	76	14,903
Total private-purpose trusts	\$ 2,281,259	2,115	71,653	(33,343)	62,549	2,259,135

STATISTICAL SECTION



STATISTICAL SECTION

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

Contents

Tables

Financial Trends

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These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

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These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

12-14

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.

Demographic and Economic Information

15-16

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

17-19

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.

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets	\$ 56,427,912	\$ 53,045,309	\$ 60,871,026	\$ 61,842,283	\$ 62,710,640	\$ 58,877,233	\$ 65,465,039	\$ 68,914,663	\$ 72,207,636	\$ 73,600,630
Restricted	7,551,453	5,580,125	6,789,992	5,617,965	5,231,382	20,519,257	16,473,151	11,783,906	11,601,604	12,642,454
Unrestricted	20,446,568	28,131,091	21,778,559	27,506,644	28,222,514	14,161,211	14,713,818	17,843,882	18,392,216	19,617,685
Total governmental activities net position	<u>\$ 84,425,933</u>	<u>\$ 86,756,525</u>	<u>\$ 89,439,577</u>	<u>\$ 94,966,892</u>	<u>\$ 96,164,536</u>	<u>\$ 93,557,701</u>	<u>\$ 96,652,008</u>	<u>\$ 98,542,451</u>	<u>\$ 102,201,456</u>	<u>\$ 105,860,769</u>
Business-type activities:										
Net investment in capital assets	\$ 46,517,541	\$ 46,845,715	\$ 47,074,503	\$ 46,308,755	\$ 46,316,298	\$ 45,994,633	\$ 47,843,440	\$ 49,501,248	\$ 49,690,446	\$ 49,898,598
Restricted	25,857	-	16,387	59,260	3,695,284	9,527,765	6,884,009	5,877,132	4,543,966	4,060,384
Unrestricted	7,043,102	7,443,111	7,459,989	7,982,872	5,484,960	4,297,811	4,452,700	5,562,693	6,922,600	7,328,083
Total business-type net position	<u>\$ 53,586,500</u>	<u>\$ 54,288,826</u>	<u>\$ 54,550,879</u>	<u>\$ 54,350,887</u>	<u>\$ 55,496,542</u>	<u>\$ 59,820,209</u>	<u>\$ 59,180,149</u>	<u>\$ 60,941,073</u>	<u>\$ 61,157,012</u>	<u>\$ 61,287,065</u>
Primary government:										
Net investment in capital assets	\$ 102,945,453	\$ 99,891,024	\$ 107,945,529	\$ 108,151,038	\$ 109,026,938	\$ 104,871,866	\$ 113,308,479	\$ 118,415,911	\$ 121,898,082	\$ 123,499,228
Restricted	7,577,310	5,580,125	6,806,379	5,677,225	8,926,666	30,047,022	23,357,160	17,661,038	16,145,570	16,702,838
Unrestricted	27,489,670	35,574,202	29,238,548	35,489,516	33,707,474	18,459,022	19,166,518	23,406,575	25,314,816	26,945,768
Total primary government net position	<u>\$ 138,012,433</u>	<u>\$ 141,045,351</u>	<u>\$ 143,990,456</u>	<u>\$ 149,317,779</u>	<u>\$ 151,661,078</u>	<u>\$ 153,377,910</u>	<u>\$ 155,832,157</u>	<u>\$ 159,483,524</u>	<u>\$ 163,358,468</u>	<u>\$ 167,147,834</u>

