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2015

## **City of South Portland Maine, Comprehensive Annual Financial Report For the Fiscal Year Ending June 30, 2015**

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# **CITY OF SOUTH PORTLAND, MAINE**

## **Comprehensive Annual Financial Report**



**For Fiscal Year Ended June 30, 2015**

**CITY OF SOUTH PORTLAND, MAINE**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For Fiscal Year Ended June 30, 2015**



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, 2015**

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**CITY OF SOUTH PORTLAND, MAINE**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2015**

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# INTRODUCTORY SECTION





**FINANCE DEPARTMENT**

GREGORY N. L'HEUREUX  
Director of Finance

December 28, 2015

Honorable Thomas Blake, 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, 2015.

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, 2015. 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 financial statements and schedules, as well as the independent auditor's report on the financial statements and schedules. The statistical section, which is not audited, includes selected financial and demographic information, generally presented on a multi-year basis.

The City is required to undergo an annual single audit in conformity with the Single Audit Act as amended in 1996 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, 2015, the amount of unassigned fund balance totaled \$12,827,588 or 16.05% of the fiscal year 2016 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 early part of the last ten years with its taxable base growing by \$1.1 billion or about 45% from 2004 to 2008. This increase included the impact of a full revaluation done in 2007. In more recent years the City's valuation has been somewhat unstable with values dropping during the economic crisis of 2008-2009 with values rebounding nicely in the past couple years. Additionally, there has also been a continued shift to exempt personal property with the implementation of the State of Maine Business Equipment Tax Exemption (BETE) reimbursement program. Under this program, the State reimburses the municipality for a portion of the taxes that would have been collected from this exempt property. For fiscal year 2015, the exempt value under BETE was \$200,539,700 and the City received BETE reimbursement at a rate 56.97% (and certain TIF property at 100%), totaling \$2,478,629. The City's current-year property tax collection rate remained at a very healthy 98.66%.

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 6.96% of its total tax base, and its top ten tax payers combined representing 21.28% 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, building addition for Water Resources, various vehicle replacements, bus shelters, and improvements to pedestrian/bicycle projects.

This year's multi-year equipment and vehicle replacement plan calls for the purchase of one plow truck for the Public Works Department and an ambulance for the Fire Department. Additionally, this year's CIP includes continued funding of the numerous other projects including improvements to the City's network core switch, Willard Station renovations, a high flow skid steer and roll off truck 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 has begun Phase I of construction for the new transfer station in 2015 and will start Phase II construction of the larger facility in 2016. The financing for the project is expected to occur in 2016.

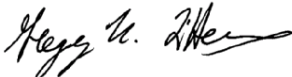
### ***Awards and Acknowledgements***

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, 2014. This was the eighth year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Gregory N. L'Heureux  
Director of Finance



Government Finance Officers Association

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

Presented to

**City of South Portland  
Maine**

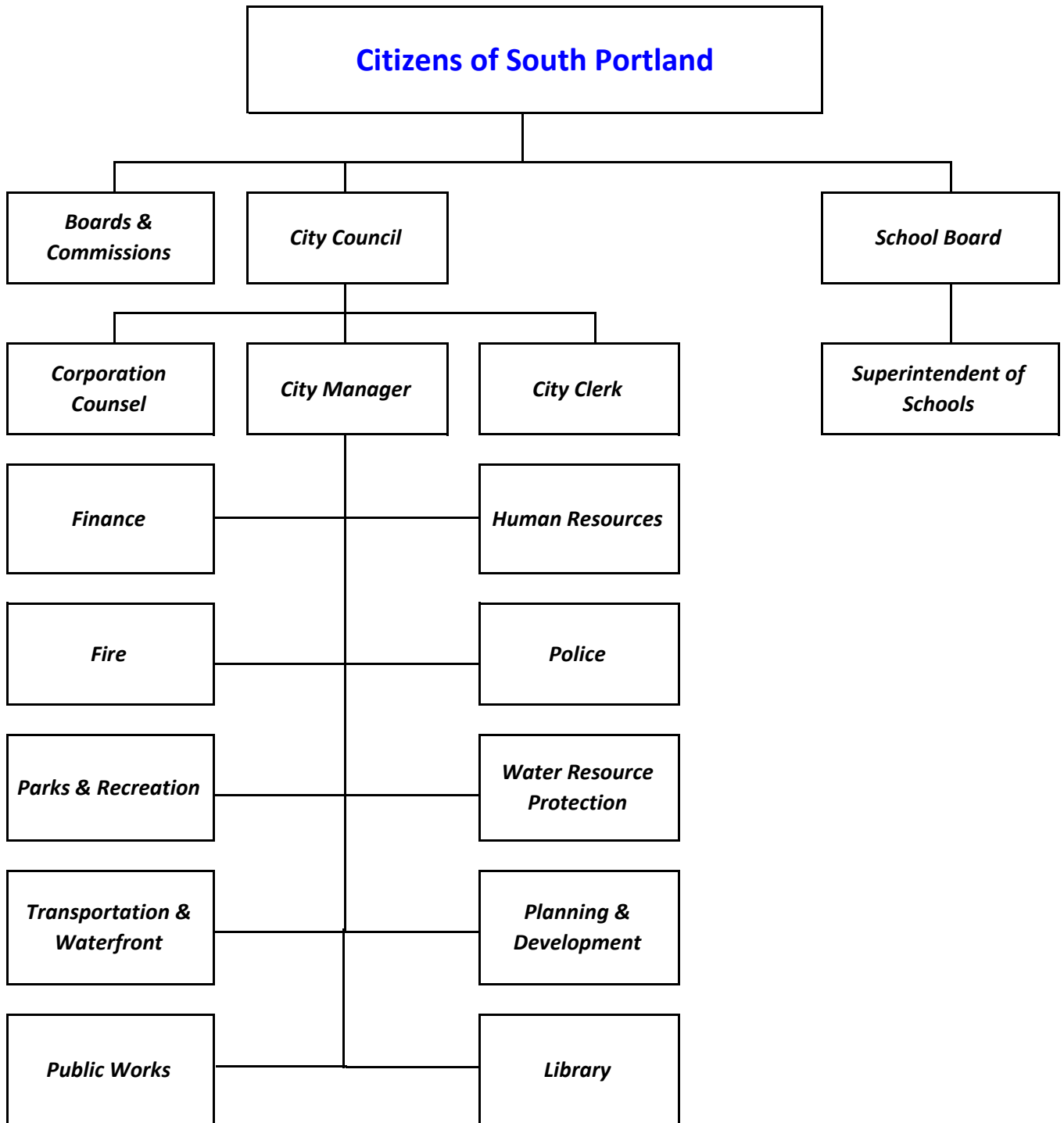
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

CITY OF SOUTH PORTLAND, MAINE

Organizational Chart



**CITY OF SOUTH PORTLAND, MAINE  
LIST OF PRINCIPAL OFFICIALS (ELECTED AND APPOINTED)**

**June 30, 2015**

---

Elected Officials

Council Member – District 4 - Mayor	Linda Cohen
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	Claude Morgan
Council Member – District 5	Brad Fox
Board of Education – District 1 - Chairman	Richard L. Carter
Board of Education – District 5	Tappan Fitzgerald
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, 2015, 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, 2015, 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 management's discussion and analysis, the schedule of funding progress, the schedule of City's proportionate share of the net pension liability, and the schedule of City contributions, 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 December 28, 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.



December 28, 2015  
South Portland, Maine

**CITY OF SOUTH PORTLAND, MAINE**  
**Management's Discussion and Analysis**  
**June 30, 2015**

---

This section of the Comprehensive Annual Financial Report of the City of South Portland presents a narrative overview and analysis of the financial activities of the City of South Portland for the fiscal year ended June 30, 2015. We encourage readers to use the information presented here in conjunction with the accompanying letter of transmittal, the basic financial statements and the accompanying notes to those financial statements.

**Financial Highlights**

- The assets and deferred outflows of resources of the City of South Portland exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$163,359,140 (*net position*). Of this amount, \$23,243,999 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- As part of implementing the new GASB Statement No. 68 pension standard, the City recorded a prior period adjustment for the government-wide financial statements totaling \$8,194,128. This adjustment recognized the City's unfunded obligation under the new standard as of June 30, 2014.
- As of the close of the current fiscal year, the City of South Portland's governmental activities reported ending net position of \$102,155,040, an increase of \$4,488,399 in comparison with the prior year as restated. Approximately 14.84% of this total amount, \$15,159,920, is *available for spending* at the City's discretion (unrestricted net position).
- For the fund financial statements, at the end of the current fiscal year, unassigned fund balance for the general fund was \$12,827,588, or 16.89% of total general fund expenditures (budgetary basis).
- The City's total bonded debt decreased by \$4,328,614 during the current fiscal year as a result of repayments on existing bonds.
- Voters in 2013 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.

**Overview of the Financial Statements**

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

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

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

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

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.

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

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The business-type activities of the City of South Portland include water resource protection (sewage treatment) activities. The government-wide financial statements can be found on pages 31-32 of this report.

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

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

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

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

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

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

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

The City of South Portland adopts an annual appropriated budget for its enterprise fund. Schedules of revenues, expenses and changes in net position on the budgetary basis of accounting have been provided for the enterprise fund to demonstrate compliance with this budget. The basic proprietary fund financial statements can be found on pages 37-39 of this report. The budgetary basis schedule demonstrating compliance can be found on page 103 of this report.

**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.

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

**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 42-68 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining and individual fund financial statements and schedules can be found on pages 75-116 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of South Portland, assets and deferred outflows exceeded liabilities and deferred inflows by \$163,359,140 at the close of the most recent fiscal year.

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

	Governmental Activities		Business-type Activities		Total Activities	
	2015	2014 (Restated)	2015	2014	2015	2014 (Restated)
Current and other assets	\$ 48,862,520	\$ 54,199,617	\$ 11,121,505	\$ 12,116,473	\$ 59,984,025	\$ 66,316,090
Capital assets	126,376,831	122,115,041	51,360,421	50,318,683	177,737,252	172,433,724
Deferred outflows	2,304,049	1,427,322	-	-	2,304,049	1,427,322
<b>Total assets and outflows</b>	<b>177,543,400</b>	<b>177,741,980</b>	<b>62,481,926</b>	<b>62,435,156</b>	<b>240,025,326</b>	<b>240,177,136</b>
Long-term liabilities	63,161,035	72,357,112	647,783	657,690	63,808,818	73,014,802
Other liabilities	8,294,745	7,718,227	630,043	490,401	8,924,788	8,208,628
Deferred inflows	3,932,580	-	-	-	3,932,580	-
<b>Total liabilities and inflows</b>	<b>75,388,360</b>	<b>80,075,339</b>	<b>1,277,826</b>	<b>1,148,091</b>	<b>76,666,186</b>	<b>81,223,430</b>
Net investment						
in capital assets	75,413,372	73,600,630	50,967,438	49,898,598	126,380,810	123,499,228
Restricted	11,581,748	12,642,454	2,152,583	4,060,384	13,734,331	16,702,838
Unrestricted	15,159,920	11,423,557	8,084,079	7,328,083	23,243,999	18,751,640
<b>Total net position</b>	<b>\$ 102,155,040</b>	<b>\$ 97,666,641</b>	<b>\$ 61,204,100</b>	<b>\$ 61,287,065</b>	<b>\$ 163,359,140</b>	<b>\$ 158,953,706</b>

By far, the largest portion of the City of South Portland's net position (77.36% or \$126,380,810) 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 (8.41% or \$13,734,331) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (14.23% or \$23,243,999) 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 \$4,405,434 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
Program revenues:						
Charges for services	\$ 4,175,642	\$ 4,108,338	\$ 5,820,329	\$ 5,927,684	\$ 9,995,971	\$ 10,036,022
Operating grants and contributions	13,459,862	12,995,004	-	-	13,459,862	12,995,004
Capital grants and contributions	382,528	1,574,695	-	-	382,528	1,574,695
General revenues:						
Property and other taxes	68,249,072	65,608,432	-	-	68,249,072	65,608,432
Grants and contributions not restricted to specific programs	4,321,318	4,259,604	-	-	4,321,318	4,259,604
Other	1,902,594	1,847,442	48,777	30,101	1,951,371	1,877,543
Total revenues	<u>92,491,016</u>	<u>90,393,515</u>	<u>5,869,106</u>	<u>5,957,785</u>	<u>98,360,122</u>	<u>96,351,300</u>
Expenses:						
General government	10,584,081	11,234,446	-	-	10,584,081	11,234,446
Public safety	12,766,963	12,553,773	-	-	12,766,963	12,553,773
Public works	7,510,853	7,519,818	-	-	7,510,853	7,519,818
Culture and recreation	4,440,715	4,431,468	-	-	4,440,715	4,431,468
Transportation and waterfront	1,519,381	1,381,048	-	-	1,519,381	1,381,048
Health, wealth and social services	369,616	335,866	-	-	369,616	335,866
Interest on debt service	1,436,958	1,464,950	-	-	1,436,958	1,464,950
Education	49,178,808	47,506,758	-	-	49,178,808	47,506,758
Sewer	-	-	6,147,313	6,133,807	6,147,313	6,133,807
Total expenses	<u>87,807,375</u>	<u>86,428,127</u>	<u>6,147,313</u>	<u>6,133,807</u>	<u>93,954,688</u>	<u>92,561,934</u>
Increase (decrease) in net position before transfers	4,683,641	3,965,388	(278,207)	(176,022)	4,405,434	3,789,366
Transfers	(195,242)	(306,075)	195,242	306,075	-	-
Increase (decrease) in net position	<u>4,488,399</u>	<u>3,659,313</u>	<u>(82,965)</u>	<u>130,053</u>	<u>4,405,434</u>	<u>3,789,366</u>
Net position - beginning of year restated	<u>97,666,641</u>	<u>102,201,456</u>	<u>61,287,065</u>	<u>61,157,012</u>	<u>158,953,706</u>	<u>163,358,468</u>
Net position - end of year	<u>\$ 102,155,040</u>	<u>\$ 105,860,769</u>	<u>\$ 61,204,100</u>	<u>\$ 61,287,065</u>	<u>\$ 163,359,140</u>	<u>\$ 167,147,834</u>

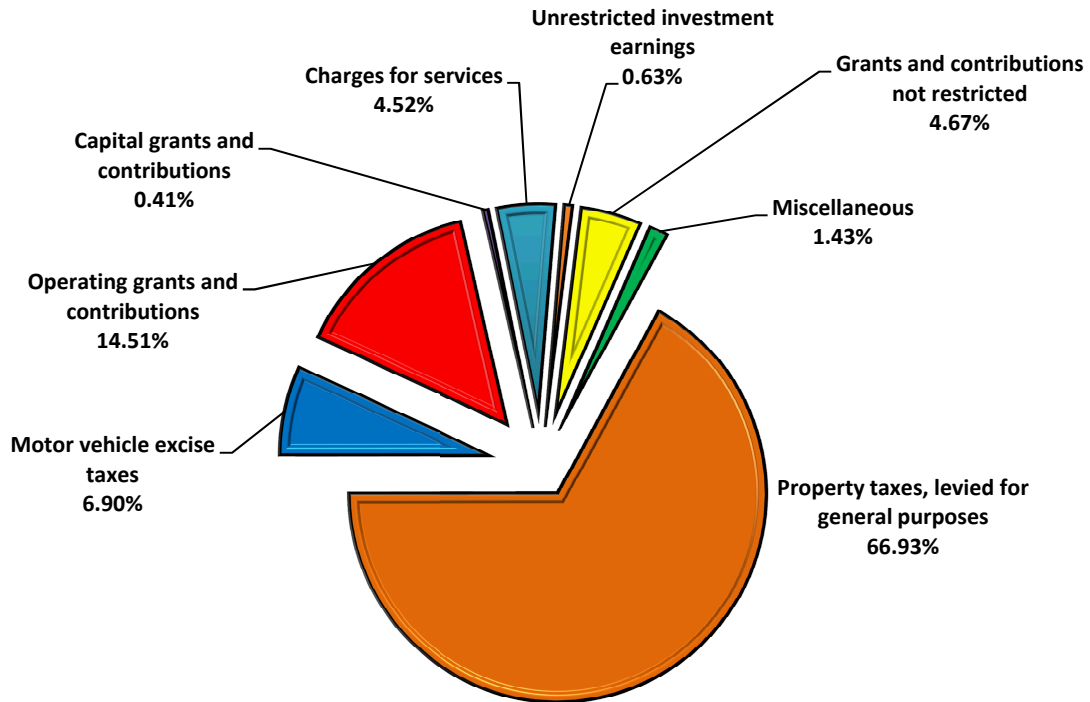
**Governmental activities.** During this past fiscal year, Governmental activities saw an increase in the City of South Portland's net position of \$4.488 million. This amount represented an increase in the net position of 4.60%. Key elements of this increase are as follows:

- Property and other taxes increased by \$2.64 million (4.0%). This was primary due to an increase in taxes to support the School and City budgets and an increase in motor vehicle excise revenues.
- Capital grants decreased significantly as the prior year's total included a large capital grant for the purchase of 2 transit buses which did not occur in FY15.
- Total expenses increased by \$1.38 million (1.6%). The largest increase in expenses was for education which increased by \$1.67 million with a decrease in general government of \$0.65 million offsetting. The decrease in general government being primarily the result of the positive impact of the pension obligation declining.