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

Expenses	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
General government	\$ 7,145,994	\$ 8,131,168	\$ 7,858,530	\$ 8,751,896 (a)	\$ 9,495,321 (e)	\$ 9,688,052	\$ 9,760,459 (f)	\$ 10,384,706	\$ 10,512,718	\$ 11,234,446
Public safety	8,971,803	9,316,207	9,752,130	10,932,053 (a)	10,957,606	11,199,775	11,475,123	11,883,029	12,030,128	12,553,773
Public works	8,150,388	8,636,981	8,098,520	8,471,162	10,588,187 (d)	8,857,599	7,919,091	7,333,922	7,282,274	7,519,818
Culture and recreation	3,958,526	4,064,565	4,164,619	4,385,614	4,508,966	4,118,351	4,271,160	4,349,852	4,333,705	4,431,468
Transportation and waterfront	1,349,357	1,160,373	1,138,742	1,206,499	1,240,071	1,114,584	1,100,308	1,220,037	1,218,546	1,381,048
Health, welfare and social services	290,835	304,135	364,539	365,874	411,092	422,295	346,737	321,795	329,143	335,866
Education	36,933,609	38,632,642	40,004,828	40,404,346	42,048,840	43,115,348	43,299,040	43,451,415	42,854,439	45,825,021
School lunch	989,814	1,019,946	1,083,170	1,508,487	1,537,754	1,471,687	1,471,687	1,591,951	1,547,688	1,681,737
Intergovernmental	1,888,324	1,916,839	1,916,991	- (a)	-	-	-	-	-	-
Other	58,757	38,262	45,863	95,030	-	-	-	-	-	-
Interest on debt service	1,676,693	1,416,593	1,300,155	1,199,352	1,131,499	1,018,182	1,020,873	853,840	1,761,281	1,464,950
Capital maintenance expenses	2,577,522	1,397,328	895,800	-	-	-	-	-	-	-
Total governmental activities expenses	73,991,622	76,035,039	76,623,887	77,320,313	81,919,336	81,005,873	80,664,478	81,390,547	81,869,922	86,428,127
Business-type activities:										
Sewer	4,835,619	5,195,059	5,039,723	5,269,243	5,385,925	5,588,572	5,721,362	5,632,254	5,885,557	6,133,807
Total business-type activities expenses	4,835,619	5,195,059	5,039,723	5,269,243	5,385,925	5,588,572	5,721,362	5,632,254	5,885,557	6,133,807
Total primary government expenses	\$ 78,827,241	\$ 81,230,098	\$ 81,663,610	\$ 82,589,556	\$ 87,305,261	\$ 86,594,445	\$ 86,385,840	\$ 87,022,801	\$ 87,755,479	\$ 92,561,934
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 215,067	\$ 204,337	\$ 267,501	\$ 394,785	\$ 451,215	\$ 460,562	\$ 291,417	\$ 305,479	\$ 514,857	\$ 417,451
Public safety	1,066,820	1,145,692	1,626,374	1,663,068	1,297,109	1,281,955	1,222,605	1,188,407	1,506,952	1,448,532
Public works	123,906	120,624	124,318	288,339	251,918	227,948	76,690	200,634	331,600	283,953
Culture and recreation	852,827	876,989	888,205 (b)	967,556	961,885	1,026,341	945,933	923,531	922,237	922,321
Transportation and waterfront	158,990	168,988	182,179	239,178	254,240	249,769	285,060	393,663	418,198	439,386
Health, welfare and social services	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	104,088	94,400	114,136	119,035	57,030	37,159
School lunch program	584,481	642,172	618,742	677,501	666,218	617,646	559,536	559,536	559,536	559,536
Operating grants and contributions	11,708,167	12,522,647	12,844,817	12,534,281	13,129,038	13,495,633	11,296,237	12,254,487	10,382,263	12,995,004
Capital grants and contributions	510,698	527,922	524,503	427,728	666,143	438,734	1,888,618	479,280	518,319	1,574,695
Total governmental activities program revenues	15,220,956	16,209,371	17,076,639	17,192,436	17,781,854	17,892,988	16,680,232	16,424,052	15,210,992	18,678,037
Business-type activities:										
Charges for services:										
Sewer	4,704,910	4,702,081	4,712,656	4,830,444	4,828,439	4,934,609	5,397,938	5,436,377	5,637,193	5,927,684
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	175,000	-	207,671	63,392	110,000	138,232	-
Total business-type activities program revenues	4,704,910	4,702,081	4,712,656	5,005,444	4,828,439	5,142,280	5,461,330	5,546,377	5,775,425	5,927,684
Total primary government program revenues	\$ 19,925,866	\$ 20,911,452	\$ 21,789,295	\$ 22,197,880	\$ 22,610,293	\$ 23,035,268	\$ 22,141,562	\$ 21,970,429	\$ 20,986,417	\$ 24,605,721

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (expense)/revenue										
Governmental activities	\$ (58,770,666)	\$ (59,825,668)	\$ (59,547,248)	\$ (60,127,877)	\$ (64,137,482)	\$ (63,112,885)	\$ (63,984,246)	\$ (64,966,495)	\$ (66,658,930)	\$ (67,750,090)
Business-type activities	(130,709)	(492,978)	(327,067)	(263,799)	(557,486)	(446,292)	(260,032)	(85,877)	(110,132)	(206,123)
Total primary government net (expense)/revenue	\$ (58,901,375)	\$ (60,318,646)	\$ (59,874,315)	\$ (60,391,676)	\$ (64,694,968)	\$ (63,559,177)	\$ (64,244,278)	\$ (65,052,372)	\$ (66,769,062)	\$ (67,956,213)
General Revenues and other Changes										
in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 51,026,917	\$ 50,720,084	\$ 51,914,401	\$ 54,792,790	\$ 55,427,763	\$ 54,915,627	\$ 55,589,394	\$ 57,176,484	\$ 58,939,831	\$ 59,778,935
Motor vehicle excise tax	3,916,469	4,044,271	4,161,209	4,778,818	4,989,942	4,076,731	4,942,156	5,037,900	5,453,056	5,829,497
Cable television franchise	108,000	125,934	148,000	167,000	167,000	175,000	180,000	185,000	176,253	166,543
Unrestricted grants and contributions	2,879,068	2,663,615	2,492,697	2,799,221	3,656,803	4,140,782	4,234,142	4,244,228	4,391,399	4,259,604
Miscellaneous	2,810,310	3,688,724	2,037,648 (b)	971,453	1,503,264	976,023	1,224,520	1,400,096	1,224,458	1,088,123
Gain (Loss) on sale of assets/property	47,088	498,154	(97,456)	2,000	-	-	289,956	(121,631)	-	-
Interest and investment earnings	935,274	1,516,896	1,920,809	2,077,877	1,247,382	948,180	829,187	751,519	431,930	592,776
Transfers (c)	(29,849)	(1,101,418)	(440,027)	66,033	(1,657,028)	(4,726,293)	(210,802)	(1,816,658)	(298,992)	(306,075)
Total governmental activities	\$ 61,693,277	\$ 62,156,260	\$ 62,137,281	\$ 65,655,192	\$ 65,335,126	\$ 60,506,050	\$ 67,078,553	\$ 66,856,938	\$ 70,317,935	\$ 71,409,403
Business-type activities:										
Interest and investment earnings	34,071	99,484	149,093	110,957	46,113	43,666	30,537	30,143	27,079	30,101
Gain (Loss) on sale of assets/property	-	(5,598)	-	-	-	-	(621,367)	-	-	-
Transfers (c)	29,849	1,101,418	440,027	(47,150)	1,657,028	4,726,293	210,802	1,816,658	298,992	306,075
Total business-type activities	63,920	1,195,304	589,120	63,807	1,703,141	4,769,959	(380,028)	1,846,801	326,071	336,176
Total primary government	\$ 61,757,197	\$ 63,351,564	\$ 62,726,401	\$ 65,718,999	\$ 67,038,267	\$ 65,276,009	\$ 66,698,525	\$ 68,703,739	\$ 70,644,006	\$ 71,745,579
Change in Net Position										
Governmental activities	\$ 2,922,611	\$ 2,330,592	\$ 2,590,033	\$ 5,527,315	\$ 1,197,644	\$ (2,606,835)	\$ 3,094,307	\$ 1,890,443	\$ 3,659,005	\$ 3,659,313
Business-type activities	(66,789)	702,326	262,053	(199,992)	1,145,655	4,323,667	(640,060)	1,760,924	215,939	130,053
Total primary government	\$ 2,855,822	\$ 3,032,918	\$ 2,852,086	\$ 5,327,323	\$ 2,343,299	\$ 1,716,832	\$ 2,454,247	\$ 3,651,367	\$ 3,874,944	\$ 3,789,366