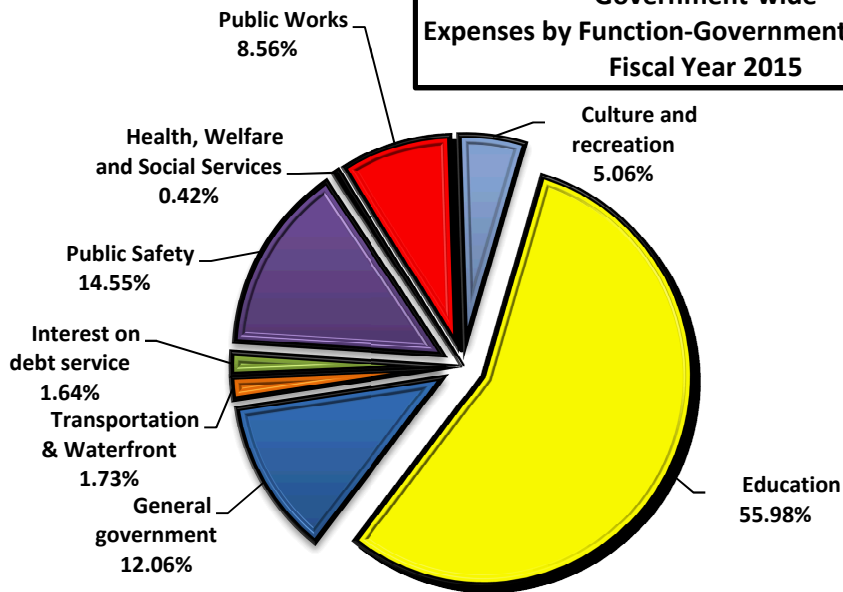
**CITY OF SOUTH PORTLAND, MAINE**  
**Management's Discussion and Analysis, Continued**

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**Government-wide  
 Revenues by Source-Governmental Activities  
 Fiscal Year 2015**



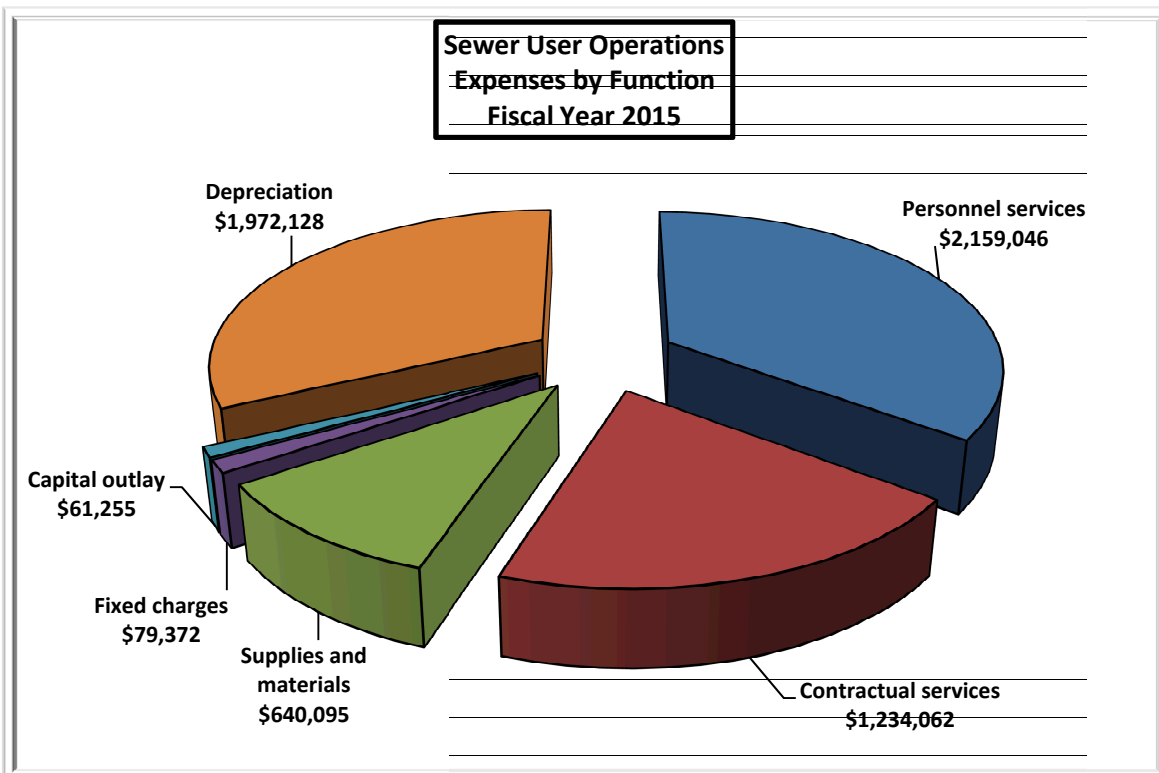
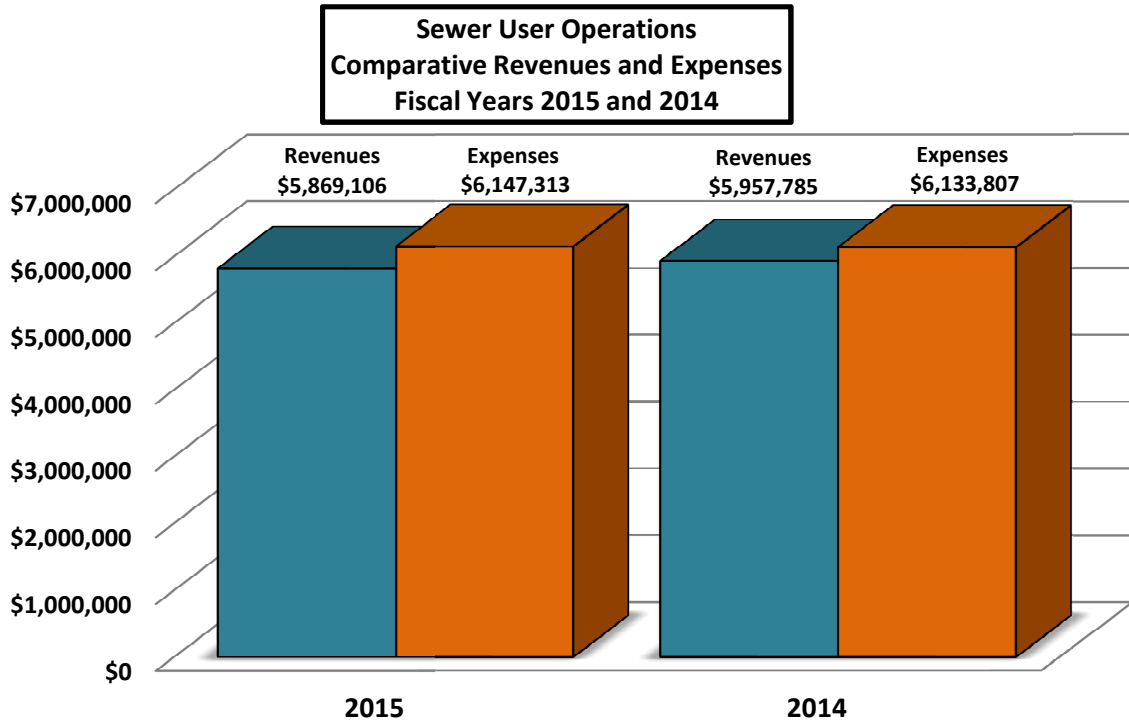
**Government-wide  
 Expenses by Function-Governmental Activities  
 Fiscal Year 2015**



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

**Business-type activities.** The City's business-type activities, which consists of sewer user operations, net position decreased by \$83K.

Revenues for business-type activities decreased by \$89K due to a continued lower residential consumption during the year. Total operating expenses for business-type activities increased by \$14K with increases in personnel services (\$88K) and supplies and materials (\$136K) which were offset primarily by decreases in contractual services (\$198K). The below graphs provide a more visual view of the last two years operations and expenditure components.





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

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**Financial Analysis of the Government's Funds**

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

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

As of the end of the current fiscal year, the City of South Portland's governmental funds reported combined ending fund balances of \$40.29 million, a decrease of \$5.26 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 \$22,336,536. 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 27.67% of total general fund expenditures (\$80,713,971). Under the breakdown of fund balance, unspent appropriations related to education are reported as restricted. At June 30, 2015, general fund restricted and nonspendable balances for education totaled \$2,815,844, a decrease of \$878,144. Additionally, the City maintains various reserve balances for various future needs. These balances are now reported as either committed or assigned and in total decreased by \$906,480 during the year, primarily as a result of funds being transferred to capital projects.

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, 2015, the unassigned fund balance was \$12,827,588 or 16.0% of the City's FY 2016, budget (\$79,907,849).

The total fund balance of the City of South Portland's general fund increased by \$204,164 during the current fiscal year. Key factors in this change are as follows:

- Total actual revenues collected exceeded budgeted by approximately \$2,860,462. The largest budgetary surplus resulted from excise taxes collected in excess of budget totaling approximately \$1.25 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 \$1.05 million with a substantial decrease in deferred taxes resulting from the collection of delinquent taxes. Additionally, estimated budgets for various revenues were exceeded; State BETE revenue (\$159K), interest income (\$84K), State Revenue Sharing (\$74K) and building permits (\$57K). 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 \$834K. The major discrepancies included: unexpended education appropriations (\$357K), Citywide insurance and benefit costs (\$253K), and the parks and recreation department (\$67K) 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 2015-16 capital improvement budget, the City appropriated \$840K from unassigned fund balance to fund certain City capital projects. Additionally the Council set aside an additional \$200,000 to fund the legal reserve.

**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 \$6,516,752, 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 \$2.06 million towards sewer, storm water and public works capital improvement projects.

**Capital Projects** - The capital projects fund has a total fund balance of \$6,733,433. During the year, the fund balance decreased as a result of the expenditure of approximately \$6.75 million for completion of the second phase of the High School Renovation project that was approved by the voters in November of 2010.

**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 \$8,084,079, an increase of \$756K. 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 \$488K, of which revenues came in greater than anticipated by \$307K and expenditures came in approximately \$181K under budget.

**Budgetary Highlights**

**General Fund:**

Revenue for the general fund totaled \$78,774,204 (on the budgetary basis of accounting) in the fiscal year ended June 30, 2015. Actual revenues exceeded estimates by \$2,860,462.

**General Fund Revenues Budget to Actual Summary**

	Budget	Actual	Variance
Revenues:			
Taxes	\$ 64,180,668	\$ 66,495,110	\$ 2,314,442
Intergovernmental	8,753,258	9,027,461	274,203
Licenses, permits, fees and fines	807,650	893,186	85,536
Charges for services	1,687,766	1,725,747	37,981
Unclassified	134,400	198,150	63,750
Interest earned	350,000	434,550	84,550
<b>Total revenues</b>	<b>\$ 75,913,742</b>	<b>\$ 78,774,204</b>	<b>\$ 2,860,462</b>

The revenue sources responsible for this surplus include the following:

- A taxes surplus of \$2.314 million of which \$1.25 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 \$1.05 million as a result of a significant increase in the collection of delinquent taxes.
- State BETE revenue surplus of \$159K and State Revenue sharing surplus of \$74K.
- Building permit licenses came in with a surplus of \$57K.
- An investment earnings surplus of \$84K as a result of better interest rates on investments during the year.

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

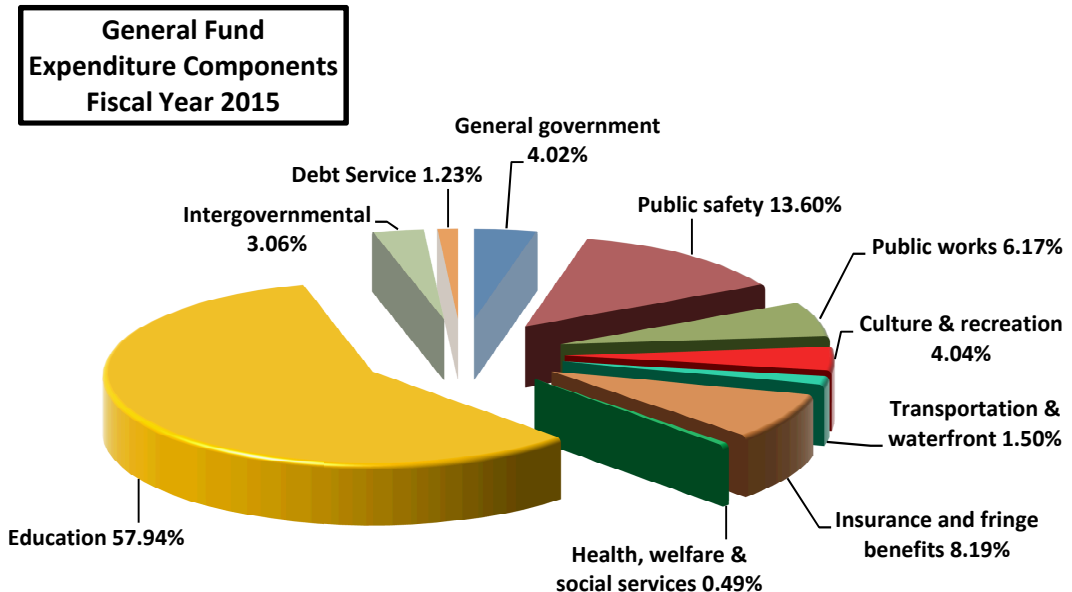
Expenditures for the general fund totaled \$75,952,524 (on the budgetary basis of accounting) in the fiscal year ended June 30, 2015.

**General Fund Expenditures Budget to Actual Summary**

	Budget	Actual	Variance
Expenditures:			
General government	\$ 2,854,780	\$ 2,787,986	\$ 66,794
Public safety	10,356,029	10,330,345	25,684
Public works	4,689,317	4,685,198	4,119
Culture and recreation	3,170,728	3,065,075	105,653
Transportation and waterfront	1,147,388	1,140,051	7,337
Health, welfare and social services	370,249	369,616	633
Education	44,364,796	44,007,322	357,474
Insurance and fringe benefits	6,474,850	6,222,055	252,795
Intergovernmental	2,327,942	2,327,942	-
Other	89,800	79,143	10,657
Debt Service	940,792	937,791	3,001
<b>Total expenditures</b>	<b>\$ 76,786,671</b>	<b>\$ 75,952,524</b>	<b>\$ 834,147</b>

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

- General government expenditures were lower than anticipated with a surplus to budget of \$67K with surpluses of \$20K in legal fees and \$20K in City Council expenditures.
- Public safety expenditures were under budget \$26K, with a police surplus (\$20K), and civil service surplus (\$3K) making up the larger components.
- Public works had a challenging winter requiring to dip into the snow reserve by \$160K to balance the budget and finished the year with a streets and sidewalks division overage (\$70K) which was offset with a rubbish division surplus (\$89K).
- Citywide insurance and benefits had a surplus of \$253K, with the largest portion coming from health insurance (\$217K).
- Education had a surplus of \$357K attributable to lower than anticipated expenditures for Middle Schools (\$125K), High School (\$82K), and board of education (\$90k).



**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, 2015 amounts to \$177,737,252 (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 3.08% (a 3.49% increase for governmental activities and a 2.07% increase for business-type activities).

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Land	\$ 9,373,049	\$ 9,448,819	\$ 1,221,558	\$ 1,221,558	\$ 10,594,607	\$ 10,670,377
Buildings	92,694,440	86,370,642	15,772,984	15,965,352	108,467,423	102,335,995
Improvements other than buildings	1,486,523	1,661,490	-	-	1,486,523	1,661,490
Machinery and equipment	5,434,842	4,920,039	5,337,273	5,827,963	10,772,112	10,748,001
Infrastructure	11,368,839	11,578,986	27,289,667	24,676,067	38,658,505	36,255,055
Construction in progress	1,759,808	3,314,315	1,540,307	2,336,046	3,300,115	5,650,361
Vehicles	4,259,330	4,820,747	198,632	291,697	4,457,967	5,112,445
<b>Total</b>	<b>\$ 126,376,831</b>	<b>\$ 122,115,038</b>	<b>\$ 51,360,421</b>	<b>\$ 50,318,683</b>	<b>\$ 177,737,252</b>	<b>\$ 172,433,724</b>

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

- High School Renovation project and related equipment and furniture totaling \$9.2 million.
- Various vehicles purchased included a public works dump truck with plow totaling \$167K, a light response fire vehicle totaling \$100K, various police vehicles totaling \$200K and various other City and school vehicles totaling \$72K.
- Various paving and sidewalk projects totaling \$902K, a traffic single controller system for \$67K, a vehicle locator system for \$96K and an asphalt paver for \$77K.
- The completion of the Phase 1 (totaling \$1.6 Million) and the start of Phase 2 (totaling \$1 million) of the Thornton Heights and Main Street road, sewer separation and storm water projects, Treatment Plant building improvements totaling \$537K, Maine Mall road sewer replacement project totaling \$295K, and various CSO facility plan studies totaling \$223K.
- Restoration and replacement of various City and school roof projects totaling \$113K.
- Design and engineering of the new Municipal Services Facility housing the Public Works, Parks, and the Transportation Departments totaling \$341K. Phase 1 of this project is anticipated to be completed in January of 2016 with Phase 2 starting in the spring of 2016.
- Various IT server and network projects totaling \$299K.
- New air conditioning system for Main Library for \$40K, window replacements at City Hall and Planning for \$34K, as well as various other projects throughout the City.

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

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

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**Long-term debt.** The State allows municipalities to borrow up to 15% of their total valuation. With the City's State Valuation at \$3,580,100,000 for 2015, the debt limit would be over \$537 million. Our current debt is \$48,871,586 or about 1.35% of State Valuation or approximately 9.1% of the City's debt limit. Another measure of a municipality's debt load is debt per capita. As of June 30, 2015, the City of South Portland's debt per capita (including lease obligations) was \$2,146 as compared to the prior year of \$2,345.

The following is a summary of bond transactions of the City for the year ended June 30, 2015:

	Governmental Activities	Business-type Activities	Total
General Obligation Bonds payable at June 30, 2014	\$ 52,780,115	420,085	53,200,200
Principal additions	-	-	-
Principal payments	(4,301,512)	(27,102)	(4,328,614)
<b>General Obligation Bonds payable at June 30, 2015</b>	<b>\$ 48,478,603</b>	<b>392,983</b>	<b>48,871,586</b>

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 53-55 of this report.

**Economic Factors and Next Year's Budgets and Rates**

South Portland continues to be the retail center for Northern New England with a diverse economic base that includes a regional mall, numerous large insurance and financial service companies, two semi-conductor manufacturing plants, hotels and restaurants, and petroleum distribution facilities. 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 October 2015 unemployment rate for the Portland/South Portland area is currently at 3.3% which is 0.9% less from the rate a year ago of 4.2%. This rate compares favorably to the state's average unemployment rate of 4.3% and the national average rate of 5.0%.
- As of June 2015, the vacancy rate for Class A office space in the Suburban Greater Portland area was 3.38% down from 6.22% in December 2014 and the vacancy rate for Class B office space Suburban Greater Portland area was 8.57% down from 8.98% in December 2014. We believe that more recent activity would conclude that that the office space has improved.

In adopting the budget for the ensuing fiscal year 2016, the City officials considered many factors in making judgments and estimates about the finances of the upcoming year. A primary objective was to continue to provide basic City services to the citizens while attempting to keep the property tax rate low.