(a) Intergovernmental expenses relating to County Tax have been reclassified to general government and public safety starting in Fiscal year 2008 to better reflect the function of those expenses. No restatement for county tax has been made for years prior to fiscal year 2008.

(b) Certain recreation charges for services have been reclassified from previously recorded miscellaneous receipts to properly reflect their classification

(c) 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.

(d) Fiscal year 2009 public works includes a one time contribution towards a state road interchange project of \$2,050,000

(e) Fiscal year 2009 was the first year of GASB #45 which includes the recognition of the annual required contribution for other post employment benefits.

(f) Fiscal years 2009 and 2010 have been restated to correct an actuarial error in the calculation of the OPEB liability.

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

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
General government	\$ 980,761	\$ 740,808	\$ 675,933	\$ 551,765	\$ 1,223,949	\$ 1,088,768	\$ 1,023,181	\$ 1,203,520	\$ 1,385,648	\$ 1,061,168
Public safety	1,584,300	1,839,285	2,391,416	1,984,122	1,790,751	1,825,941	2,370,744	1,987,659	2,240,012	2,015,605
Public works	830,515	986,921	1,071,128	737,532	928,021	676,642	420,743	551,896	828,918	887,641
Culture and recreation	167,957	165,888	107,035	166,204	984,385	1,026,341	947,023	923,531	922,237	922,321
Transportation and waterfront	319,587	597,081	400,075	492,824	452,590	438,416	1,581,186	690,767	677,047	1,560,803
Health, welfare and social services	73,559	74,090	100,824	114,320	138,875	169,058	131,513	99,697	113,648	125,937
Education	10,559,875	11,069,862	11,549,058	11,819,435	12,263,283	12,667,822	10,205,842	10,966,982	9,043,482	12,104,562
Total governmental activities	14,516,554	15,473,935	16,295,469	15,866,202	17,781,854	17,892,988	16,680,232	16,424,052	15,210,992	18,678,037
Business-type activities:										
Sewer	4,704,910	4,702,081	4,712,656	5,005,444	4,828,439	5,142,280	5,461,330	5,546,377	5,775,425	5,927,684
Total business-type activities	4,704,910	4,702,081	4,712,656	5,005,444	4,828,439	5,142,280	5,461,330	5,546,377	5,775,425	5,927,684
Total primary government	<u>\$ 19,221,464</u>	<u>\$ 20,176,016</u>	<u>\$ 21,008,125</u>	<u>\$ 20,871,646</u>	<u>\$ 22,610,293</u>	<u>\$ 23,035,268</u>	<u>\$ 22,141,562</u>	<u>\$ 21,970,429</u>	<u>\$ 20,986,417</u>	<u>\$ 24,605,721</u>

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ - (a)	\$ 28,138	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	6,759,738	5,918,192	5,284,024	4,072,226	3,693,988
Committed	-	-	-	-	-	3,469,215	3,679,767	3,340,240	4,419,099	4,482,037
Assigned	-	-	-	-	-	2,492,458	2,658,767	2,820,042	3,035,817	3,117,547
Unassigned	-	-	-	-	-	8,866,245	9,686,895	10,591,915	10,144,040	10,838,800
General fund:										
Reserved	137,894	63,007	47,904	75,761	86,254	-	-	-	-	-
Unreserved	17,485,019	16,258,795	16,668,116	20,933,104	22,182,284	-	-	-	-	-
Total general fund	<u>\$ 17,622,913</u>	<u>\$ 16,321,802</u>	<u>\$ 16,716,020</u>	<u>\$ 21,008,865</u>	<u>\$ 22,268,538</u>	<u>\$ 21,587,656</u>	<u>\$ 21,971,759</u>	<u>\$ 22,036,221</u>	<u>\$ 21,671,182</u>	<u>\$ 22,132,372</u>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198,949 (a)	\$ 218,310	\$ 218,310	\$ 218,310	\$ 228,559
Restricted	-	-	-	-	-	13,560,570	10,356,010	39,370,502	18,401,015	16,551,026
Committed	-	-	-	-	-	7,971,945	8,528,436	7,688,035	7,003,092	6,715,850
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(147,328)	(137,479)	(263,166)	(116,930)	(69,544)
All other governmental funds:										
Reserved	1,444,260	1,981,536	1,349,394	1,682,034	511,768	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	9,758,784	8,514,482	8,897,621	7,578,863	9,707,555	-	-	-	-	-
Capital project funds	9,045,224	8,991,983	10,181,451	11,052,928	8,408,461	-	-	-	-	-
Permanent funds	49,674	50,112	61,070	80,652	96,812	-	-	-	-	-
Total all other governmental funds	<u>\$ 20,297,942</u>	<u>\$ 19,538,113</u>	<u>\$ 20,489,536</u>	<u>\$ 20,394,477</u>	<u>\$ 18,724,596</u>	<u>\$ 21,584,136</u>	<u>\$ 18,965,277</u>	<u>\$ 47,013,681</u>	<u>\$ 25,505,487</u>	<u>\$ 23,425,891</u>

(a) 2010 and 2011 have been restated for the purposes of GASB Statement Number 54.

Table 5

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 54,881,972	\$ 54,692,520	\$ 56,115,227	\$ 59,703,389	\$ 60,190,887	\$ 58,841,558	\$ 60,530,950	\$ 62,378,384	\$ 64,110,887	\$ 65,352,432
Intergovernmental	15,097,933	15,714,184	15,862,017	15,761,230	17,451,984	18,075,149	17,418,997	16,977,995	15,291,981	18,629,968
Licenses and permits	758,767	679,389	1,200,997	1,034,769	753,670	768,097	843,138	785,020	1,025,315	966,203
Charges for services	1,855,162	2,115,822	2,118,758	2,288,552	3,647,254	3,497,817	2,953,646	3,090,265	3,461,348	3,308,678
Unclassified	3,447,562	4,748,736	2,573,212	2,047,559	1,418,758	830,707	1,697,113	1,332,902	1,358,674	1,127,061
Interest	935,274	1,516,896	1,920,809	2,077,877	1,247,382	948,180	829,187	751,519	431,930	592,776
Total revenues	76,976,670	79,467,547	79,791,020	82,913,376	84,709,935	82,961,508	84,273,031	85,316,085	85,680,135	89,977,118
Expenditures										
General government	6,831,811	8,059,489	7,543,139	7,597,359	8,379,854	8,551,477	8,734,685	9,341,619	9,552,893	9,951,423
Public safety	8,526,035	8,948,953	9,311,250	9,310,380	9,622,443	9,725,959	9,889,615	10,178,386	10,816,601	10,731,258
Public works	6,968,380	7,437,527	7,000,672	7,158,444	7,197,276	4,489,408	4,963,506	4,763,557	4,673,417	4,593,184
Culture and recreation	3,488,880	3,596,371	3,688,126	3,886,781	4,035,270	3,823,890	3,765,412	3,817,090	3,853,346	3,819,006
Transportation and waterfront	1,252,636	1,044,321	1,010,334	1,082,421	1,096,823	968,877	1,065,623	1,012,745	1,084,511	1,147,881
Health, welfare and social services	290,835	304,135	364,539	365,874	411,092	422,295	346,737	321,795	329,143	335,866
Education	38,253,836	40,016,928	40,776,756	41,344,800	43,126,774	44,463,544	44,508,869	44,780,581	44,499,054	48,054,880
School lunch program	989,814	1,019,946	1,083,170	1,508,487	1,537,754	1,471,687	1,487,170	1,591,951	1,547,688	1,681,737
County tax	1,888,324	1,916,839	1,916,991	1,941,542	1,999,427	2,034,422	2,058,577	2,072,476	2,075,037	2,215,084
Other	58,757	38,262	45,863	40,846	59,571	1,822,481	1,741,346	1,526,050	1,508,810	1,474,662
Capital projects	11,295,663	7,644,426	5,455,657	3,200,346	5,850,981	3,445,901	7,543,276	6,948,842	28,017,777	15,811,139
Debt Service: (a)										
Principal	1,692,843	1,617,843	1,403,765	1,308,765	1,148,765	898,765	898,765	925,161	850,644	853,204
Interest expense	600,833	508,648	447,893	412,661	370,714	314,348	251,204	216,082	198,205	450,926
Total expenditures	82,138,647	82,153,688	80,048,155	79,158,706	84,836,744	82,433,054	87,254,785	87,496,335	109,007,126	101,120,250
Excess (deficiency) of revenues over (under) expenditures	(5,161,977)	(2,686,141)	(257,135)	3,754,670	(126,809)	528,454	(2,981,754)	(2,180,250)	(23,326,991)	(11,143,132)

(a) Does not include debt service relating to Education

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other financing sources (uses)										
Proceeds - Bonds	\$ -	\$ -	\$ 500,000	\$ -	\$ 6,182,810	\$ 4,712,173	\$ -	\$ 32,642,580	\$ -	\$ 9,747,306
Proceeds capital leases	283,570	152,892	-	-	-	1,470,637	957,800	-	1,152,750	83,000
Refunding bonds issued	-	-	1,575,000	-	-	1,934,957	-	9,584,150	-	1,928,405
Payment to refunded bond escrow agent	-	-	(1,575,000)	-	-	(1,921,934)	-	(9,516,956)	-	(1,927,910)
Transfers in	329,487	472,309	4,056,229	4,315,184	2,464,669	809,829	4,448,190	6,043,689	2,943,319	2,786,789
Transfers out	-	-	(2,953,453)	(3,872,068)	(2,748,068)	(5,355,458)	(4,658,992)	(7,860,347)	(3,242,311)	(3,092,864)
Total other financing sources (uses)	613,057	625,201	1,602,776	443,116	5,899,411	1,650,204	746,998	30,893,116	853,758	9,524,726
Net change in fund balances	\$ (4,548,920)	\$ (2,060,940)	\$ 1,345,641	\$ 4,197,786	\$ 5,772,602	\$ 2,178,658	\$ (2,234,756)	\$ 28,712,866	\$ (22,473,233)	\$ (1,618,406)
Total Debt Service including education	4,863,037	4,630,023	4,291,922	4,098,209	3,811,482	3,442,285	3,729,355	3,583,220	3,756,533	5,503,669
Debt service as a percentage of noncapital expenditures	6.59%	5.98%	5.57%	5.36%	4.66%	4.34%	4.43%	4.50%	4.72%	7.68%