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

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During the upcoming fiscal year (2016), 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 FY17, the City expects to experience flat funding for both school aide and state revenue sharing. However, 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.
- Housing prices have rebounded and the market for coastal properties is especially strong. Available rental housing stock is limited with rates rising significantly.
- The City is in the process of developing a new economic development plan which is being rolled out in the coming months.
- 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 City recently received notice that the increase for the coming year will be 4.1% increase.
- The employer cost for funding the City's defined benefit retirement plan has increased 25% each year for 3 years and approximately 12% per year for the for the last and present years.
- The costs of maintaining our facilities, vehicles and infrastructure including expanding paving streets.
- Heating and vehicle fuels prices have fallen dramatically and will have a positive impact to the coming year's budgets.
- The City has recently hired a sustainability coordinator who will be looking at ways to reduce energy usage and is looking at options for solar including the possibility of a solar farm on the City's closed landfill.

The fiscal year 2016 budget was approved in June 2015, with a \$2,527,491 (3.27%) increase in the overall general fund expenditure budget. Due to increases in various revenues, the impact to property taxes was an increase of \$1,207,816 (2.06%). Overall the tax rate increased (1.75%) to 17.40 per thousand from the prior year 17.10.

**Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

**CITY OF SOUTH PORTLAND, MAINE**  
**Statement of Net Position**  
**June 30, 2015**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 45,035,974	-	45,035,974
Investments	9,447,240	-	9,447,240
Receivables, net of allow. of \$542,142 and \$87,500	3,086,939	518,251	3,605,190
Taxes receivable	1,302,531	-	1,302,531
Tax liens and tax acquired property	413,098	-	413,098
Prepaid expenses	100,382	-	100,382
Inventory	29,610	-	29,610
Internal balances	(10,603,254)	10,603,254	-
Restricted assets, cash	50,000	-	50,000
Capital assets, not being depreciated	11,132,857	2,761,865	13,894,722
Capital assets, net of accumulated depreciation	115,243,974	48,598,556	163,842,530
Total assets	175,239,351	62,481,926	237,721,277
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	2,304,049	-	2,304,049
Total deferred outflows of resources	2,304,049	-	2,304,049
<b>LIABILITIES</b>			
Accounts payable	2,868,583	616,110	3,484,693
Accrued liabilities	632,651	13,933	646,584
Accrued interest	622,889	-	622,889
Accrued teachers' summer salaries	4,170,622	-	4,170,622
Non-current liabilities:			
Due within one year	5,805,102	120,858	5,925,960
Due in more than one year	57,355,933	526,925	57,882,858
Total liabilities	71,455,780	1,277,826	72,733,606
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	3,932,580	-	3,932,580
Total deferred inflows of resources	3,932,580	-	3,932,580
<b>NET POSITION</b>			
Net investment in capital assets	75,413,372	50,967,438	126,380,810
Restricted for:			
Permanent Funds - Nonexpendable principal	198,949	-	198,949
Permanent Funds - Expendable	132,159	-	132,159
Education	2,815,844	-	2,815,844
Other grants	1,918,044	-	1,918,044
Tax Increment Financing	6,516,752	-	6,516,752
Capital	-	2,152,583	2,152,583
Unrestricted	15,159,920	8,084,079	23,243,999
<b>Total net position</b>	<b>\$ 102,155,040</b>	<b>61,204,100</b>	<b>163,359,140</b>

*See accompanying notes to basic financial statements.*



**CITY OF SOUTH PORTLAND, MAINE**  
**Statement of Activities**  
**For the year ended June 30, 2015**

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	\$ 10,584,081	510,092	676,447	-	(9,397,542)	-	(9,397,542)
Public safety	12,766,963	1,358,246	406,837	-	(11,001,880)	-	(11,001,880)
Public works	7,510,853	300,711	-	382,528	(6,827,614)	-	(6,827,614)
Culture and recreation	4,440,715	974,204	-	-	(3,466,511)	-	(3,466,511)
Transportation and waterfront	1,519,381	417,158	466,520	-	(635,703)	-	(635,703)
Health, welfare and social services	369,616	-	124,747	-	(244,869)	-	(244,869)
Education	49,178,808	615,231	11,785,311	-	(36,778,266)	-	(36,778,266)
Interest on debt service	1,436,958	-	-	-	(1,436,958)	-	(1,436,958)
Total governmental activities	87,807,375	4,175,642	13,459,862	382,528	(69,789,343)	-	(69,789,343)
Business-type activities:							
Sewer	6,147,313	5,820,329	-	-	-	(326,984)	(326,984)
Total business-type activities	6,147,313	5,820,329	-	-	-	(326,984)	(326,984)
<b>Total primary government</b>	<b>\$ 93,954,688</b>	<b>9,995,971</b>	<b>13,459,862</b>	<b>382,528</b>	<b>(69,789,343)</b>	<b>(326,984)</b>	<b>(70,116,327)</b>
General revenues:							
Property taxes, levied for general purposes					61,874,477	-	61,874,477
Motor vehicle excise taxes					6,374,595	-	6,374,595
Cable television franchise					151,779	-	151,779
Grants and contributions not restricted to specific programs:							
State Revenue Sharing					1,264,320	-	1,264,320
Homestead exemption					477,176	-	477,176
Other State aid					2,579,822	-	2,579,822
Unrestricted investment earnings					581,216	48,777	629,993
Miscellaneous					1,169,599	-	1,169,599
Transfers					(195,242)	195,242	-
Total general revenues and transfers					74,277,742	244,019	74,521,761
Change in net position					4,488,399	(82,965)	4,405,434
Net position - beginning					105,860,769	61,287,065	167,147,834
Restatement related to pensions					(8,194,128)	-	(8,194,128)
Restated net position - beginning					97,666,641	61,287,065	158,953,706
<b>Net position - ending</b>					<b>\$ 102,155,040</b>	<b>61,204,100</b>	<b>163,359,140</b>

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

	General	Tax Incremental Financing	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 31,128,579	6,507,909	7,399,486	-	45,035,974
Investments	8,470,978	-	-	976,262	9,447,240
Due from other governments	306,638	-	39,760	2,244,009	2,590,407
Accounts receivable, net of allowance of \$542,142	400,594	22,372	609	72,957	496,532
Taxes receivable	1,302,531	-	-	-	1,302,531
Tax liens and tax acquired property	413,098	-	-	-	413,098
Interfund loans receivable	-	-	-	2,971,039	2,971,039
Prepaid expenditures	100,382	-	-	-	100,382
Inventory	-	-	-	29,610	29,610
Restricted assets, cash	50,000	-	-	-	50,000
<b>Total assets</b>	<b>\$ 42,172,800</b>	<b>6,530,281</b>	<b>7,439,855</b>	<b>6,293,877</b>	<b>62,436,813</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	1,988,968	12,609	706,422	165,695	2,873,694
Accrued liabilities	582,346	920	-	49,385	632,651
Interfund loans payable	12,457,092	-	-	1,112,090	13,569,182
Accrued teachers' summer salaries	3,912,858	-	-	257,764	4,170,622
<b>Total liabilities</b>	<b>18,941,264</b>	<b>13,529</b>	<b>706,422</b>	<b>1,584,934</b>	<b>21,246,149</b>
Deferred inflows of resources:					
Unavailable revenue - property taxes	895,000	-	-	-	895,000
<b>Total deferred inflows of resources</b>	<b>895,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>895,000</b>
Fund balances:					
Nonspendable	100,382	-	-	228,559	328,941
Restricted	2,715,462	6,516,752	1,040,699	2,020,593	12,293,506
Committed	3,458,710	-	5,692,734	2,468,054	11,619,498
Assigned	3,234,394	-	-	-	3,234,394
Unassigned	12,827,588	-	-	(8,263)	12,819,325
<b>Total fund balances</b>	<b>22,336,536</b>	<b>6,516,752</b>	<b>6,733,433</b>	<b>4,708,943</b>	<b>40,295,664</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 42,172,800</b>	<b>6,530,281</b>	<b>7,439,855</b>	<b>6,293,877</b>	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					126,376,831
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.					895,000
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:					
Bond premiums					(2,294,143)
Accrued compensated absences					(3,423,300)
Other postemployment benefits liability					(1,555,554)
Accrued interest					(622,889)
Landfill closure					(96,240)
Capital leases					(2,491,412)
Net pension liability with related deferred inflows and outflows of resources					(6,450,314)
Bonds payable					(48,478,603)
<b>Net position of governmental activities</b>					<b>\$ 102,155,040</b>

*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, 2015**

	General	Tax Increment Financing	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 66,495,110	2,452,962	-	20,000	68,968,072
Intergovernmental	12,503,840	1,219,307	100,902	4,339,659	18,163,708
Licenses, permits, fees and fines	893,186	-	-	-	893,186
Charges for services	1,725,747	-	-	1,708,488	3,434,235
Unclassified	879,932	-	142,581	354,532	1,377,045
Interest earned	470,710	52,622	23,565	34,319	581,216
<b>Total revenues</b>	<b>82,968,525</b>	<b>3,724,891</b>	<b>267,048</b>	<b>6,456,998</b>	<b>93,417,462</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	9,407,937	116,599	-	921,896	10,446,432
Public safety	10,510,183	-	-	350,517	10,860,700
Public works	4,821,763	162,858	-	185,399	5,170,020
Culture and recreation	3,026,780	-	-	821,626	3,848,406
Transportation and waterfront	1,151,351	-	-	62,925	1,214,276
Health, welfare and social services	369,616	-	-	-	369,616
Education	48,066,502	-	-	2,384,648	50,451,150
School lunch program	-	-	-	1,693,739	1,693,739
Intergovernmental	2,327,942	-	-	-	2,327,942
Other	94,106	1,201,653	-	1,699	1,297,458
Debt service (excluding education)	937,791	-	510,638	-	1,448,429
Capital expenditures	-	-	9,356,651	-	9,356,651
<b>Total expenditures</b>	<b>80,713,971</b>	<b>1,481,110</b>	<b>9,867,289</b>	<b>6,422,449</b>	<b>98,484,819</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,254,554</b>	<b>2,243,781</b>	<b>(9,600,241)</b>	<b>34,549</b>	<b>(5,067,357)</b>
<b>Other financing sources (uses):</b>					
Transfers in	675,101	-	4,093,605	233,917	5,002,623
Transfers out	(2,725,491)	(2,226,593)	-	(245,781)	(5,197,865)
<b>Total other financing sources (uses)</b>	<b>(2,050,390)</b>	<b>(2,226,593)</b>	<b>4,093,605</b>	<b>(11,864)</b>	<b>(195,242)</b>
<b>Net change in fund balances</b>	<b>204,164</b>	<b>17,188</b>	<b>(5,506,636)</b>	<b>22,685</b>	<b>(5,262,599)</b>
<b>Fund balances, beginning of year</b>	<b>22,132,372</b>	<b>6,499,564</b>	<b>12,240,069</b>	<b>4,686,258</b>	<b>45,558,263</b>
<b>Fund balances, end of year</b>	<b>\$ 22,336,536</b>	<b>6,516,752</b>	<b>6,733,433</b>	<b>4,708,943</b>	<b>40,295,664</b>

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the year ended June 30, 2015**

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Net change in fund balances - total governmental funds (from Statement 4)	\$	(5,262,599)
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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 (\$9,828,671) exceed book value of disposed assets (\$131,676) and depreciation (\$5,435,205).		4,261,790
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.		(719,000)
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 of repayments.		378,820
Change in accruals are recorded on the statement of net position, but not on the governmental fund balance sheet - accrued compensated absences (\$333,300), accrued interest (-\$67,984), net pension liability with deferred outflows and inflows of resources, (-\$1,743,814) and other postemployment benefits liability (\$224,082).		1,254,416
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.		12,030
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 did not issue any new debt. 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 \$261,430 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 \$4,301,512.		4,562,942

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<b>Change in net position of governmental activities (see Statement 2)</b>	<b>\$</b>	<b>4,488,399</b>
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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, 2015**

	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	\$ 64,180,668	64,180,668	66,495,110	2,314,442	2,320,000	2,320,000	2,452,962	132,962
Intergovernmental	8,753,258	8,753,258	9,027,461	274,203	1,150,000	1,150,000	1,219,307	69,307
Licenses, permits, fees and fines	807,650	807,650	893,186	85,536	-	-	-	-
Charges for services	1,687,766	1,687,766	1,725,747	37,981	-	-	-	-
Unclassified	134,400	134,400	198,150	63,750	-	-	-	-
Interest earned	350,000	350,000	434,550	84,550	-	-	52,622	52,622
Total revenues	75,913,742	75,913,742	78,774,204	2,860,462	3,470,000	3,470,000	3,724,891	254,891
Expenditures:								
Current:								
General government	9,453,780	9,329,630	9,010,041	319,589	159,586	159,586	116,599	42,987
Public safety	10,245,979	10,356,029	10,330,345	25,684	-	-	-	-
Public works	4,529,317	4,689,317	4,685,198	4,119	166,446	166,446	162,858	3,588
Culture and recreation	3,170,728	3,170,728	3,065,075	105,653	-	-	-	-
Transportation and waterfront	1,128,088	1,147,388	1,140,051	7,337	20,000	20,000	-	20,000
Health, welfare and social services	353,249	370,249	369,616	633	-	-	-	-
Education	44,364,796	44,364,796	44,007,322	357,474	-	-	-	-
Intergovernmental	2,327,942	2,327,942	2,327,942	-	-	-	-	-
Other	112,000	89,800	79,143	10,657	1,513,750	1,513,750	1,201,653	312,097
Debt service (excluding education)	940,792	940,792	937,791	3,001	-	-	-	-
Capital expenditures	-	-	-	-	1,515,976	-	-	-
Total expenditures	76,626,671	76,786,671	75,952,524	834,147	3,375,758	1,859,782	1,481,110	378,672
Excess (deficiency) of revenues over (under) expenditures	(712,929)	(872,929)	2,821,680	3,694,609	94,242	1,610,218	2,243,781	633,563
Other financing sources (uses):								
Budgeted use of surplus - City	-	1,051,146	-	(1,051,146)	79,394	616,375	-	(616,375)
Budgeted use of surplus - School	677,117	677,117	-	(677,117)	-	-	-	-
Transfer in	769,499	929,499	929,499	-	-	-	-	-
Transfers out	(733,687)	(1,784,833)	(1,973,499)	(188,666)	(173,636)	(2,226,593)	(2,226,593)	-
Total other financing sources (uses)	712,929	872,929	(1,044,000)	(1,916,929)	(94,242)	(1,610,218)	(2,226,593)	(616,375)
Net change in fund balance - budgetary basis	-	-	1,777,680	1,777,680	-	-	17,188	17,188
Reconciliation to GAAP basis:								
Change in encumbrances - City			29,356				-	
Change in encumbrances - School			61,014				-	
Unbudgeted teacher summer benefits			(268,502)				-	
Change in reserves			(1,395,384)				-	
Net change in fund balance - GAAP basis			204,164				17,188	
Fund balance, beginning of year			22,132,372				6,499,564	
<b>Fund balance, end of year</b>	<b>\$</b>		<b>22,336,536</b>				<b>6,516,752</b>	

**CITY OF SOUTH PORTLAND, MAINE**  
**Statements of Net Position**  
**Proprietary Funds**  
**June 30, 2015 and 2014**

<b>Business-type Activities - Enterprise Funds</b>		
	<b>Sewer</b>	
	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
Current assets:		
Receivables, net of allowance of \$87,500 and \$87,153, respectively	\$ 511,547	548,274
Sewer liens	6,704	2,457
Prepaid expenses	-	10,434
Interfund loans receivable	10,603,254	11,555,308
Total current assets	11,121,505	12,116,473
Noncurrent assets:		
Capital assets, not being depreciated	2,761,865	3,557,604
Capital assets	92,713,726	88,904,121
Accumulated depreciation	(44,115,170)	(42,143,042)
Total noncurrent assets	51,360,421	50,318,683
<b>Total assets</b>	<b>62,481,926</b>	<b>62,435,156</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	616,110	481,461
Accrued wages	13,933	8,940
Current portion of noncurrent liabilities:		
Compensated absences	93,756	75,950
Bonds payable	27,102	27,102
Total current liabilities	750,901	593,453
Noncurrent liabilities:		
Compensated absences	161,044	161,655
Bonds payable	365,881	392,983
Total noncurrent liabilities	526,925	554,638
<b>Total liabilities</b>	<b>1,277,826</b>	<b>1,148,091</b>
<b>NET POSITION</b>		
Net investment in capital assets	50,967,438	49,898,598
Restricted for capital projects	2,152,583	4,060,384
Unrestricted	8,084,079	7,328,083
<b>Total net position</b>	<b>\$ 61,204,100</b>	<b>61,287,065</b>

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the years ended June 30, 2015 and 2014**

<b>Business-type Activities - Enterprise Funds</b>		
	<b>Sewer</b>	
	<b>2015</b>	<b>2014</b>
<b>Operating revenues:</b>		
Charges for services	\$ 5,758,245	5,864,629
Interest and penalties	995	1,148
Licenses	61,089	61,907
<b>Total operating revenues</b>	<b>5,820,329</b>	<b>5,927,684</b>
<b>Operating expenses:</b>		
Personnel services	2,159,046	2,070,935
Contractual services	1,234,062	1,433,022
Supplies and materials	640,095	504,084
Fixed charges	79,372	66,354
Capital outlay	61,255	104,699
Depreciation	1,972,128	1,956,648
<b>Total operating expenses</b>	<b>6,145,958</b>	<b>6,135,742</b>
<b>Operating loss</b>	<b>(325,629)</b>	<b>(208,058)</b>
<b>Nonoperating revenues (expenses):</b>		
Interest revenue	48,777	30,101
Gain (loss) on disposal of capital assets	-	3,290
Interest expense	(1,355)	(1,355)
<b>Total nonoperating revenues (expenses)</b>	<b>47,422</b>	<b>32,036</b>
<b>Loss before transfers</b>	<b>(278,207)</b>	<b>(176,022)</b>
Transfers in	201,076	307,083
Transfer out	(5,834)	(1,008)
<b>Total transfers</b>	<b>195,242</b>	<b>306,075</b>
<b>Change in net position</b>	<b>(82,965)</b>	<b>130,053</b>
Net position, beginning of year	61,287,065	61,157,012
<b>Net position, end of year</b>	<b>\$ 61,204,100</b>	<b>61,287,065</b>