Table 6

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

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Vehicle Taxes</u>	<u>Other (a)</u>	<u>Subtotal</u>	<u>TIF Property Taxes</u>	<u>Capital Project Property Taxes</u>	<u>Total</u>
2005	\$ 46,724,656	\$ 3,916,469	\$ 299,176	\$ 50,940,301	\$ 3,941,671	\$ -	\$ 54,881,972
2006	46,524,932	4,044,271	308,440	50,877,643	3,814,877	-	54,692,520
2007	48,469,669	4,161,209	316,968	52,947,846	3,167,381	-	56,115,227
2008	51,091,582	4,778,818	365,804	56,236,204	3,467,185	-	59,703,389
2009	51,743,235	4,989,942	339,008	57,072,185	3,118,702	-	60,190,887
2010	51,925,202	4,076,731	370,741	56,372,674	2,468,884	-	58,841,558
2011	52,436,750	4,942,156	376,974	57,755,880	2,399,132	375,938	60,530,950
2012	53,525,182	5,037,900	364,869	58,927,951	2,400,433	1,050,000	62,378,384
2013	54,659,082 (b)	5,453,056	341,440	60,453,578	2,303,339	1,353,970	64,110,887
2014	56,837,797	5,829,497	350,795	63,018,089	2,334,343	-	65,352,432

(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 (c)	Other State Aid (a)	Total State Aid
2005	\$ 2,091,049	\$ 4,848,213	\$ 73,559	\$ 459,685	\$ -	\$ 467,762 (b)	\$ 7,940,268
2006	2,076,515	5,100,680	74,090	573,700	-	163,268	7,988,253
2007	1,999,347	5,215,864	100,824	483,090	-	150,474	7,949,599
2008	2,291,242	5,681,482	114,320	498,227	-	230,216	8,815,487
2009	2,185,778	4,335,654	138,875	524,979	663,651	243,137	8,092,074
2010	1,896,769	3,331,791	169,058	540,909	832,201	253,495	7,024,223
2011	1,751,872	2,308,208	131,513	442,112	897,637	257,048	5,788,390
2012	1,888,773	2,350,219	99,697	466,578	921,472	244,323	5,971,062
2013	1,901,233	2,802,491	113,648	475,200	1,071,126	261,755	6,625,453
2014	1,315,198	5,584,653	125,937	478,706	1,135,762	440,909	9,081,165

(a) MDEA Revenue, MDOT Revenue, Section 9 and Veterans exemption.

(b) MDEA Revenue, MDOT Revenue, Section 9, Veterans exemption and FEMA Snowstorm assistance.

(c) Starting in fiscal year ended June 30, 2009, the State of Maine exempted certain personal property taxes and in lieu provided reimbursement to the municipality under the Business Equipment Tax Exemption (BETE) program. Revenue is recognized under the BETE program in the general fund and TIF fund. BETE revenue reported in the TIF fund is not reported on this table.

Table 8

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							
2005	\$ 1,241,803,600	\$ 1,046,773,200	\$ 514,525,700	\$ 2,803,102,500	\$ 221,564,850	\$ 2,581,537,650	18.10	\$ 3,071,600,000	84.0%
2006	1,228,568,600	1,052,647,500	479,535,100	2,760,751,200	212,547,400	2,548,203,800	18.27	3,411,200,000	74.7%
2007 (b)	1,971,394,300	1,482,218,700	487,023,500	3,940,636,500	241,765,900	3,698,870,600	13.10	3,642,750,000	101.5%
2008	1,990,118,400	1,486,787,400	507,143,200	3,984,049,000	259,305,300	3,724,743,700	13.69	3,844,400,000	96.9%
2009	2,001,840,100	1,499,315,500	444,400,100 (d)	3,945,555,700	222,764,400	3,722,791,300	14.00	3,843,700,000	96.9%
2010	1,902,934,000	1,430,791,200	400,422,500	3,734,147,700	167,951,200	3,566,196,500	14.70	3,875,800,000	92.0%
2011	1,847,604,000	1,334,587,200	341,033,200	3,523,224,400	152,811,000	3,370,413,400	15.70	3,738,950,000	90.1%
2012	1,855,163,100	1,339,392,500	337,351,900	3,531,907,500	149,095,240	3,382,812,260	16.10	3,556,500,000	95.1%
2013	1,863,390,300	1,361,640,500	328,347,700	3,553,378,500	139,596,280	3,413,782,220	16.50	3,516,250,000	97.1%
2014	1,871,920,200	1,364,111,100	326,665,500	3,562,696,800	139,781,030	3,422,915,770	16.70	3,537,700,000	96.8%

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

(b) A revaluation designed to bring assessed values in line with market values was conducted.

(c) Total number of homestead granted increased by 4,915 in 2006 due to program change.

(d) In 2008 the State of Maine created a Business Equipment Tax Exemption (BETE) program for certain personal property which is summarized below.