*See accompanying notes to basic financial statements.*

**CITY OF SOUTH PORTLAND, MAINE**  
**Statements of Cash Flows**  
**Proprietary Funds**  
**For the years ended June 30, 2015 and 2014**

	<b>Sewer</b>	
	<b>2015</b>	<b>2014</b>
<b>Business-type Activities - Enterprise Funds</b>		
Cash flows from operating activities:		
Receipts from customers and users	\$ 5,852,809	5,810,826
Payments to suppliers	(1,869,701)	(1,758,258)
Payments to employees	(2,136,858)	(2,062,905)
Net cash provided by operating activities	1,846,250	1,989,663
Cash flows from noncapital financing activities:		
Transfer in from other funds	201,076	307,083
Interfund loan	952,054	(162,974)
Transfers to other funds	(5,834)	(1,008)
Net cash provided by noncapital financing activities	1,147,296	143,101
Cash flows from capital and related financing activities:		
Purchase of capital assets	(3,013,866)	(2,137,698)
Proceeds from sale of capital assets	-	3,290
Interest paid on bonds	(1,355)	(1,355)
Principal payments on bonds	(27,102)	(27,102)
Net cash used in capital and related financing activities	(3,042,323)	(2,162,865)
Cash flows from investing activities:		
Interest revenue	48,777	30,101
Net cash provided by investing activities	48,777	30,101
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>-</b>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (325,629)	(208,058)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	1,972,128	1,956,648
(Increase) decrease in receivables	36,727	(121,314)
(Increase) decrease in liens	(4,247)	4,456
(Increase) decrease in prepaid expenses	10,434	(1,773)
Increase in accounts payable	134,649	351,674
Increase in accrued wages	4,993	7,279
Increase in compensated absences	17,195	751
Net cash provided by operating activities	\$ 1,846,250	1,989,663

*See accompanying notes to basic financial statements.*



**CITY OF SOUTH PORTLAND, MAINE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2015**

		Private- purpose Trust Funds	Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$	77,040	137,151
Investments		2,176,115	-
<b>Total assets</b>		<b>2,253,155</b>	<b>137,151</b>
<b>LIABILITIES</b>			
Accounts payable		2,218	-
Due to others		5,111	137,151
<b>Total liabilities</b>		<b>7,329</b>	<b>137,151</b>
<b>NET POSITION</b>			
Held in trust	\$	2,245,826	-

*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, 2015**

		<b>Private- purpose Trust Funds</b>
<hr/>		
Additions:		
Donations	\$	5,295
Investment earnings:		
Interest		73,791
Unrealized loss		(36,812)
<hr/>		
Total additions		42,274
<hr/>		
Deductions:		
Scholarships and other		55,583
<hr/>		
Total deductions		55,583
<hr/>		
Change in net position		(13,309)
<hr/>		
Net position, beginning of year		2,259,135
<hr/>		
<b>Net position, end of year</b>	<b>\$</b>	<b>2,245,826</b>

*See accompanying notes to basic financial statements.*

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

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

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

**B. Government-wide and Fund Financial Statements**

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

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

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary fund:

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

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**F. Inventories and Prepaid Items**

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

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

**G. 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

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**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.

**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.

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**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.

**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. Pensions**

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

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The deferred outflows relate to the net pension liability, which include the City's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between City contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan.



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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

In addition to liabilities, the statement of net position and 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 deferred inflows relate to the net pension liability, which include the differences between expected and actual experience and changes in proportion and differences between City contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

The governmental funds have 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.

**Q. Net Position**

Net position represents the assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net investment in capital assets was calculated as follows at June 30, 2015:

	<u>Governmental activities</u>	<u>Business-type activities</u>
Capital assets	\$ 217,489,229	95,475,591
Accumulated depreciation	(91,112,398)	(44,115,170)
Bonds payable and premiums	(50,772,746)	(392,983)
Add back bonds payable pertaining to Maine PERS	1,260,000	-
Add back bond proceeds unexpended	1,040,699	-
Capital leases	(2,491,412)	-
<b>Net investment in capital assets</b>	<b>\$ 75,413,372</b>	<b>50,967,438</b>

**STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

An annual budget is adopted by the City Council for the General Fund, Sewer Use Fund and the TIF Fund. The budgets are prepared substantially in accordance with accounting principles generally accepted in the United States of America, except that the general fund revenues and expenditures related to "on-behalf payments" made by the State of Maine to the Maine Public Employees Retirement System for teachers and other school employees are not budgeted. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America of \$3,476,379.

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

**STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED**

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

The City employs encumbrance accounting in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were \$504,009 in the General Fund.

**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, 2015, all departments were within their charter level budget limits.

**C. Deficit Fund Balances**

At June 30, 2015, the following funds had deficit fund balances:

<u>Special Revenue Funds:</u>		<u>Private-purpose Trust Funds:</u>	
Bug Light Beautification	941	A Varanelli Scholarship	87
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	625		

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

**DEPOSITS AND INVESTMENTS**

As of June 30, 2015, 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	\$ 13,027,074	13,027,074	-	-
U.S. Treasury Notes	2,247,329	-	1,478,855	768,474
Federal Home Loan Bank	1,993,311	-	1,498,793	494,518
Federal National Mortgage	7,307,538	1,162,174	2,422,242	3,723,122
Certificates of Deposit	33,176,621	6,162,467	27,014,154	-
Stock Mutual Fund	61,949	Not applicable		

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

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**DEPOSITS AND INVESTMENTS, CONTINUED**

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*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, 2015, the City had bank balances of \$46,203,695. 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, 2015, the City had no deposits which were subject to custodial credit risk because all amounts were insured or collateralized.

*Custodial credit risk- investments* – For investments, this is the risk that in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2015, the City had fair value investment balances of \$11,610,127 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, 2015, 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.

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**PROPERTY TAX**

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Property taxes for the current period were committed on July 15, 2014 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 \$554,624 for the year ended June 30, 2015.

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.

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

**PROPERTY TAX, CONTINUED**

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>2015</u>	<u>2014</u>
Assessed value	\$ 3,601,160,000	3,562,696,800
Tax rate (per \$1,000)	17.10	16.70
Commitment	61,579,836	59,497,037
Add:		
Supplementals	-	1,603
Total commitment	61,579,836	59,498,640
Less:		
Abatements	32,960	49,171
Collections	60,720,014	58,468,581
Current year taxes receivable at end of year	826,862	980,888
<u>Taxes and liens receivable - prior years</u>	<u>888,767</u>	<u>826,578</u>
<b>Total taxes and liens receivable</b>	<b>\$ 1,715,629</b>	<b>1,807,466</b>

Due dates:	1st quarter	August 21, 2014	August 15, 2013
	2nd quarter	November 20, 2014	November 21, 2013
	3rd quarter	February 12, 2015	February 13, 2014
	4th quarter	May 7, 2015	May 8, 2014

	<u>2015</u>	<u>2014</u>
Interest rate on delinquent taxes	7.00%	7.00%
Collection rate	98.66%	98.35%

**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, 2015 was as follows:

	Balance June 30, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2015</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 9,448,819	-	75,770	9,373,049
Construction in progress	3,314,315	1,531,316	3,085,823	1,759,808
Total capital assets not being depreciated	12,763,134	1,531,316	3,161,593	11,132,857
Capital assets, being depreciated:				
Buildings	121,461,599	8,886,844	292,549	130,055,894
Improvements other than buildings	4,599,969	-	-	4,599,969
Machinery and equipment	14,354,328	1,214,210	207,036	15,361,502
Vehicles	14,351,172	439,379	763,271	14,027,280
Infrastructure	41,393,212	918,515	-	42,311,727
Total capital assets being depreciated	196,160,280	11,458,948	1,262,856	206,356,372
Less accumulated depreciation for:				
Buildings	35,090,957	2,451,389	180,892	37,361,454
Improvements other than buildings	2,938,479	174,967	-	3,113,446
Machinery and equipment	9,434,289	699,407	207,036	9,926,660
Vehicles	9,530,425	980,777	743,252	9,767,950
Infrastructure	29,814,223	1,128,665	-	30,942,888
Total accumulated depreciation	86,808,373	5,435,205	1,131,180	91,112,398
Total capital assets being depreciated, net	109,351,907	6,023,743	131,676	115,243,974
<b>Governmental activities capital assets, net</b>	<b>\$ 122,115,041</b>	<b>7,555,059</b>	<b>3,293,269</b>	<b>126,376,831</b>

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

Governmental activities:	
General government	\$ 140,977
Public safety	707,416
Public works	1,330,249
Culture and recreation	592,309
Transportation and waterfront	305,105
Education	2,359,149
<b>Total depreciation expense – governmental activities</b>	<b>\$ 5,435,205</b>

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

**CAPITAL ASSETS, CONTINUED**

Capital asset activity for business-type activities for the year ended June 30, 2015 was as follows:

	Balance June 30, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2015</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,221,558	-	-	1,221,558
Construction in progress	2,336,046	1,017,598	1,813,337	1,540,307
Total capital assets not being depreciated	3,557,604	1,017,598	1,813,337	2,761,865
Capital assets, being depreciated:				
Buildings	34,049,419	516,332	-	34,565,751
Improvements other than buildings	80,331	-	-	80,331
Machinery and equipment	15,382,711	48,982	-	15,431,693
Vehicles	1,229,177	-	-	1,229,177
<u>Infrastructure</u>	<u>38,162,483</u>	<u>3,244,291</u>	-	<u>41,406,774</u>
Total capital assets being depreciated	88,904,121	3,809,605	-	92,713,726
Less accumulated depreciation for:				
Buildings	18,084,067	708,700	-	18,792,767
Improvements other than buildings	80,331	-	-	80,331
Machinery and equipment	9,554,747	539,673	-	10,094,420
Vehicles	937,480	93,065	-	1,030,545
<u>Infrastructure</u>	<u>13,486,417</u>	<u>630,690</u>	-	<u>14,117,107</u>
Total accumulated depreciation	42,143,042	1,972,128	-	44,115,170
Total capital assets being depreciated, net	46,761,079	1,837,477	-	48,598,556
<b><u>Business-type activities capital assets, net</u></b>	<b><u>\$ 50,318,683</u></b>	<b><u>2,855,075</u></b>	<b><u>1,813,337</u></b>	<b><u>51,360,421</u></b>

**LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2015 was as follows:

	Beginning <u>balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>balance</u>	Due within <u>one year</u>
<b>Governmental activities:</b>					
General obligation bonds	\$ 52,780,115	-	4,301,512	48,478,603	4,176,512
Bond premiums	2,555,573	-	261,430	2,294,143	247,577
Capital leases	2,870,232	-	378,820	2,491,412	332,401
Landfill closure	108,270	-	12,030	96,240	12,030
Other post employment benefits	1,331,472	338,462	114,380	1,555,554	-
Net pension liability	9,621,450	-	4,799,667	4,821,783	-
Compensated absences	3,090,000	1,793,211	1,459,911	3,423,300	1,036,582
<b><u>Governmental activity long-term liabilities</u></b>	<b><u>\$ 72,357,112</u></b>	<b><u>2,131,673</u></b>	<b><u>11,327,750</u></b>	<b><u>63,161,035</u></b>	<b><u>5,805,102</u></b>

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

**LONG-TERM DEBT, CONTINUED**

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
<b>Business-type activities:</b>					
General obligation bonds	\$ 420,085	-	27,102	392,983	27,102
Compensated absences	237,605	178,218	161,023	254,800	93,756
<b>Business-type activities</b>					
<b>long-term liabilities</b>	<b>\$ 657,690</b>	<b>178,218</b>	<b>188,125</b>	<b>647,783</b>	<b>120,858</b>

Long-term debt payable at June 30, 2015 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, 2015</u>
<b>Governmental activities:</b>					
2007 Paving and Refinancing (1)	5/15/2007	\$ 2,075,000	9/1/2016	4.00-5.00%	275,000
2010 1999 Community Center – City	1/26/2010	1,890,000	11/1/2018	2.00-3.00%	840,000
2010 HS & MS Renovations - School	1/26/2010	4,613,000	11/1/2029	2.00-4.00%	3,450,000
2011 Refund 2002 & 2003 Elem-Sch.	10/26/2011	8,905,000	7/15/2023	2.00-4.375%	6,830,000
2012 HS Construction – School	5/30/2012	30,000,000	7/15/2032	2.00-4.00%	27,000,000
2013 HS SRRF – School	12/1/2013	664,450	12/1/2023	0.00%	418,603
2014 MSRS	4/10/2014	1,890,000	3/1/2017	2.00%	1,260,000
2014 HS Construction – School	4/10/2014	8,850,000	4/15/2034	2.25-3.25%	8,405,000
Total governmental activities					48,478,603
<b>Business-type activities:</b>					
2009 SRF (Long creek)	10/7/2009	749,716	10/1/2029	N/A	392,983
Total business-type activities					392,983
<b>Total bonds payable</b>					<b>\$ 48,871,586</b>

(1) Of the outstanding bond principal, (\$100,000) is for City and (\$175,000) is for School.

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, 2015, \$14,000,000 was authorized but unissued for this project.

Additionally, in November of 2014, the voters approved a \$3,500,000 bond referendum for the construction of the Thornton Heights/Pleasantdale Phases 2, 3 and 4 projects, including sewer and stormwater system improvements and related streetscape improvements. At June 30, 2015, \$3,500,000 was authorized but unissued for this project. Subsequent to year end the City issued the \$3,500,000 of bonds through the State of Maine's Clean Water State Revolving Loan Fund at an interest rate of 0.35% with \$100,000 forgiven.

**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 \$510,638 which was paid out of the High School premium reserve which was accounted for in the School Capital Projects funds. Other post employment benefits and the net pension liability are not currently being funded on a budgetary level. If and when such funding would occur, it would be funded within the General Fund.

The annual requirements to amortize long-term debt outstanding as of June 30, 2015 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>
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	3,111,511	1,111,212	4,222,723	27,102	-	27,102
2021-2025	13,436,047	4,113,000	17,549,047	135,511	-	135,511
2026-2030	10,850,000	1,954,300	12,804,300	121,962	-	121,962
2031-2034	6,260,000	345,500	6,605,500	-	-	-
<b>Total</b>	<b>\$ 48,478,603</b>	<b>12,984,538</b>	<b>61,463,141</b>	<b>392,983</b>	<b>-</b>	<b>392,983</b>

The City is subject to a statutory limitation, by the State of Maine, of its general long-term debt equal to 15% of the State's valuation of the City. At June 30, 2015, the statutory limit for the City was \$537,015,500. The City's outstanding long-term debt of \$48,871,586 at June 30, 2015 was \$488,143,914 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, 2015:

<u>Governmental Unit</u>	<u>Net debt outstanding</u>	<u>Applicable to South Portland</u>	<u>City of South Portland's share of debt</u>
Cumberland County	\$ 37,125,000	9.09%	\$ 3,375,128
Portland Water District	45,698,839	13.79%	6,300,406

**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**

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JOINTLY GOVERNED ORGANIZATION, CONTINUED

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Selected balance sheet information for Ecomaine for the year ended June 30, 2015 includes total assets of \$63,710,335, and total liabilities of \$19,069,573 and unrestricted net position of \$13,562,006. The liabilities include an accrual for landfill closure and postclosure care amounting to \$16,451,511. Ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2015 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.

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CAPITAL LEASES

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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, 2015 was \$3,682,973.

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, 2015.

	Governmental <u>activities</u>
2016	\$ 404,547
2017	364,818
2018	371,093
2019	377,621
2020	384,413
2021-2023	891,462
Total minimum lease payments	2,793,954
<u>Less: amount representing interest</u>	<u>302,542</u>
<b>Present value of future minimum lease payments</b>	<b><u>\$ 2,491,412</u></b>

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LANDFILL

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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, 2015, the City had recorded approximately \$96,240 of estimated cost remaining related to postclosure care of the landfill. The City has amounts available in the general fund to fund these estimated costs. The actual cost may be higher due to inflation, changes in technology, or changes in regulations.

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

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**INTERFUND BALANCES AND TRANSFERS**

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As of June 30, 2015, interfund loans receivable and payable were as follows:

<u>Fund</u>	<u>Interfund receivable</u>	<u>Interfund payable</u>
General Fund	\$ -	12,457,092
Sewer Fund	10,603,254	-
Nonmajor Special Revenue Funds:		
City Special Revenues	2,957,734	-
School Grant Funds	-	1,112,090
School Adult Education	9,592	-
School Lunch Fund	3,713	-
Private-purpose Trust Funds	-	5,111
	<hr/>	<hr/>
<b>Total interfund balances</b>	<b>\$ 13,574,293</b>	<b>13,574,293</b>

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

As of June 30, 2015, interfund transfers were as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 675,101	2,725,491
Sewer Fund	201,076	5,834
Tax Increment Financing	-	2,226,593
Capital Projects	4,093,605	-
Nonmajor Special Revenue Funds:		
City Special Revenues	141,857	560,521
School Grant Funds	6,800	-
School Lunch Fund	400,000	-
	<hr/>	<hr/>
<b>Total interfund transfers</b>	<b>\$ 5,518,439</b>	<b>5,518,439</b>

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

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

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FUND BALANCES

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**Minimum fund balance policy.** The City Council has adopted a financial policy to maintain a minimum level of unassigned fund balance in the general fund. The minimum target level is set at 9% of general fund budgeted expenditures. In the event that the unassigned fund balance drops below this minimum level, the City will develop a plan, implemented through the annual budgetary process, to bring the balance back to the target level over a period of no more than three (3) fiscal years. Amounts in excess of the targeted maximum of 12% of general fund measured on a GAAP basis shall be used for capital improvements or other one-time expenditures as identified by the City Council. 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, 2015, the City maintained an unassigned general fund balance of \$12,827,588 which is 16.05% of the fiscal year 2016 budget of \$79,907,849.

**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 \$1,229,585 tax rate stabilization reserve at June 30, 2015 with \$425,000 anticipated to be used in the funding of fiscal year ending June 30, 2016 budget.

As of June 30, 2015, fund balance components consisted of the following:

	General Fund	Other Governmental Funds	Total
Nonspendable:			
Education – prepaid expenditures	\$ 100,382	-	100,382
Inventory	-	29,610	29,610
Principal for permanent funds	-	198,949	198,949
Total nonspendable	100,382	228,559	328,941
Restricted:			
Education	2,715,462	556,914	3,272,376
TIF funds	-	6,516,752	6,516,752
Capital projects	-	1,040,699	1,040,699
Grants - Housing and Business Development	-	215,271	215,271
Grants - Other planning and general government	-	149,649	149,649
Grants - Fire Hazardous Materials	-	98,532	98,532
Grants – FEMA equipment	-	198,967	198,967
Grants - State Highway Block	-	472,810	472,810
Donations – Parks and recreation operations	-	106,246	106,246
Other grants and donations	-	90,045	90,045
Permanent funds	-	132,159	132,159
Total restricted	2,715,462	9,578,044	12,293,506

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

**FUND BALANCES, CONTINUED**

	General <u>Fund</u>	Other Governmental <u>Funds</u>	<u>Total</u>
<b>Committed:</b>			
General government:			
Tax stabilization reserve	\$ 1,229,585	-	1,229,585
Climate action plan	89,313	-	89,313
Equipment replacement reserve	129,351	-	129,351
Unemployment reserve	30,084	-	30,084
Self-Insurance reserve	2,708	-	2,708
Safety reserve	157,159	-	157,159
Computerization reserve	80,210	-	80,210
Litigation legal reserve	178,080	-	178,080
Municipal buildings and land acquisition	168,253	-	168,253
Other reserves	39,316	-	39,316
South Portland Community TV	-	408,573	408,573
Freshwater Wetland Fund	-	172,513	172,513
Land Bank Trust	-	683,199	683,199
Public safety:			
Fire equipment and vehicle reserve	488,010	-	488,010
Police equipment reserves	78,818	-	78,818
Call company retirement reserve	64,698	-	64,698
Hazardous materials fund	-	81,166	81,166
Public works:			
Snow removal reserve	264,042	-	264,042
Cummings road sewer reserve	209,864	-	209,864
Solid waste reserve	87,131	-	87,131
Other reserves	45,315	4,440	49,755
Street openings and recycling funds	-	338,382	338,382
Sewer impact fund	-	447,544	447,544
Transit and waterfront:			
Bus reserve	116,773	-	116,773
Portland Street Pier	-	190,628	190,628
Culture and recreation:			
Golf Course	-	113,792	113,792
Other	-	27,817	27,817
Capital projects	-	5,692,734	5,692,734
Total committed	3,458,710	8,160,788	11,619,498
<b>Assigned:</b>			
Compensated absences reserve	2,679,319	-	2,679,319
Phone system reserve	98,329	-	98,329
Public safety vehicle reserve	4,919	-	4,919
Public works fuel distribution	98,557	-	98,557
Encumbrances	353,270	-	353,270
Total assigned	3,234,394	-	3,234,394
Unassigned	12,827,588	(8,263)	12,819,325
<b>Total fund balance</b>	<b>\$ 22,336,536</b>	<b>17,959,128</b>	<b>40,295,664</b>

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

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**CONSTRUCTION COMMITMENTS**

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The City has entered into contracts in connection with the Public Services Facility construction project and the Thornton Heights Phase II construction project. The following is a summary of the commitments at June 30, 2015:

	<u>Contract Total</u>	<u>Percentage Complete</u>	<u>Billed to Date</u>	<u>Balance Remaining</u>
Public Services Facility:				
Construction contract	\$ 1,772,965	0.00%	-	1,772,965
Thornton Heights Phase II:				
Construction contract	\$ 3,658,603	49.20%	1,800,709	1,857,894

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**TAX INCREMENT FINANCING DISTRICTS**

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

	<u>Original value</u>	<u>Increase in value</u>	<u>TIF cap</u>	<u>Captured value</u>	<u>Captured tax</u>
Fairchild TIF	\$ 33,512,500	9,462,300	100%	9,462,300	161,805
Texas Instruments TIF	20,509,000	154,597,100	50%	77,298,550	1,321,805
Cummings TIF	1,697,200	25,184,200	0%	-	-
One Wallace TIF	2,178,200	3,711,200	100%	3,711,200	63,462
Long Creek TIF	1,066,300	11,782,500	100%	11,782,500	201,481
Brick Hill TIF	-	24,003,800	100%	24,003,800	410,465
Jared TIF	957,500	1,144,600	100%	1,144,600	19,573
Hannaford TIF	343,000	8,800,300	100%	8,800,300	150,485
Downtown TIF	96,881,900	48,843,500	100%	6,042,830	103,332
Transit TIF	18,373,000	1,202,000	100%	1,202,000	20,554

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**

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

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

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

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**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED**

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

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

**PLD Plan** - Employees are required to contribute 7.0% to 8.5% of their annual pay. The City's contractually required contribution rate for the year ended June 30, 2015, was 7.8% of annual payroll for the regular plan and 11.0% of annual payroll for the special plan. Contributions to the pension plan from the City were \$1,027,150 for the year ended June 30, 2015.

**SET Plan** - Maine statute requires the State to contribute a portion of the City's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The City's contractually required contribution rate for the year ended June 30, 2015, was 15.68% of annual payroll of which 2.65% of payroll was required from the City and 13.03% was required from the State. Contributions to the pension plan from the City were \$606,477 for the year ended June 30, 2015.

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

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED**

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

The net pension liabilities were measured as of June 30, 2014, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The City's proportion of the net pension liabilities were based on projections of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating local districts (PLD Plan) and of all participating School Administrative Units and the State (SETP), actuarially determined.

**PLD Plan** - At June 30, 2015, the City reported a liability of \$4,082,632 for its proportionate share of the net pension liability. At June 30, 2014, the City's proportion of the PLD Plan was 2.6531%.

**SETP Plan** - At June 30, 2015, the City reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$ 739,151
State's proportionate share of the net pension liability	
<u>associated with the City</u>	<u>20,178,883</u>
 <b>Total</b>	 <b><u>\$ 20,918,034</u></b>

At June 30, 2014, the City's proportion of the SETP was 0.0684%.

For the year ended June 30, 2015, the City recognized pension expense (gain) of (\$278,275) for the PLD Plan and \$3,150,130 for the SETP with revenue of \$2,982,042 for support provided by the State. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 384,493	2,464
Changes of assumptions	33,937	-
Net difference between projected and actual earnings on pension plan investments	-	3,721,859
Changes in proportion and differences between City contributions and proportionate share of contributions	251,992	208,257
City contributions subsequent to the measurement date	<u>1,633,627</u>	<u>-</u>
 <b>Total</b>	 <b><u>\$ 2,304,049</u></b>	 <b><u>\$ 3,932,580</u></b>

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

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED**

\$1,633,627 is reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ (729,987)
2017	(729,987)
2018	(871,719)
2019	(930,465)

**Actuarial Assumptions** - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PLD Plan</u>	<u>SETP</u>
Inflation	3.5%	3.5%
Salary Increases, per year	3.5% to 9.5%	3.5% to 13.5%
Investment return, per annum, compounded annually	7.25%	7.125%
Cost of living benefit increases, per annum	3.12%	2.55%

Mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US equities	20%	2.5%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real estate	10%	3.7%
Infrastructure	10%	4.0%
Hard assets	5%	4.8%
Fixed income	25%	0.0%
<b><u>Total</u></b>	<b><u>100%</u></b>	



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

**MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.25% for the PLD Plan and 7.125% for the SETP. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

**Sensitivity of the City's Proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate** - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25% for the PLD Plan and 7.125% for the SETP, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25% for PLD Plan and 6.125% for SETP) or 1 percentage-point higher (8.25% for PLD Plan and 8.125% for SETP) than the current rate:

<u>PLD</u>	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
City's proportionate share of the net pension liability	\$ 12,736,608	\$ 4,082,632	(\$ 3,151,017)
<u>SETP</u>	1% Decrease <u>(6.125%)</u>	Current Discount Rate <u>(7.125%)</u>	1% Increase <u>(8.125%)</u>
City's proportionate share of the net pension liability	\$ 1,415,780	\$ 739,151	\$ 172,967

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

**Payables to the Pension Plan** - None as of June 30, 2015.

**NEW PRONOUNCEMENTS AND RESTATEMENT OF NET POSITION**

For the fiscal year ended June 30, 2015, the City has elected to implement Statement No. 68 of the Governmental Accounting Standards Board – *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27. As a result of implementing GASB Statement No. 68, the City has restated beginning net position in the government-wide statement of net position to account for the addition of the City's proportionate share of the net pension liability of \$9,621,450 and deferred outflows for the City's contributions subsequent to the measurement date of \$1,427,322, which effectively decreased the City's net position as of July 1, 2014 by \$8,194,128.

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

**OTHER POST EMPLOYMENT BENEFITS**

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 July 2015 based on an actuarial valuation date of January 1, 2015.

**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 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 annual required contribution and annual OPEB costs:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Normal cost	\$ 119,164	104,974	104,974
UAL amortization	236,004	228,327	228,327
Interest	7,034	6,601	6,601
Annual required contribution (ARC)	362,202	339,902	339,902
Interest on net OPEB obligation	53,259	41,238	28,999
Adjustment to ARC	(76,999)	(59,620)	(41,925)
Annual OPEB costs (AOC)	\$ 338,462	321,520	326,976

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net OPEB obligation, July 1, 2014	\$ 1,331,472	1,030,952	724,976
Annual OPEB costs	338,462	321,520	326,976
Less: Actual contributions	(114,380)	(21,000)	(21,000)
Net OPEB obligation, June 30, 2015	\$ 1,555,554	1,331,472	1,030,952

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

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OTHER POST EMPLOYMENT BENEFITS, CONTINUED

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**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>2015</u>	<u>2014</u>	<u>2013</u>
Annual OPEB cost (AOC)	\$ 338,462	321,520	326,976
Actual contribution	114,380	21,000	21,000
Percent contributed	33.79%	6.53%	6.42%
<hr/>			
Actuarial accrued liability	\$ 4,244,221	4,106,163	4,106,163
Plan assets	-	-	-
Unfunded actuarial accrued liability	\$ 4,244,221	4,106,163	4,106,163
<hr/>			
Covered payroll	13,519,980	13,126,194	12,399,860
Unfunded actuarial accrued liability as a percentage of covered payroll	31.39%	31.28%	33.11%

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.

**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	1/1/15
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%

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

**DEFERRED COMPENSATION PLAN**

The City of South Portland offers on a voluntary basis to all permanent employees working at least fifteen hours per week and covered by the City's Section 215 Agreement (Social Security), and who do not participate in the Maine Public Employees Retirement System Plan, the following options, with a City contribution: Internal Revenue Code Section 457, Deferred Compensation Plan or Internal Revenue Code Section 401(a), Defined Contribution Plan. In addition, employees who participate in the MPERS plan or 401(a) plans may also participate in the 457 Deferred Compensation Plan without a City contribution. The employees' accounts are not available until termination, retirement, death or an unforeseeable emergency. The City contributed approximately \$371,729 to the plans during the year ended June 30, 2015.

**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 2015, 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, 2015. The City also maintains commercial insurance for other specific liabilities with deductibles from \$1,000 to \$25,000. There have been no changes in commercial coverage from the prior year and no settlements have exceeded insurance coverage in any of the past three years.

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

The following summarizes the claims activity with respect to the City's self-insurance programs during 2015:

	<u>Workers'</u> <u>Compensation</u>	<u>Unemployment</u>
<u>Unpaid claims as of the beginning of year</u>	<u>\$ 57,710</u>	<u>-</u>
Provision for current year events	-	26,310
Increase in provision for prior year events	-	-
Total incurred claims	-	26,310
Payments:		
Claims attributable to current year	-	26,310
Claims attributable to prior year	16,155	-
Total payments	16,155	26,310
<b><u>Unpaid claims, end of year</u></b>	<b><u>\$ 41,555</u></b>	<b><u>-</u></b>

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

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**RISK MANAGEMENT, CONTINUED**

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The following summarizes the claims activity with respect to the City's self-insurance programs during 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
<b><u>Unpaid claims, end of year</u></b>	<b><u>\$ 57,710</u></b>	<b><u>-</u></b>

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

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**CONTINGENT LIABILITIES**

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

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

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**Schedule of Funding Progress**  
**Retiree Healthcare Plan**

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) / c]
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%
2015	1/1/15	\$ -	\$4,244,221	\$4,244,221	0.00%	\$13,519,980	31.39%

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

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

Last 10 Fiscal Years  
(Only one year of information available)

	<u>2015*</u>
<b><u>PLD</u></b>	
City's proportion of the net pension liability	2.6531%
City's proportionate share of the net pension liability	\$ 4,082,632
City's covered-employee payroll	10,562,181
City's proportion share of the net pension liability as a percentage of its covered-employee payroll	38.65%
Plan fiduciary net position as a percentage of of the total pension liability	94.10%
<b><u>SETP</u></b>	
City's proportion of the net pension liability	0.0684%
City's proportionate share of the net pension liability	\$ 739,151
State's proportionate share of the net pension liability associated with the City	<u>20,178,883</u>
Total	\$ <u>20,918,034</u>
City's covered-employee payroll	\$ 22,885,971
City's proportion share of the net pension liability as a percentage of its covered-employee payroll	3.23%
Plan fiduciary net position as a percentage of of the total pension liability	83.91%

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

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

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**Schedule of City Contributions**  
**Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SETP)**  
Last 10 Fiscal Years  
(Only one year of information available)

	<u>2015</u>
<b><u>PLD</u></b>	
Contractually required contribution	\$ 1,027,150
Contributions in relation to the contractually required contribution	<u>(1,027,150)</u>
Contribution deficiency (excess)	<u>                  -</u>
City's covered-employee payroll	10,562,181
Contributions as a percentage of covered-Employee payroll	9.72%
<b><u>SETP</u></b>	
Contractually required contribution	\$ 606,477
Contributions in relation to the contractually required contribution	<u>(606,477)</u>
Contribution deficiency (excess)	<u>                  -</u>
City's covered-employee payroll	22,885,971
Contributions as a percentage of covered-Employee payroll	2.65%

**Notes to Required Supplementary Information**

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**Changes of benefit terms** - None

**Changes of assumptions** - The SETP changed the discount rate from 7.25% in the 2013 valuation to 7.125% in the 2014 valuation.



## **GENERAL FUND**

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

**CITY OF SOUTH PORTLAND, MAINE**  
**General Fund**  
**Comparative Balance Sheets**  
**June 30, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 31,128,579	32,417,052
Investments	8,470,978	8,678,748
Due from other governments	306,638	264,520
Receivables, net of allowance of \$538,697 and \$872,606	400,594	292,181
Taxes receivable	1,302,531	1,316,969
Tax liens and tax acquired property	413,098	490,497
Prepaid expenditures	100,382	-
Restricted assets, cash	50,000	50,000
<b>Total assets</b>	<b>\$ 42,172,800</b>	<b>43,509,967</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	1,988,968	1,062,053
Accrued liabilities	582,346	594,044
Interfund loans payable	12,457,092	14,443,987
Accrued teachers' summer salaries and benefits	3,912,858	3,663,511
<b>Total liabilities</b>	<b>18,941,264</b>	<b>19,763,595</b>
Deferred inflows of resources:		
Unavailable revenue - property taxes	895,000	1,614,000
<b>Total deferred inflows of resources</b>	<b>895,000</b>	<b>1,614,000</b>
Fund balances:		
Nonspendable	100,382	-
Restricted	2,715,462	3,693,988
Committed	3,458,710	4,482,037
Assigned	3,234,394	3,117,547
Unassigned	12,827,588	10,838,800
<b>Total fund balances</b>	<b>22,336,536</b>	<b>22,132,372</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 42,172,800</b>	<b>43,509,967</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2015**  
**(with comparative actual amounts for the year ended June 30, 2014)**

	2015		Variance positive (negative)	2014 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property	\$ 58,710,418	59,761,351	1,050,933	56,817,797
Excise	5,125,000	6,374,595	1,249,595	5,829,497
Interest and penalties	105,000	118,502	13,502	109,784
Payments in lieu of taxes	240,250	240,662	412	241,011
Total taxes	64,180,668	66,495,110	2,314,442	62,998,089
Intergovernmental:				
State revenue sharing	1,190,000	1,264,320	74,320	1,315,198
State BETE Revenue	1,100,000	1,259,322	159,322	1,135,762
Homestead reimbursement	478,000	477,176	(824)	478,706
State education subsidy	5,275,585	5,275,585	-	5,460,824
State agency client	25,000	33,459	8,459	20,726
MaineCare	50,000	47,791	(2,209)	103,103
Section 5307	434,673	430,425	(4,248)	339,743
General assistance	115,000	124,747	9,747	125,937
Other State revenue	85,000	114,636	29,636	101,166
Total intergovernmental	8,753,258	9,027,461	274,203	9,081,165
Licenses, permits, fees, and fines:				
Cable franchise fee	155,000	151,779	(3,221)	166,543
City clerk	149,500	158,497	8,997	159,223
Planning	7,150	19,675	12,525	12,108
Police	92,000	92,484	484	80,405
Code enforcement	385,000	453,938	68,938	529,022
Public library	19,000	16,813	(2,187)	18,902
Total licenses, permits, fees, and fines	807,650	893,186	85,536	966,203
Charges for services:				
Rent and leases	64,800	75,364	10,564	76,160
Finance and information technology	140,400	144,381	3,981	142,652
Fire	817,000	811,824	(5,176)	839,105
Public works - transfer facility	90,000	103,254	13,254	97,560
Parks and recreation	181,500	194,656	13,156	188,006
Bus service	312,000	313,611	1,611	336,627
Other	3,400	3,991	591	3,596
Education	78,666	78,666	-	78,666
Total charges for services	1,687,766	1,725,747	37,981	1,762,372
Unclassified:				
City clerk	19,000	21,362	2,362	20,127
Finance	16,000	14,428	(1,572)	13,095
Police	8,000	11,218	3,218	10,051
Fire	3,000	4,064	1,064	8,280
Planning and code enforcement	2,700	11,245	8,545	6,012
Public works	33,000	31,678	(1,322)	34,803
Other	7,900	14,305	6,405	11,211
Education	44,800	89,850	45,050	65,091
Total unclassified	134,400	198,150	63,750	168,670
Interest earned	350,000	434,550	84,550	479,985
Total revenues	75,913,742	78,774,204	2,860,462	75,456,484

**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, 2015**  
**(with comparative actual amounts for the year ended June 30, 2014)**