Homestead Assessed Values		Homestead Estimated Actual Values		BETE Assessed Values		BETE Estimated Actual Values	
2005	\$ 25,323,000	\$ 27,526,101	\$ -	\$ -			
2006 (c)	62,700,000	77,472,479	-	-			
2007	73,658,000	68,089,934	-	-			
2008	74,787,000	74,787,000	-	-			
2009	74,997,000	74,997,000	77,861,300	77,861,300			
2010	73,593,000	73,593,000	131,230,200	131,230,200			
2011	56,320,000	56,320,000	141,235,000	141,235,000			
2012	57,960,000	57,960,000	140,425,200	140,425,200			
2013	57,600,000	57,600,000	164,089,100	164,089,100			
2014	57,330,000	57,330,000	196,012,700	196,012,700			

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	Total
	General Municipal	Education	Cumberland County (a)	
2005	5.65	11.72	0.73	18.10
2006	5.79	11.73	0.75	18.27
2007	(b) 4.18	8.41	0.51	13.10
2008	4.46	8.71	0.52	13.69
2009	4.30	9.16	0.54	14.00
2010	4.61	9.52	0.57	14.70
2011	4.92	10.17	0.61	15.70
2012	4.61	9.52	0.57	14.70
2013	5.10	10.79	0.61	16.50
2014	5.14	10.91	0.65	16.70

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

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

(b) A revaluation designed to bring assessed values in line with market values was conducted.

Table 10

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

Taxpayer	2014				2005			
		Assessed Valuation	Rank	Percentage of Total Assessed Value		Assessed Valuation	Rank	Percentage of Total Assessed Value
GGP - Maine Mall	(a)	\$ 245,444,800	1	6.89%				
National Semiconductor (Texas Instruments)	(b)	182,902,000	2	5.13%	\$ 313,713,400	1	11.05%	
Hannaford		59,679,200	3	1.68%	49,688,400	4	1.75%	
Home Properties		55,246,200	4	1.55%				
Fairchild Semiconductor		49,921,000	5	1.40%	173,607,000	2	6.11%	
Portland Pipe Line		44,804,900	6	1.26%	37,244,800	6	1.31%	
Central Maine Power		36,175,300	7	1.02%	21,908,200	8	0.77%	
Dead River		31,198,300	8	0.88%				
Oprock Portland		28,485,300	9	0.80%				
Anthem		27,366,000	10	0.77%	35,351,800	7	1.25%	
Maine Associates	(a)				162,109,300	3	5.71%	
Blethen Maine Newspaper					44,244,800	5	1.56%	
Allied Stores					21,133,600	9	0.74%	
UNUM Corp.					19,935,200	10	0.70%	
		<u>761,223,000</u>		<u>21.37%</u>	<u>878,936,500</u>		<u>30.96%</u>	
Total Assessed Valuation		\$ 3,562,696,800			\$ 2,839,209,000			
Includes:								
Municipal valuation		3,365,770,520			2,486,712,233			
TIF valuation		139,596,280			312,939,767			
Homestead exemptions		57,330,000			39,557,000			
		<u>\$ 3,562,696,800</u>			<u>\$ 2,839,209,000</u>			

(a) GGP purchased the Maine Mall from Maine Associates.

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

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
2005	\$ 50,736,155	\$ 50,074,721	98.70%	\$ 643,835	\$ 50,718,556	99.97%
2006	50,438,924	49,714,723	98.56%	706,868	50,421,591	99.97%
2007	51,639,156	50,893,134	98.56%	733,867	51,627,001	99.98%
2008	54,424,090	53,687,629	98.65%	725,289	54,412,918	99.98%
2009	55,191,170	54,287,615	98.36%	868,281	55,155,896	99.94%
2010	54,605,827	53,622,159	98.20%	926,206	54,548,365	99.89%
2011	55,253,882	54,175,209	98.05%	1,013,796	55,189,005	99.88%
2012	56,829,326	55,608,726	97.85%	1,162,148	56,770,874	99.90%
2013	58,630,745	57,515,651	98.10%	510,002	58,025,653	98.97%
2014	59,497,037	58,468,581	98.27%	-	58,468,581	98.27%

Table 12

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

Fiscal Year	Governmental Activities		Business-type Activities	Total	Personal Income (a)	Percentage of Personal Income	Population (b)	Per Capita	Percentage of Estimated Actual Taxable Value of Property (c)
	General Obligation bonds	Capital Lease	General Obligation Bonds						
2005	\$ 33,840,000	\$ 362,065	\$ 2,135,000	\$ 36,337,065	\$ 531,344,044	6.84%	23,324	\$ 1,558	1.10%
2006	30,695,000	369,913	1,830,000	32,894,913	531,344,044	6.19%	23,324	1,410	0.90%
2007	28,265,000	151,787	1,525,000	29,941,787	531,344,044	5.64%	23,324	1,284	0.78%
2008	25,430,000	37,679	1,220,000	26,687,679	531,344,044	5.02%	23,324	1,144	0.66%
2009	22,755,000	103,293	915,000	23,773,293	531,344,044	4.47%	23,324	1,019	0.59%
2010	24,943,000	1,591,184	1,138,494	27,672,678	531,344,044	5.21%	23,324	1,186	0.64%
2011	22,280,000	2,458,226	806,392	25,544,618	569,570,562	4.48%	25,002	1,022	0.60%
2012	49,590,000 (d)	2,198,587	474,289	52,262,876	569,570,562	9.18%	25,002	2,090	1.39%
2013	47,275,000	3,133,341	447,187	50,855,528	569,570,562	8.93%	25,002	2,034	1.34%
2014	52,780,115 (e)	2,870,232	420,085	56,070,432	569,570,562	9.84%	25,002	2,243	1.49%

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

(b) For years 2004 through 2010, 2000 Census, U.S. Department of Commerce, Bureau of the Census.

For years 2011 through 2014, 2010 Census, U.S. Department of Commerce, Bureau of the Census.

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

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

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

CITY OF SOUTH PORTLAND, MAINE
Direct and Overlapping Governmental Activities Debt
June 30, 2014

Jurisdiction	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
City of South Portland General Obligation	\$ 53,200,200	100.00%	\$ 53,200,200
City of South Portland Capital Leases	2,870,232	100.00%	2,870,232
Total direct debt	<u>56,070,432</u>		<u>56,070,432</u>
Overlapping:			
Portland Water District	42,514,891	13.93%	5,924,237
Cumberland County	38,325,000	9.16%	3,510,695
Total overlapping debt	<u>80,839,891</u>		<u>9,434,932</u>
Total direct and overlapping debt	<u>\$ 136,910,323</u>		<u>\$ 65,505,364</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 Cumberland County.

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

CITY OF SOUTH PORTLAND, MAINE
Legal Debt Margin Information
June 30, 2014

The amount of debt a Maine municipality may have is governed by title 30-A.M.R.S.A. section 5702. The law limits total debt and debt for specific categories. Total debt cannot exceed 15% of the City's last full State Valuation. Debt for specific categories is limited to a percentage of State Valuation. As the following table indicates, based on a 2014 State Valuation of \$3,537,700,000, the City is in compliance with the total and categorical debt limits:

Legal Debt Margin Calculation for Fiscal Year 2014

State Valuation	\$ 3,537,700,000
Debt Limit - 15% of State Valuation	530,655,000
Less outstanding debt applicable to debt limit	<u>(53,200,200)</u>
Legal Debt Margin	<u>\$ 477,454,800</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%	\$ 353,770,000	\$ 50,038,820	\$ 303,731,180
Storm or Sanitary Sewer	7.50%	265,327,500	420,085	264,907,415
Municipal	7.50%	265,327,500	<u>2,741,295</u>	262,586,205
Total Maximum Debt	15.00%	\$ 530,655,000	<u>\$ 53,200,200</u>	\$ 477,454,800

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 460,740,000	\$ 511,680,000	\$ 546,412,500	\$ 576,660,000	\$ 576,555,000	\$ 581,370,000	\$ 560,842,500	\$ 533,475,000	\$ 527,437,500	\$ 530,655,000
Total debt applicable to limit	<u>36,337,065</u>	<u>32,525,000</u>	<u>29,790,000</u>	<u>26,650,000</u>	<u>23,670,000</u>	<u>26,081,494</u>	<u>23,806,392</u>	<u>50,064,289</u>	<u>47,722,187</u>	<u>53,200,200</u>
Legal debt margin	\$ 424,402,935	\$ 479,155,000	\$ 516,622,500	\$ 550,010,000	\$ 552,885,000	\$ 555,288,506	\$ 537,036,108	\$ 483,410,711	\$ 479,715,313	\$ 477,454,800
Total debt applicable to the limit as a percentage of debt limit	7.89%	6.36%	5.45%	4.62%	4.11%	4.49%	4.24%	9.38%	9.05%	10.03%

Table 15

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

Employer	2014			2005		
	(a) Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
UnumProvident Life Insurance Co.	3,500	1	14.00%	3,180	1	13.63%
Anthem/Blue Cross & Blue Shield of Maine	1,000	2	4.00%	982	2	4.21%
City of South Portland	861	3	3.63%	940	3	4.03%
Fairchild Semiconductor	775	4	3.10%	940	4	4.03%
WEX Inc.	744	5	2.98%			
Southern Maine Community College	739	6	2.96%	180	9	0.77%
Texas Instruments (formerly National Semi)	540	7	2.16%	460	5	1.97%
United Parcel Service	200	8	0.80%			
Macy's	150	9	0.60%			
Marriott Corporation	148	10	0.59%	160	10	0.69%
Spring Harbor Hospital				350	6	1.50%
G.H. Bass & Company				270	7	1.16%
Filene's				250	8	1.07%
	<u>8,657</u>		<u>34.82%</u>	<u>7,712</u>		<u>33.06%</u>

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

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

Table 16

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

Fiscal Year	Population (a)	Personal Income (b)	Per Capita Personal Income (a)	Median Age (a)	School Enrollment (d)	Unemployment Rate (c)
2005	23,324	\$ 531,344,044	\$ 22,781	37.90	3,009	3.60%
2006	23,324	531,344,044	22,781	37.90	3,041	3.40%
2007	23,324	531,344,044	22,781	37.90	3,064	3.30%
2008	23,324	531,344,044	22,781	37.90	3,064	4.00%
2009	23,324	531,344,044	22,781	37.90	3,024	4.20%
2010	23,324	531,344,044	22,781	37.90	3,120	6.40%
2011	25,002	569,570,562	22,781	39.40	3,075	6.10%
2012	25,002	569,570,562	22,781	39.40	3,116	5.70%
2013	25,002	569,570,562	22,781	39.40	3,135	5.20%
2014	25,002	569,570,562	22,781	39.40	3,093	5.10%

(a) For years 2004 through 2010, 2000 Census, U.S. Department of Commerce, Bureau of the Census.

For years 2011 through 2014, 2010 Census, U.S. Department of Commerce, Bureau of the Census.

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

(c) State of Maine, Department of Labor, Division of Economic Analysis and Research as of 12/31 prior to fiscal year end.