	Budget	Actual	Variance positive (negative)	2014 Actual
Expenditures:				
Current:				
General government:				
City council	\$ 153,355	132,384	20,971	178,133
Executive	207,118	202,723	4,395	195,568
City clerk	234,483	234,316	167	224,179
Corporation council	183,273	163,311	19,962	174,206
Finance	980,225	978,238	1,987	953,307
Information technology	362,676	357,885	4,791	334,126
Planning	224,950	223,583	1,367	216,681
Human resources	321,156	320,336	820	299,067
City building	187,544	175,210	12,334	191,282
Citywide insurance and benefit costs	6,474,850	6,222,055	252,795	5,912,535
Total general government	9,329,630	9,010,041	319,589	8,679,084
Public safety:				
Police department	4,121,544	4,101,705	19,839	3,972,314
Fire department	4,777,572	4,776,614	958	4,639,280
Communications	777,700	775,973	1,727	715,312
Code enforcement	670,343	670,293	50	638,431
Civil service	8,870	5,760	3,110	10,621
Total public safety	10,356,029	10,330,345	25,684	9,975,958
Public works:				
Administration	207,197	218,609	(11,412)	201,956
Streets and sidewalks	2,567,646	2,637,555	(69,909)	1,803,442
Rubbish disposal	1,376,065	1,286,579	89,486	1,644,386
Public works garage	282,277	281,460	817	265,085
Transfer facility	256,132	260,995	(4,863)	251,926
Total public works	4,689,317	4,685,198	4,119	4,166,795
Culture:				
Main library	584,235	561,160	23,075	568,008
Branch library	76,115	60,517	15,598	66,534
Total culture	660,350	621,677	38,673	634,542
Parks and recreation:				
Administration	156,134	155,944	190	151,350
Parks	1,203,303	1,147,281	56,022	1,096,809
Pool	361,129	350,413	10,716	346,524
Recreation	789,812	789,760	52	774,592
Total parks and recreation	2,510,378	2,443,398	66,980	2,369,275
Total culture, parks, and recreation	3,170,728	3,065,075	105,653	3,003,817
Transportation and waterfront:				
Bus service	1,108,131	1,101,551	6,580	1,081,931
Waterfront	39,257	38,500	757	38,500
Total transportation and waterfront	1,147,388	1,140,051	7,337	1,120,431

**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, 2015**  
**(with comparative actual amounts for the year ended June 30, 2014)**

	Budget	Actual	Variance positive (negative)	2014 Actual
Expenditures, continued:				
Current, continued:				
Health, welfare and social services:				
Welfare:				
Administration	\$ 90,599	87,253	3,346	83,730
General assistance	261,950	265,113	(3,163)	237,136
Total	352,549	352,366	183	320,866
Health	17,700	17,250	450	15,000
Total health, welfare and social services	370,249	369,616	633	335,866
Intergovernmental - County tax	2,327,942	2,327,942	-	2,215,084
Other:				
Contingency and abatement reserve	89,800	79,143	10,657	77,178
Total other	89,800	79,143	10,657	77,178
Education	44,364,796	44,007,322	357,474	41,919,427
Debt service (excluding education):				
Administration	3,000	-	3,000	3,000
Principal	855,850	855,849	1	853,204
Interest	81,942	81,942	-	165,026
Total debt service	940,792	937,791	3,001	1,021,230
Total expenditures	76,786,671	75,952,524	834,147	72,514,870
Excess (deficiency) of revenues over (under) expenditures	(872,929)	2,821,680	3,694,609	2,941,614
Other financing sources (uses):				
Budgeted use of surplus - City	1,051,146	-	(1,051,146)	-
Budgeted use of surplus - School	677,117	-	(677,117)	-
Refunding bonds issued	-	-	-	1,890,000
Bond premiums	-	-	-	38,405
Payment to refunded bonds escrow agent	-	-	-	(1,927,910)
Transfers in	929,499	929,499	-	218,221
Transfers out	(1,784,833)	(1,973,499)	(188,666)	(2,093,517)
Total other financing sources (uses)	872,929	(1,044,000)	(1,916,929)	(1,874,801)
Net change in fund balance - budgetary basis	-	1,777,680	1,777,680	1,066,813
Reconciliation to GAAP basis:				
Change in encumbrances - City		29,356		27,250
Change in encumbrances - School		61,014		42,078
Unbudgeted teacher summer benefits		(268,502)		(534,857)
Change in reserves		(1,395,384)		(140,094)
Net change in fund balance - GAAP basis		204,164		461,190
Fund balance, beginning of year		22,132,372		21,671,182
<b>Fund balance, end of year</b>	<b>\$</b>	<b>22,336,536</b>		<b>22,132,372</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**General Fund - Education**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the year ended June 30, 2015**  
**(with comparative actual amounts for the year ended June 30, 2014)**

	2015			2014 Actual
	Budget	Actual	Variance positive (negative)	
<b>Revenues:</b>				
Local assessment	\$ 38,375,017	38,375,017	-	37,091,895
State education subsidy	5,275,585	5,275,585	-	5,460,824
State agency client	25,000	33,459	8,459	20,726
MaineCare	50,000	47,791	(2,209)	103,103
Charges for services	78,666	78,666	-	78,666
Other	44,800	89,850	45,050	65,091
<b>Total revenues</b>	<b>43,849,068</b>	<b>43,900,368</b>	<b>51,300</b>	<b>42,820,305</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Brown Elementary	1,756,733	1,764,192	(7,459)	1,742,277
Dyer Elementary	1,526,254	1,529,155	(2,901)	1,602,979
Kaler Elementary	1,333,106	1,401,921	(68,815)	1,237,671
Skillin Elementary	2,388,235	2,371,598	16,637	2,357,782
Small Elementary	1,921,104	1,887,171	33,933	1,973,828
Mahoney Middle School	2,284,680	2,239,896	44,784	2,165,195
Memorial Middle School	2,752,593	2,672,073	80,520	2,515,425
South Portland High School	6,405,391	6,323,152	82,239	6,026,417
K-12 instrumental music	115,640	113,289	2,351	114,259
6-12 athletics	702,437	694,918	7,519	669,365
Special education	7,889,884	7,878,724	11,160	7,356,402
Health	352,328	358,671	(6,343)	324,040
Board of education	220,720	130,304	90,416	117,085
Superintendent of schools	439,449	418,594	20,855	354,168
Assistant superintendent	1,692,396	1,630,342	62,054	1,678,137
Curriculum	430,258	396,676	33,582	397,353
Technology	490,005	491,277	(1,272)	510,861
Business office	1,146,417	1,105,941	40,476	888,565
Operations/maintenance	4,080,350	4,131,040	(50,690)	3,811,429
Transportation	1,653,119	1,684,693	(31,574)	1,593,750
<b>Debt service:</b>				
Principal	3,609,903	3,609,902	1	3,224,652
Interest	1,173,794	1,173,793	1	1,257,787
<b>Total expenditures</b>	<b>44,364,796</b>	<b>44,007,322</b>	<b>357,474</b>	<b>41,919,427</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(515,728)</b>	<b>(106,954)</b>	<b>408,774</b>	<b>900,878</b>
<b>Other financing sources (uses):</b>				
Transfers in	258,611	258,611	-	207,433
Transfers out	(420,000)	(420,000)	-	(736,258)
Budgeted use of surplus	677,117	-	(677,117)	-
<b>Total other financing sources (uses)</b>	<b>515,728</b>	<b>(161,389)</b>	<b>(677,117)</b>	<b>(528,825)</b>
<b>Net change in fund balances - budgetary basis</b>	<b>-</b>	<b>(268,343)</b>	<b>(268,343)</b>	<b>372,053</b>
<b>Reconciliation to GAAP basis:</b>				
Change in encumbrances		61,014		42,078
Unbudgeted teacher summer benefits		(268,502)		(534,857)
Change in reserves		(402,313)		(257,512)
<b>Net change in fund balance - GAAP basis</b>		<b>(878,144)</b>		<b>(378,238)</b>
<b>Fund balance, beginning of year</b>		<b>3,693,988</b>		<b>4,072,226</b>
<b>Fund balance, end of year</b>	<b>\$</b>	<b>2,815,844</b>		<b>3,693,988</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**Reserves - General Fund**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2015**

	Fund balance beginning of year	Revenues		Expenditures	Other financing sources (uses)	Fund balance end of year	
		Other	Investment earnings		Transfers		
<u>City committed reserves:</u>							
1801	Equipment replacement	\$ 110,041	-	864	6,314	24,760	129,351
1803	Unemployment - City	26,271	-	123	26,310	30,000	30,084
1804	Self-Insurance - City	40,495	57,973	391	108,651	12,500	2,708
1805	Municipal facilities	16,548	-	59	16,643	20,000	19,964
1806	Safety reserve	151,709	9,717	898	5,165	-	157,159
1807	Computerization project	83,327	185	437	63,739	60,000	80,210
1809	Litigation - legal	98,883	5,949	669	146,111	218,690	178,080
1822	Communication equipment - police	65,517	-	521	-	2,600	68,638
1824	Body armor - police	5,180	-	-	-	5,000	10,180
1830	Fire	460,912	27,067	3,676	3,645	-	488,010
1834	Traffic improvements	23,052	-	183	-	-	23,235
1836	Public works equipment	21,907	-	173	-	-	22,080
1840	Snow removal	420,706	-	3,336	-	(160,000)	264,042
1842	Library	3,440	-	-	-	-	3,440
1845	Cummings Road sewer	208,213	-	1,651	-	-	209,864
1847	Bus	128,547	-	984	40,758	28,000	116,773
1850	Senior Property Tax Program	-	-	-	-	13,951	13,951
1858	Climate Action Plan	-	127,194	-	37,881	-	89,313
1861	Tax stabilization	1,715,980	-	13,605	-	(500,000)	1,229,585
1864	Call company retirement	64,698	-	-	-	-	64,698
1869	Energy efficient	6,844	10,000	-	14,883	-	1,961
1871	Solid waste	116,181	-	950	-	(30,000)	87,131
1872	Municipal buildings & land acq.	173,454	10,967	1,430	7,598	(10,000)	168,253
1873	Municipal services facility	540,132	206,322	5,538	-	(751,992)	-
	Subtotal City committed reserves	4,482,037	455,374	35,488	477,698	(1,036,491)	3,458,710
<u>City assigned reserves:</u>							
1828	Vehicle replacement - police	47,837	27,250	-	117,322	(15,000)	(57,235)
1867	Phone system	131,581	-	-	4,716	(28,536)	98,329
1868	Compensated absences	2,529,819	-	-	-	149,500	2,679,319
2172	Outside OT - Police	1,691	130,173	-	131,850	-	14
2173	Outside OT - Fire	981	3,961	-	37	-	4,905
2176	Fuel distribution	81,724	16,833	-	-	-	98,557
	Subtotal City assigned reserves	2,793,633	178,217	-	253,925	105,964	2,823,889
	<b>Total City reserves</b>	<b>7,275,670</b>	<b>633,591</b>	<b>35,488</b>	<b>731,623</b>	<b>(930,527)</b>	<b>6,282,599</b>
<u>School reserves:</u>							
0202	Restricted school reserve funds:						
	School consolidation	323,618	-	-	-	-	323,618
	School tech upgrade	600,849	2,320	-	198,967	-	404,202
	Unemployment - School	60,514	-	-	10,796	20,000	69,718
	School bus	294,923	-	-	-	(87,113)	207,810
	School resource officer	31,002	-	-	-	(8,750)	22,252
	School elementary	19,511	-	-	-	-	19,511
	Self-insurance - School	10,008	-	-	-	-	10,008
	Musical program	139,128	-	-	-	-	139,128
	Maintenance	482,497	-	-	113,182	-	369,315
	Adult education	20,000	-	-	3,007	-	16,993
	Student educational support	186	14,417	-	23,136	-	(8,533)
	Laptop repair	80,985	31,454	-	26,225	-	86,214
	Special Education	200,000	-	-	-	-	200,000
0456	School facility	84,760	-	672	-	-	85,432
	<b>Total School reserves</b>	<b>2,347,981</b>	<b>48,191</b>	<b>672</b>	<b>375,313</b>	<b>(75,863)</b>	<b>1,945,668</b>
	<b>Total reserves</b>	<b>\$ 9,623,651</b>	<b>681,782</b>	<b>36,160</b>	<b>1,106,936</b>	<b>(1,006,390)</b>	<b>8,228,267</b>

## **TIF FUNDS**



**CITY OF SOUTH PORTLAND, MAINE**  
**TIF Funds**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2015**

	2501	2502	2503	2504	2505	2507	2508	2509	2510	2511	Total
	Fairchild	Texas	One Wallace	Cummings	Long Creek	Brick Hill	Jared	Hannaford	Downtown	Transit	
	Semiconductor	Instruments	Avenue	Road	Long Creek	Brick Hill	Jared	Hannaford	Downtown	Transit	
<b>Revenues:</b>											
Taxes	\$ 161,805	1,321,805	63,462	-	201,481	410,465	19,573	150,485	103,332	20,554	2,452,962
State BETE revenue	1,219,307	-	-	-	-	-	-	-	-	-	1,219,307
Investment earnings	31,373	2,810	4,205	5,570	3,241	1,358	332	2,527	1,206	-	52,622
<b>Total revenues</b>	<b>1,412,485</b>	<b>1,324,615</b>	<b>67,667</b>	<b>5,570</b>	<b>204,722</b>	<b>411,823</b>	<b>19,905</b>	<b>153,012</b>	<b>104,538</b>	<b>20,554</b>	<b>3,724,891</b>
<b>Expenditures:</b>											
<b>Current:</b>											
General government	56,068	6,457	-	48,527	5,547	-	-	-	-	-	116,599
Public works	56,103	56,103	-	27,470	16,433	-	6,749	-	-	-	162,858
Other	80,903	793,083	6,444	-	108,143	213,080	-	-	-	-	1,201,653
<b>Total expenditures</b>	<b>193,074</b>	<b>855,643</b>	<b>6,444</b>	<b>75,997</b>	<b>130,123</b>	<b>213,080</b>	<b>6,749</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,481,110</b>
Excess (deficiency) of revenues over (under) expenditures	1,219,411	468,972	61,223	(70,427)	74,599	198,743	13,156	153,012	104,538	20,554	2,243,781
<b>Other financing uses:</b>											
Transfers out	(1,551,845)	(500,000)	-	-	-	(162,748)	-	-	(12,000)	-	(2,226,593)
<b>Total other financing uses</b>	<b>(1,551,845)</b>	<b>(500,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(162,748)</b>	<b>-</b>	<b>-</b>	<b>(12,000)</b>	<b>-</b>	<b>(2,226,593)</b>
<b>Net change in fund balances</b>	<b>(332,434)</b>	<b>(31,028)</b>	<b>61,223</b>	<b>(70,427)</b>	<b>74,599</b>	<b>35,995</b>	<b>13,156</b>	<b>153,012</b>	<b>92,538</b>	<b>20,554</b>	<b>17,188</b>
Fund balances, beginning 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
<b>Fund balances, end of year</b>	<b>\$ 3,031,190</b>	<b>620,621</b>	<b>589,957</b>	<b>665,879</b>	<b>511,201</b>	<b>289,854</b>	<b>57,329</b>	<b>465,557</b>	<b>242,913</b>	<b>42,251</b>	<b>6,516,752</b>

## **CAPITAL PROJECTS FUND**

**CITY OF SOUTH PORTLAND, MAINE**  
**Capital Projects**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2015**

	Fund balance beginning of year	Revenues			Expenditures	Other financing sources (uses) Transfers	Fund balance end of year
		Other	Intergov- ernmental	Investment earnings			
City capital projects:							
4009 Transfer facility	\$ 114,431	-	-	907	-	-	115,338
4011 Paving	1,278,512	-	-	8,969	414,704	145,000	1,017,777
4012 Bug Light Park	1,734	7,497	-	-	603	-	8,628
4018 Chlorination/Dechlorinate	17,227	-	-	-	-	-	17,227
4038 City FY 01 projects	18,501	-	-	-	-	-	18,501
4040 East Broadway improvement	74	-	-	-	-	-	74
4045 City FY 03 projects	1,859	-	-	-	-	-	1,859
4051 City FY 06 projects	28,492	-	55,902	-	69,882	-	14,512
4055 City FY 08 projects	38,261	-	-	-	4,869	-	33,392
4061 Library CIP	60,305	-	-	-	29,995	35,000	65,310
4063 Police CIP	39,267	-	-	-	13,954	61,500	86,813
4064 Fire CIP	135,000	-	-	-	112,343	215,000	237,657
4072 Public works CIP	807,831	-	45,000	-	1,479,579	2,440,132	1,813,384
4077 Parks and recreation CIP	311,962	-	-	-	163,333	212,500	361,129
4079 Municipal services facility	-	-	-	-	347,609	801,992	454,383
4080 Bus CIP	201,268	-	-	-	1,731	46,600	246,137
4081 Waterfront CIP	15,240	-	-	-	-	-	15,240
4151 Municipal buildings CIP	88,075	-	-	-	31,003	-	57,072
4155 Information technology CIP	235,078	-	-	-	184,608	83,881	134,351
4156 Planning CIP	36,158	-	-	-	27,408	52,000	60,750
<b>Total City capital projects</b>	<b>3,429,275</b>	<b>7,497</b>	<b>100,902</b>	<b>9,876</b>	<b>2,881,621</b>	<b>4,093,605</b>	<b>4,759,534</b>
School capital projects:							
0301 Major capital projects:							
ADA Buildings - School	31,468	-	-	-	-	-	31,468
High School Auditorium/Cafeteria	11,927	-	-	-	1,350	-	10,577
School FY 02 projects	299,737	-	-	1,938	32,452	-	269,223
0303 SPSHS construction/renovation	7,035,075	135,084	-	5,688	6,749,208	-	426,639
0400 School FY 03 projects	194,801	-	-	1,545	-	-	196,346
0401 School FY 04 projects	202,630	-	-	1,607	-	-	204,237
0402 School FY 01 projects	178,163	-	-	1,299	49,162	-	130,300
0403 School FY 05 projects	61,816	-	-	490	-	-	62,306
0404 School FY 07 projects	2,334	-	-	-	-	-	2,334
0455 School FY 08 projects	26,409	-	-	-	-	-	26,409
0405 School FY 10 projects	737,819	-	-	1,107	124,866	-	614,060
0406 Energy savings projects	28,615	-	-	15	28,630	-	-
<b>Total School capital projects</b>	<b>8,810,794</b>	<b>135,084</b>	<b>-</b>	<b>13,689</b>	<b>6,985,668</b>	<b>-</b>	<b>1,973,899</b>
<b>Total capital projects</b>	<b>\$ 12,240,069</b>	<b>142,581</b>	<b>100,902</b>	<b>23,565</b>	<b>9,867,289</b>	<b>4,093,605</b>	<b>6,733,433</b>

**ALL OTHER GOVERNMENTAL FUNDS**

**CITY OF SOUTH PORTLAND, MAINE**  
**All Other Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2015**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
<b>ASSETS</b>			
Investments	\$ 645,154	331,108	976,262
Due from other governments	2,244,009	-	2,244,009
Accounts receivable, net of allowance of \$3,445	72,957	-	72,957
Interfund loans receivable	2,971,039	-	2,971,039
Inventory	29,610	-	29,610
<b>Total assets</b>	<b>\$ 5,962,769</b>	<b>331,108</b>	<b>6,293,877</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	165,695	-	165,695
Accrued liabilities	49,385	-	49,385
Interfund loans payable	1,112,090	-	1,112,090
Accrued teachers' summer salaries	257,764	-	257,764
<b>Total liabilities</b>	<b>1,584,934</b>	<b>-</b>	<b>1,584,934</b>
Fund balances:			
Nonspendable	29,610	198,949	228,559
Restricted	1,888,434	132,159	2,020,593
Committed	2,468,054	-	2,468,054
Unassigned	(8,263)	-	(8,263)
<b>Total fund balances</b>	<b>4,377,835</b>	<b>331,108</b>	<b>4,708,943</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,962,769</b>	<b>331,108</b>	<b>6,293,877</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**All Other Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2015**

	Nonmajor Special Revenue Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
Revenues:			
Taxes	\$ 20,000	-	20,000
Intergovernmental	4,339,659	-	4,339,659
Charges for services	1,708,488	-	1,708,488
Investment income	28,607	5,712	34,319
Other	354,532	-	354,532
Total revenues	6,451,286	5,712	6,456,998
Expenditures:			
General government	921,896	-	921,896
Public safety	350,517	-	350,517
Public works	185,399	-	185,399
Culture and recreation	821,626	-	821,626
Transportation and waterfront	62,925	-	62,925
Education	2,384,648	-	2,384,648
School lunch program	1,693,739	-	1,693,739
Other	-	1,699	1,699
Total expenditures	6,420,750	1,699	6,422,449
Excess of revenues over expenditures	30,536	4,013	34,549
Other financing uses:			
Transfers out	(11,864)	-	(11,864)
Total other financing uses	(11,864)	-	(11,864)
Net change in fund balances	18,672	4,013	22,685
Fund balances, beginning of year	4,359,163	327,095	4,686,258
<b>Fund balances, end of year</b>	<b>\$ 4,377,835</b>	<b>331,108</b>	<b>4,708,943</b>

## **NONMAJOR SPECIAL REVENUE FUNDS**

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

**CITY OF SOUTH PORTLAND, MAINE**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2015**

	City Special Revenues Fund	School Grant Funds	School Adult Education	School Lunch Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>					
Investments	\$ 645,154	-	-	-	645,154
Due from other governments	273,007	1,918,295	-	52,707	2,244,009
Accounts receivable, net of allowance of \$3,445	72,957	-	-	-	72,957
Interfund loans receivable	2,957,734	-	9,592	3,713	2,971,039
Inventory	-	-	-	29,610	29,610
<b>Total assets</b>	<b>\$ 3,948,852</b>	<b>1,918,295</b>	<b>9,592</b>	<b>86,030</b>	<b>5,962,769</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	104,749	34,012	153	26,781	165,695
Accrued liabilities	45,470	-	-	3,915	49,385
Accrued teachers' summer salaries	-	253,949	3,815	-	257,764
Interfund loans payable	-	1,112,090	-	-	1,112,090
<b>Total liabilities</b>	<b>150,219</b>	<b>1,400,051</b>	<b>3,968</b>	<b>30,696</b>	<b>1,584,934</b>
Fund balances:					
Nonspendable	-	-	-	29,610	29,610
Restricted	1,331,520	525,566	5,624	25,724	1,888,434
Committed	2,468,054	-	-	-	2,468,054
Unassigned	(941)	(7,322)	-	-	(8,263)
<b>Total fund balances</b>	<b>3,798,633</b>	<b>518,244</b>	<b>5,624</b>	<b>55,334</b>	<b>4,377,835</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,948,852</b>	<b>1,918,295</b>	<b>9,592</b>	<b>86,030</b>	<b>5,962,769</b>



**CITY OF SOUTH PORTLAND, MAINE**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2015**

	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	1,377,722	2,200,942	9,840	751,155	4,339,659
Charges for services	1,171,923	-	-	536,565	1,708,488
Investment income	28,607	-	-	-	28,607
Other	223,789	130,743	-	-	354,532
Total revenues	2,802,041	2,331,685	29,840	1,287,720	6,451,286
Expenditures:					
Current:					
General government	921,896	-	-	-	921,896
Public safety	350,517	-	-	-	350,517
Public works	185,399	-	-	-	185,399
Culture and recreation	821,626	-	-	-	821,626
Transportation and waterfront	62,925	-	-	-	62,925
Education	-	2,354,808	29,840	-	2,384,648
School lunch program	-	-	-	1,693,739	1,693,739
Total expenditures	2,342,363	2,354,808	29,840	1,693,739	6,420,750
Excess (deficiency) of revenues over (under) expenditures	459,678	(23,123)	-	(406,019)	30,536
Other financing sources (uses):					
Transfers in (out)	(418,664)	6,800	-	400,000	(11,864)
Total other financing sources and (uses)	(418,664)	6,800	-	400,000	(11,864)
Net change in fund balances	41,014	(16,323)	-	(6,019)	18,672
Fund balances, beginning of year	3,757,619	534,567	5,624	61,353	4,359,163
<b>Fund balances, end of year</b>	<b>\$ 3,798,633</b>	<b>518,244</b>	<b>5,624</b>	<b>55,334</b>	<b>4,377,835</b>

## **NONMAJOR PERMANENT FUNDS**

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

**CITY OF SOUTH PORTLAND, MAINE**  
**Nonmajor Permanent Funds**  
**Combining Balance Sheet**  
**June 30, 2015**

	7001	7002	7003	7004	7006	7007	7008	7009	
	Lillian Anderson Bequest	Lois V. Whitten Bequest	Reta Nappi Bequest	Virginia Boyd Bequest	Sandra Coolbroth Trust	Callahan Trust	Virginia Lewis Bequest	W.P. Adams Maintenance Liberty Ship Memorial	Total
<b>ASSETS</b>									
Investments	\$ 27,105	9,536	2,717	3,699	91,807	123,905	43,335	29,004	331,108
<b>Total assets</b>	<b>\$ 27,105</b>	<b>9,536</b>	<b>2,717</b>	<b>3,699</b>	<b>91,807</b>	<b>123,905</b>	<b>43,335</b>	<b>29,004</b>	<b>331,108</b>
<b>FUND BALANCES</b>									
Fund balances:									
Nonspendable principal	16,406	5,430	1,566	3,150	52,238	70,502	24,657	25,000	198,949
Restricted	10,699	4,106	1,151	549	39,569	53,403	18,678	4,004	132,159
Total fund balances	27,105	9,536	2,717	3,699	91,807	123,905	43,335	29,004	331,108
<b>Total liabilities and fund balances</b>	<b>\$ 27,105</b>	<b>9,536</b>	<b>2,717</b>	<b>3,699</b>	<b>91,807</b>	<b>123,905</b>	<b>43,335</b>	<b>29,004</b>	<b>331,108</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**Nonmajor Permanent Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2015**

	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	\$ 829	292	83	113	2,809	3,792	1,326	890	10,134
Unrealized gain/(loss)	(351)	(125)	(36)	(51)	(1,204)	(1,625)	(569)	(461)	(4,422)
<b>Total revenues</b>	<b>478</b>	<b>167</b>	<b>47</b>	<b>62</b>	<b>1,605</b>	<b>2,167</b>	<b>757</b>	<b>429</b>	<b>5,712</b>
Expenditures:									
Other	138	49	14	19	468	631	221	159	1,699
<b>Total expenditures</b>	<b>138</b>	<b>49</b>	<b>14</b>	<b>19</b>	<b>468</b>	<b>631</b>	<b>221</b>	<b>159</b>	<b>1,699</b>
<b>Net change in fund balances</b>	<b>340</b>	<b>118</b>	<b>33</b>	<b>43</b>	<b>1,137</b>	<b>1,536</b>	<b>536</b>	<b>270</b>	<b>4,013</b>
Fund balances, beginning of year	26,765	9,418	2,684	3,656	90,670	122,369	42,799	28,734	327,095
<b>Fund balances, end of year</b>	<b>\$ 27,105</b>	<b>9,536</b>	<b>2,717</b>	<b>3,699</b>	<b>91,807</b>	<b>123,905</b>	<b>43,335</b>	<b>29,004</b>	<b>331,108</b>

**PROPRIETARY FUND**

**CITY OF SOUTH PORTLAND, MAINE**  
**Proprietary Fund**  
**Schedule of Revenues, Expenses, and Changes in Net Position -**  
**Budget and Actual**  
**For the year ended June 30, 2015**

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services	\$ 5,450,464	5,450,464	5,758,245	307,781
Interest and penalties	1,000	1,000	995	(5)
Licenses	61,089	61,089	61,089	-
Total operating revenues	5,512,553	5,512,553	5,820,329	307,776
<b>Operating expenses:</b>				
Administration	157,688	157,688	157,461	227
Treatment plant	909,605	909,605	903,251	6,354
Pump stations	529,819	529,819	516,080	13,739
Billing	194,885	194,885	186,531	8,354
Sewer maintenance	753,655	753,655	766,557	(12,902)
Engineering	205,694	205,694	173,013	32,681
Debt service	28,458	28,458	28,457	1
Compliance	95,724	95,724	86,445	9,279
Sludge disposal	366,775	366,775	294,205	72,570
Insurance	757,110	757,110	706,720	50,390
Total operating expenses	3,999,413	3,999,413	3,818,720	180,693
Operating income	1,513,140	1,513,140	2,001,609	488,469
<b>Nonoperating expenses:</b>				
Equipment reserve	(1,512,352)	(1,512,352)	(1,512,352)	-
Total nonoperating expenses	(1,512,352)	(1,512,352)	(1,512,352)	-
Income before transfers	788	788	489,257	488,469
Transfers out	(788)	(788)	(1,008)	(220)
Total transfers	(788)	(788)	(1,008)	(220)
Change in net position - budgetary basis	-	-	488,249	488,249
<b>Reconciliation to GAAP basis:</b>				
Revenues and expenditures in the reserve funds are included on the GAAP basis, but not the budgetary basis:				
Reserve revenues			48,777	
Reserve expenditures			(483,882)	
Transfers into reserves			1,512,352	
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			95,489	
Depreciation expense			(1,972,128)	
Transfers in from TIF Funds			201,076	
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			(82,965)	
Net position, beginning of year			61,287,065	
<b>Net position, end of year</b>			<b>\$ 61,204,100</b>	

## **AGENCY FUNDS**

CITY OF SOUTH PORTLAND, MAINE  
 Agency Funds  
 Statement of Changes in Assets and Liabilities  
 Fiduciary Funds  
 For the Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b>ASSETS</b>				
Cash and cash equivalents	\$ 110,078	209,403	182,330	137,151
<b>Total assets</b>	<b>110,078</b>	<b>209,403</b>	<b>182,330</b>	<b>137,151</b>
<b>LIABILITIES</b>				
Due to others	110,078	209,403	182,330	137,151
<b>Total liabilities</b>	<b>\$ 110,078</b>	<b>209,403</b>	<b>182,330</b>	<b>137,151</b>



## **SCHEDULES**

**CITY OF SOUTH PORTLAND, MAINE**  
**City Special Revenues**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2015**

		Fund balance beginning of year	Revenues		Expenditures	Transfers	Fund balance end of year
			Inter- governmental	Other			
General Government:							
Federal grants:							
2115	CDBG - Entitlement Community	\$ 21,233	447,750	18,753	473,190	-	14,546
2155	Housing Revolving Loan	64,412	-	40,564	-	-	104,976
State grants:							
2031	Watershed Plan	(2,608)	43,106	9	53,956	15,000	1,551
2138	Greater Portland Public Development	52,005	-	-	-	-	52,005
2154	Land Use Regulation Grant	233	-	-	-	-	233
Other:							
2008	Restoration of Records	1,254	-	-	-	-	1,254
2042	Business Development Revolving Loan	57,815	-	475	-	-	58,290
2044	City Hall Water & Soda	(309)	-	476	167	-	-
2053	Wallace Avenue Directional	2,184	-	17	-	-	2,201
2057	Downeast Energy Traffic Improvement	4,689	-	38	-	-	4,727
2058	NE Audio/Tweeter Sidewalks	9,951	-	79	-	-	10,030
2067	Toys "R" Us Sidewalks	10,413	-	82	-	-	10,495
2088	SPCTV	435,912	-	173,099	193,470	(6,968)	408,573
2094	Gannett Traffic Signal Escrow	25,609	-	203	-	-	25,812
2097	Wellness Committee	(80)	-	9,658	9,578	-	-
2108	Longhorn Steakhouse Escrow	18,472	-	147	-	-	18,619
2114	Sawyer/Broadway Intersection	5,640	-	45	-	-	5,685
2120	Evan/Highland Toddle Inn Escrow	22,622	-	180	-	-	22,802
2129	Westbrook/Western Escrow	13,885	-	110	-	-	13,995
2136	Knightville/Mill Creek Plan	7,981	-	-	-	-	7,981
2139	Brick Hill Traffic Escrow	1,181	-	10	-	-	1,191
2146	Heating Assistance	4,123	-	1,043	3,483	-	1,683
2149	Westbrook/South Portland Assessing	2,213	185,591	-	185,130	(168)	2,506
2161	War Memorial	1,966	-	100	65	-	2,001
2165	Freshwater Wetland Fund	185,674	-	1,839	-	(15,000)	172,513
2169	John Roberts Road Escrow	2,100	-	-	-	-	2,100
2179	Land Bank Trust	552,735	-	98,321	2,857	35,000	683,199
2188	Long Creek Tragedy Memorial	237	-	-	-	-	237
2190	LID Manual	(4,826)	-	-	-	4,826	-
<b>Total General Government</b>		<b>1,496,716</b>	<b>676,447</b>	<b>345,248</b>	<b>921,896</b>	<b>32,690</b>	<b>1,629,205</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**City Special Revenues**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2015**

		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	24,328	9,280	123	21,325	-	12,406
2064	Seat Belt Enforcement Grant	2,228	1,980	-	1,980	-	2,228
2089	Cops Hiring	474	13,663	-	14,137	-	-
2102	Body Armor	1,179	1,965	-	3,144	-	-
2121	Supplemental Homeland Security	(11,580)	217,156	-	216,458	10,882	-
2125	County Hazmat Grant	13,104	8,750	-	4,488	-	17,366
2126	State Hazmat Grant	3,172	-	-	-	-	3,172
2151	Justice Assistance Grant	7,398	20,106	-	20,106	-	7,398
2160	Speed Enforcement	2,165	18,456	-	18,456	-	2,165
2167	Underage Drinking Enforcement	1,190	-	-	622	-	568
2181	Language Access New America	1,711	-	-	-	-	1,711
State grants:							
2049	Asset Forfeiture - State	4,823	1,060	19	3,500	-	2,402
2192	Maine Investigative Agent	(4,518)	-	-	(4,518)	-	-
Other:							
2009	Officer Friendly	(39)	-	-	(39)	-	-
2018	Hazardous Materials	80,123	-	6,019	4,976	-	81,166
2086	Police Donations	9,431	-	3,946	2,516	-	10,861
2107	Tobacco Cessation	9,974	-	395	777	-	9,592
2142	SP Police Youth Program	10,053	-	400	2,769	-	7,684
2174	Fire Donation	9,061	-	1,860	-	-	10,921
2178	Outside OT - Code Enforcement	5,041	-	-	-	-	5,041
2182	Compliance Check	970	-	-	-	-	970
2186	County Underage Drinking Enforcement	5,943	6,521	-	6,945	-	5,519
2194	Fire Training	8,941	38,717	-	32,875	-	14,783
Total Public Safety		186,090	337,654	12,762	350,517	10,882	196,871

**CITY OF SOUTH PORTLAND, MAINE**  
**City Special Revenues**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2015**

		Fund balance beginning of year	Revenues		Expenditures	Transfers	Fund balance end of year
			Inter- governmental	Other			
Public Works:							
Federal grants:							
2096	FEMA Disaster Relief	\$ 218,326	81,768	-	51,127	(50,000)	198,967
2191	Safer Routes to Schools	4,018	-	-	-	-	4,018
State grants:							
2046	State Aid Highway Block Grant	684,010	255,760	6,490	-	(477,468)	468,792
Other:							
2024	Recycling	4,106	-	334	-	-	4,440
2082	Street Openings	308,496	-	108,203	78,233	(84)	338,382
2084	Sewer Impact	408,282	-	95,301	56,039	-	447,544
Total Public Works		1,627,238	337,528	210,328	185,399	(527,552)	1,462,143
Culture and Recreation:							
Other:							
2035	Tree Fund	300	-	-	-	-	300
2037	Debevoise Tennis Court	2,127	-	-	-	-	2,127
2056	Library Donations	52,104	-	1,616	-	(10,000)	43,720
2071	Golf Course	99,995	-	164,037	150,156	(84)	113,792
2072	Recreation	(37,896)	-	599,635	629,215	68,875	1,399
2073	Donations to Parks and Recreation	98,300	-	16,481	8,535	-	106,246
2076	Art in the Park	26,447	-	23,958	24,287	-	26,118
2109	Bug Light Beautification	(941)	-	-	-	-	(941)
2116	Ge Erskine Park	1,987	-	-	-	-	1,987
2152	Friends of South Portland Libraries	744	-	9,433	9,433	-	744
2189	Communities Promoting Health	575	-	-	-	-	575
Total Culture and Recreation		243,742	-	815,160	821,626	58,791	296,067
Transportation and Waterfront:							
Federal grants:							
2041	Planning/Capital Grants	21,436	26,093	-	32,618	6,525	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	-	-	16,385	16,863	478	-
2075	Portland Street Pier	175,220	-	24,180	8,023	(749)	190,628
2117	Thomas Knight Boat Landing	-	-	256	527	271	-
Total Transportation and Waterfront		203,833	26,093	40,821	62,925	6,525	214,347
<b>Total</b>		<b>\$ 3,757,619</b>	<b>1,377,722</b>	<b>1,424,319</b>	<b>2,342,363</b>	<b>(418,664)</b>	<b>3,798,633</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**School Grant Funds**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2015**