(d) State of Maine Department of Education, April 1 Census

Table 17

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

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	6.0	6.0	6.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
City clerk	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Corporation council	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Finance department	17.0	17.0	17.0	18.0	17.0	17.0	16.0	17.0	17.0	17.0
Information technology	3.0	3.0	3.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Planning department	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Human resources	3.0	3.0	3.0	3.0	2.0	2.0	3.0	3.0	3.0	3.0
City building	1.0	1.0	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Safety										
Police	58.0	56.0	56.0	57.0	56.0	55.0	56.0	55.0	56.0	58.0
Fire	68.0	67.0	69.0	65.5	65.0	64.0	65.0	67.0	68.0	69.0
Dispatch	12.0	12.0	12.0	12.0	12.0	11.0	10.0	9.0	8.0	6.0
Code	4.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Public Works										
Public Works	25.0	23.5	23.5	21.0	21.0	21.0	20.0	20.0	20.0	21.0
Engineering	2.0	-	-	-	-	-	-	-	-	-
Parks and Recreation										
Parks	10.5	11.5	11.5	12.0	11.5	11.5	11.5	11.5	11.5	11.5
Recreation	22.0	26.0	27.0	26.5	22.0	22.0	22.0	22.0	22.0	22.0
Public Library										
Main Library	12.0	12.0	11.0	12.0	12.0	11.0	11.0	11.0	11.0	11.0
Branch Library	5.5	5.5	4.5	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Transportation and Waterfront	14.0	14.0	14.0	14.0	14.0	13.0	12.0	13.0	12.0	13.0
Health and Welfare	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
School	514.5	517.0	512.5	527.5	559.8	579.0	571.0	571.0	561.0	568.0
Water Resource	25.0	25.0	25.0	25.0	25.0	26.0	28.0	29.0	29.0	29.0
Total	821.0	823.0	819.0	828.0	849.8	865.0	858.0	861.0	851.0	861.0

Source: Payroll Department.

Note: Neither the municipal nor the education departments have maintained their employment numbers on a full-time equivalents basis. The above represents the departments best estimates of full-time positions for the various fiscal years. Many seasonal and part-time positions have not been included or converted to full-time equivalents. Further, the determination of which positions have been counted as full-time may have varied from year to year. All of the positions may or may not have been filled as of June 30 of any given year.

Table 18

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

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Police (b)										
Physical arrests	782	850	767	814	814	750	833	693	745	636
Calls for Service	34,899	33,676	32,522	34,692	30,648	32,028	33,009	30,740	34,071	37,391
UCR - Crime Index	1,133	1,148	981	1,058	1,253	1,085	946	923	1,013	923
Fire										
Fire calls	1,152	1,121	1,321	1,129	1,071	1,283	1,192	1,173	1,137	1,327
Medical calls	2,896	2,944	3,046	3,056	3,173	2,768	3,026	3,240	3,142	2,915
Inspections	2,215	2,338	1,818	2,268	2,310	1,600	1,698	1,749	1,670	1,808
Refuse Collection										
Refuse collected (tons)	7,667	7,741	7,838	7,525	6,947	6,633	6,253	6,244	5,878	5,705
Recyclables collected (tons)	2,202	2,053	1,905	2,093	2,036	2,457	2,461	2,323	2,278	2,292
Other public works										
Street resurfacing (miles)	5.57	5.33	5.23	5.87	4.59	5.21	5.01	4.50	4.00	3.50
Potholes repaired	231	156	187	217	200	241	250	225	235	255
Parks and Recreation										
Community center admissions	112,242	84,548	106,408	116,840	111,582	158,224	155,153	177,390	185,868	190,549
Library										
Items in collection (a)	115,752	116,046	115,930	101,828	106,817	106,527	104,062	99,316	102,906	103,838
Total items circulated (a)	211,048	216,010	212,959	256,623	224,929	277,641	288,602	262,125	267,654	213,668
Total items borrowed (a)	5,178	12,475	13,367	17,307	20,624	24,826	21,242	21,088	21,183	19,184
Water Resource										
Average daily sewage treatment (thousands of gallons)	8,530	7,840	7,350	7,140	8,100	7,613	6,610	6,740	6,273	6,139
Transit										
Total route miles	214,731	216,004	215,310	214,326	224,847	210,169	193,242	196,295	189,007	203,469
Passengers	177,681	189,355	184,273	202,299	223,575	219,749	211,634	247,370	263,124	258,617

Sources: Various city departments.

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

(b) Operating indicators are based on calendar from 2004-2013

Table 19

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

<u>Function</u>	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Buildings	7	6	6	6	6	6	7	7	7	7
Vehicles	1	1	1	1	1	1	1	1	1	1
Police Department										
Buildings	2	2	2	2	2	2	2	2	2	2
Vehicles	31	37	30	35	36	39	38	35	39	38
Fire Department										
Buildings	7	7	7	7	7	7	7	7	7	7
Vehicles	21	21	23	23	24	26	27	27	28	28
Code Enforcement										
Buildings	-	-	-	-	-	-	1	1	1	1
Vehicles	3	2	4	4	4	4	4	4	5	5
Public Works										
Buildings	7	7	7	7	7	7	7	7	7	7
Streets (miles)	115	115	115	115	115	115	115	115	115	115
Vehicles/Trucks	8	8	10	10	10	11	10	11	12	12
Heavy Vehicles	33	31	32	37	36	37	38	39	39	39
Engineering										
Vehicles	1	1	-	-	-	-	-	-	-	-
Culture and recreation										
Buildings	14	14	14	13	14	14	14	14	14	15
Vehicles	15	16	18	18	18	18	18	18	17	18
Transportation & Waterfront										
Buildings	2	2	2	2	2	2	2	2	2	3
Buses	8	7	7	7	7	7	12	12	8	10
Vehicles	2	2	2	2	2	2	2	2	2	2
Water Resources										
Buildings	37	37	37	38	38	38	38	38	38	38
Vehicles	21	21	24	22	23	23	24	23	23	23
School Department										
Schools	8	8	9	9	9	9	8	8	8	8
Buildings	4	4	4	4	4	4	4	4	4	4
Portable Classrooms	2	2	2	2	2	2	2	3	3	3
School Buses	21	21	21	23	23	23	22	22	23	23
Vehicles	7	8	8	8	8	8	7	8	7	7

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

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