		Fund balance beginning of year	Revenues	Expenditures	Transfers	Fund balance end of year
Federal Grants:						
0230	Title IA - Disadvantaged	\$ -	619,801	619,801	-	-
0242	Smaller Learning Community	-	503,328	503,328	-	-
0247	Local Entitlement	-	821,872	821,872	-	-
0251	Preschool Grant	-	5,399	5,399	-	-
0264	Title V	(2)	-	-	-	(2)
0268	Title III - Language Acquisition	-	23,558	23,558	-	-
0270	Title II A - Improving Teacher Quality	14,087	165,820	165,820	-	14,087
0275	Elementary School Program	500	-	-	-	500
0295	Adult Basic Education	-	22,878	22,878	-	-
Total federal grants		14,585	2,162,656	2,162,656	-	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	23,957	33,920	22,296	-	35,581
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	55,499	4,366	18,141	-	41,724
Total state grants		174,978	38,286	40,437	-	172,827
Local Grants and Other Special Funds:						
0200	SPHS Auditorium:					
	SPHS Auditorium	6,296	9,450	3,507	-	12,239
	Elaine Wolfson Memorial	1,158	-	-	-	1,158
0201	Local SPHS:					
	High School Musical	22,994	39,124	47,085	-	15,033
	High School Aspirations	21,272	16,500	13,859	-	23,913
	SPHS Friends	6,796	-	-	-	6,796
	SPHS Class of 1940	100	-	-	-	100
	Readiness Partnership	178	-	-	-	178
	Sustainability Committee	-	1,225	-	-	1,225
	Vicious Cycle	-	3,000	-	-	3,000
	Substance Abuse Prevention	-	2,670	1,435	-	1,235
0203	Primary Books	4,810	-	-	-	4,810

**CITY OF SOUTH PORTLAND, MAINE**  
**School Grant Funds**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended June 30, 2015**

	Fund balance beginning of year	Revenues	Expenditures	Transfers	Fund balance end of year
Local Grants and Other Special Funds, Continued:					
0204	Local Grants:				
	\$ (1,237)	-	-	-	(1,237)
	174	-	-	-	174
	(3,683)	-	-	-	(3,683)
	34,754	-	1,963	-	32,791
	1,558	-	-	-	1,558
	2,352	1,300	904	-	2,748
	477	-	-	-	477
	4,552	2,300	3,215	-	3,637
	1,231	-	-	-	1,231
	4,000	-	-	-	4,000
	31	-	-	-	31
	5,213	-	-	-	5,213
	1,414	-	-	-	1,414
	10,000	-	-	-	10,000
	-	550	326	-	224
	-	900	-	-	900
	-	2,416	2,147	-	269
0205	Local Boosters:				
	500	-	-	-	500
	1,891	-	-	-	1,891
	1,886	-	-	-	1,886
	5,231	50	2,730	-	2,551
	13,764	2,921	-	-	16,685
0206	137	-	-	-	137
0207	(894)	-	-	-	(894)
0208	(476)	-	-	-	(476)
0209	24,288	13,045	19,223	-	18,110
0211	-	16,385	12,833	-	3,552
0212	141,477	-	22,742	-	118,735
0213	7,551	-	-	-	7,551
0214	Skillin Local:				
	655	-	-	-	655
	1,508	1,650	2,199	-	959
	678	-	-	-	678
	228	-	-	-	228
0215	1,500	-	-	-	1,500
0217	857	-	-	-	857
0218	(50)	400	975	-	(625)
0219	Local Friends Grants:				
	1,870	3,166	1,485	-	3,551
	5,651	-	-	-	5,651
	276	1,500	-	-	1,776
	1,190	250	-	-	1,440
0222	8,402	-	3,897	6,800	11,305
0227	1,000	-	-	-	1,000
0615	1,444	11,941	11,190	-	2,195
	345,004	130,743	151,715	6,800	330,832
	<b>\$ 534,567</b>	<b>2,331,685</b>	<b>2,354,808</b>	<b>6,800</b>	<b>518,244</b>

**CITY OF SOUTH PORTLAND, MAINE**  
**Private-purpose Trust Funds**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**For the year ended June 30, 2015**

	Net position beginning of year	Additions			Deductions	Net position end of year
		Donations/ other	Interest income	Realized and Unrealized gain (loss)		
Private-purpose trusts:						
0801 Dora Small Trust	\$ 9,296	-	288	(124)	48	9,412
0803 Lewis Trust (School)	1,455,414	-	45,274	(22,546)	25,964	1,452,178
0804 Alley Scholarship	10,900	-	352	(168)	561	10,523
0805 Davidson Scholarship	4,754	-	153	(75)	227	4,605
0806 Elliot Scholarship	7,158	-	227	(112)	340	6,933
0807 Friese Scholarship	5,894	-	196	(88)	384	5,618
0808 Harvie Scholarship	4,792	-	100	(75)	219	4,598
0809 Naylor Scholarship	5	-	-	-	-	5
0810 Norwood Scholarship	58,256	-	5,655	(3,162)	1,500	59,249
0811 Reynolds Scholarship	76	-	1	(1)	-	76
0812 Robinson Scholarship	31	-	-	-	-	31
0813 Schwartz Scholarship	824	-	26	(13)	5	832
0814 Smart Scholarship	16,820	-	515	(206)	3,086	14,043
0815 Super Runion Scholarship	7,755	-	245	(123)	244	7,633
0816 Wiggin Scholarship	8,470	-	268	(133)	347	8,258
0817 Paul Fiore Scholarship	6,316	-	196	(92)	33	6,387
0818 John Millington Scholarship	12,938	1,525	417	(225)	573	14,082
0819 Stu Brown Scholarship	78	-	-	-	-	78
0820 William Linskey Memorial	10,049	-	325	(162)	557	9,655
0821 SPSHS Recycle Club Scholarship	1	-	-	-	-	1
0822 Governor's Restaurant Scholarship	3	-	-	-	-	3
0823 Book Trust	2,156	-	72	(33)	112	2,083
0824 Eagles Association Scholarship	1	-	-	-	-	1
0825 Sherrie Libby Scholarship	9,578	500	294	(150)	452	9,770
0826 Gustaf W Johnson Scholarship	585,450	-	18,170	(9,176)	18,714	575,730
0827 A Varanelli Scholarship	(55)	-	1	(29)	4	(87)
0828 Downing Trust	-	-	121	98	21	198
0829 Robert Graff Scholarship	3,880	100	121	(14)	515	3,572
0830 Rosella Loveitt Trust	2,077	-	70	(5)	209	1,933
0831 Deveboise Scholarship	18,538	450	218	-	392	18,814
0832 TJ Michaud	323	-	3	-	-	326
0833 Walker Scholarship	2,454	1,025	21	-	1,000	2,500
0835 Ralph Baxter Scholarship	-	1,695	-	-	-	1,695
7506 Eleanor Hatch Trust	14,903	-	462	(198)	76	15,091
<b>Total private-purpose trusts</b>	<b>\$ 2,259,135</b>	<b>5,295</b>	<b>73,791</b>	<b>(36,812)</b>	<b>55,583</b>	<b>2,245,826</b>

# 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.

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

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 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	\$ 75,413,372
Restricted	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	11,581,748
Unrestricted	<u>28,131,091</u>	<u>21,778,559</u>	<u>27,506,644</u>	<u>28,222,514</u>	<u>14,161,211</u>	<u>14,713,818</u>	<u>17,843,882</u>	<u>18,392,216</u>	<u>11,423,557</u> (a)	<u>15,159,920</u>
Total governmental activities net position	<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>\$ 97,666,641</u>	<u>\$ 102,155,040</u>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 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	\$ 50,967,438
Restricted	-	16,387	59,260	3,695,284	9,527,765	6,884,009	5,877,132	4,543,966	4,060,384	2,152,583
Unrestricted	<u>7,443,111</u>	<u>7,459,989</u>	<u>7,982,872</u>	<u>5,484,960</u>	<u>4,297,811</u>	<u>4,452,700</u>	<u>5,562,693</u>	<u>6,922,600</u>	<u>7,328,083</u>	<u>8,084,079</u>
Total business-type activities net position	<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>	<u>\$ 61,204,100</u>
<b>Primary government:</b>										
Net investment in capital assets	\$ 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	\$ 126,380,810
Restricted	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	13,734,331
Unrestricted	<u>35,574,202</u>	<u>29,238,548</u>	<u>35,489,516</u>	<u>33,707,474</u>	<u>18,459,022</u>	<u>19,166,518</u>	<u>23,406,575</u>	<u>25,314,816</u>	<u>18,751,640</u> (a)	<u>23,243,999</u>
Total primary government net position	<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>\$ 158,953,706</u>	<u>\$ 163,359,140</u>

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

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

Expenses	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities:</b>										
General government	\$ 8,131,168	\$ 7,858,530	\$ 8,751,896 (a)	\$ 9,495,321 (e)	\$ 9,688,052	\$ 9,760,459 (f)	\$ 10,384,706 (f)	\$ 10,512,718	\$ 11,234,446	\$ 10,584,081
Public safety	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	12,766,963
Public works	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	7,510,853
Culture and recreation	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	4,440,715
Transportation and waterfront	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	1,519,381
Health, welfare and social services	304,135	364,539	365,874	411,092	422,295	346,737	321,795	329,143	335,866	369,616
Education	38,594,853	39,942,483	40,304,149	42,048,840	43,115,348	43,299,040	43,451,415	42,854,439	45,825,021	47,485,069
School lunch	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	1,693,739
Intergovernmental	1,916,839	1,916,991	- (a)	-	-	-	-	-	-	-
Other	38,262	45,863	95,030	-	-	-	-	-	-	-
Interest on debt service	1,454,382	1,362,500	1,299,549	1,131,499	1,018,182	1,020,873	853,840	1,761,281	1,464,950	1,436,958
Capital maintenance expenses	1,397,328	895,800	-	-	-	-	-	-	-	-
<b>Total governmental activities expenses</b>	<b>76,035,039</b>	<b>76,623,887</b>	<b>77,320,313</b>	<b>81,919,336</b>	<b>81,005,873</b>	<b>80,664,478</b>	<b>81,390,547</b>	<b>81,869,922</b>	<b>86,428,127</b>	<b>87,807,375</b>
<b>Business-type activities:</b>										
Sewer	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	6,147,313
<b>Total business-type activities expenses</b>	<b>5,195,059</b>	<b>5,039,723</b>	<b>5,269,243</b>	<b>5,385,925</b>	<b>5,588,572</b>	<b>5,721,362</b>	<b>5,632,254</b>	<b>5,885,557</b>	<b>6,133,807</b>	<b>6,147,313</b>
<b>Total primary government expenses</b>	<b>\$ 81,230,098</b>	<b>\$ 81,663,610</b>	<b>\$ 82,589,556</b>	<b>\$ 87,305,261</b>	<b>\$ 86,594,445</b>	<b>\$ 86,385,840</b>	<b>\$ 87,022,801</b>	<b>\$ 87,755,479</b>	<b>\$ 92,561,934</b>	<b>\$ 93,954,688</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	\$ 204,337	\$ 267,501	\$ 394,785	\$ 451,215	\$ 460,562	\$ 291,417	\$ 305,479	\$ 514,857	\$ 417,451	\$ 510,092
Public safety	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	1,358,246
Public works	120,624	124,318	288,339	251,918	227,948	76,690	200,634	331,600	283,953	300,711
Culture and recreation	876,989	888,205	967,556	961,885	1,026,341	945,933	923,531	922,237	922,321	974,204
Transportation and waterfront	168,988	182,179	239,178	254,240	249,769	285,060	393,663	418,198	439,386	417,158
Education	-	-	-	104,088	94,400	114,136	119,035	57,030	37,159	55,695
School lunch program	642,172	618,742	677,501	666,218	617,646	559,536	559,536	559,536	559,536	559,536
Operating grants and contributions	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	13,459,862
Capital grants and contributions	527,922	524,503	427,728	666,143	438,734	1,888,618	479,280	518,319	1,574,695	382,528
<b>Total governmental activities program revenues</b>	<b>16,209,371</b>	<b>17,076,639</b>	<b>17,192,436</b>	<b>17,781,854</b>	<b>17,892,988</b>	<b>16,680,232</b>	<b>16,424,052</b>	<b>15,210,992</b>	<b>18,678,037</b>	<b>18,018,032</b>
<b>Business-type activities:</b>										
Charges for services:										
Sewer	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	5,820,329
Capital grants and contributions	-	-	175,000	-	207,671	63,392	110,000	138,232	-	-
<b>Total business-type activities program revenues</b>	<b>4,702,081</b>	<b>4,712,656</b>	<b>5,005,444</b>	<b>4,828,439</b>	<b>5,142,280</b>	<b>5,461,330</b>	<b>5,546,377</b>	<b>5,775,425</b>	<b>5,927,684</b>	<b>5,820,329</b>
<b>Total primary government program revenues</b>	<b>\$ 20,911,452</b>	<b>\$ 21,789,295</b>	<b>\$ 22,197,880</b>	<b>\$ 22,610,293</b>	<b>\$ 23,035,268</b>	<b>\$ 22,141,562</b>	<b>\$ 21,970,429</b>	<b>\$ 20,986,417</b>	<b>\$ 24,605,721</b>	<b>\$ 23,838,361</b>

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (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)	\$ (69,789,343)
Business-type activities	(492,978)	(327,067)	(263,799)	(557,486)	(446,292)	(260,032)	(85,877)	(110,132)	(206,123)	(326,984)
<b>Total primary government net (expense)/revenue</b>	<u>\$ (60,318,646)</u>	<u>\$ (59,874,315)</u>	<u>\$ (60,391,676)</u>	<u>\$ (64,694,968)</u>	<u>\$ (63,559,177)</u>	<u>\$ (64,244,278)</u>	<u>\$ (65,052,372)</u>	<u>\$ (66,769,062)</u>	<u>\$ (67,956,213)</u>	<u>\$ (70,116,327)</u>
<b>General Revenues and other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 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	\$ 61,874,477
Motor vehicle excise tax	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	6,374,595
Cable television franchise	125,934	148,000	167,000	167,000	175,000	180,000	185,000	176,253	166,543	151,779
Unrestricted grants and contributions	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	4,321,318
Miscellaneous	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	1,169,599
Gain (Loss) on sale of assets/property	498,154	(97,456)	2,000	-	-	289,956	(121,631)	-	-	-
Interest and investment earnings	1,516,896	1,920,809	2,077,877	1,247,382	948,180	829,187	751,519	431,930	592,776	581,216
Transfers	(c) (1,101,418)	(440,027)	66,033	(1,657,028)	(4,726,293)	(210,802)	(1,816,658)	(298,992)	(306,075)	(195,242)
<b>Total governmental activities</b>	<u>\$ 62,156,260</u>	<u>\$ 62,137,281</u>	<u>\$ 65,655,192</u>	<u>\$ 65,335,126</u>	<u>\$ 60,506,050</u>	<u>\$ 67,078,553</u>	<u>\$ 66,856,938</u>	<u>\$ 70,317,935</u>	<u>\$ 71,409,403</u>	<u>\$ 74,277,742</u>
Business-type activities:										
Interest and investment earnings	99,484	149,093	110,957	46,113	43,666	30,537	30,143	27,079	30,101	48,777
Gain (Loss) on sale of assets/property	(5,598)	-	-	-	-	(621,367)	-	-	-	-
Transfers	(c) 1,101,418	440,027	(47,150)	1,657,028	4,726,293	210,802	1,816,658	298,992	306,075	195,242
<b>Total business-type activities</b>	<u>1,195,304</u>	<u>589,120</u>	<u>63,807</u>	<u>1,703,141</u>	<u>4,769,959</u>	<u>(380,028)</u>	<u>1,846,801</u>	<u>326,071</u>	<u>336,176</u>	<u>244,019</u>
<b>Total primary government</b>	<u>\$ 63,351,564</u>	<u>\$ 62,726,401</u>	<u>\$ 65,718,999</u>	<u>\$ 67,038,267</u>	<u>\$ 65,276,009</u>	<u>\$ 66,698,525</u>	<u>\$ 68,703,739</u>	<u>\$ 70,644,006</u>	<u>\$ 71,745,579</u>	<u>\$ 74,521,761</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 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	\$ 4,488,399
Business-type activities	702,326	262,053	(199,992)	1,145,655	4,323,667	(640,060)	1,760,924	215,939	130,053	(82,965)
<b>Total primary government</b>	<u>\$ 3,032,918</u>	<u>\$ 2,852,086</u>	<u>\$ 5,327,323</u>	<u>\$ 2,343,299</u>	<u>\$ 1,716,832</u>	<u>\$ 2,454,247</u>	<u>\$ 3,651,367</u>	<u>\$ 3,874,944</u>	<u>\$ 3,789,366</u>	<u>\$ 4,405,434</u>

(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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities:</b>										
General government	\$ 740,808	\$ 675,933	\$ 551,765	\$ 1,223,949	\$ 1,088,768	\$ 1,023,181	\$ 1,203,520	\$ 1,385,648	\$ 1,061,168	\$ 1,186,539
Public safety	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	1,765,083
Public works	986,921	1,071,128	737,532	928,021	676,642	420,743	551,896	828,918	887,641	683,239
Culture and recreation	165,888	107,035	166,204	984,385	1,026,341	947,023	923,531	922,237	922,321	974,204
Transportation and waterfront	597,081	400,075	492,824	452,590	438,416	1,581,186	690,767	677,047	1,560,803	883,678
Health, welfare and social services	74,090	100,824	114,320	138,875	169,058	131,513	99,697	113,648	125,937	124,747
Education	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	12,400,542
<b>Total governmental activities</b>	<b>15,473,935</b>	<b>16,295,469</b>	<b>15,866,202</b>	<b>17,781,854</b>	<b>17,892,988</b>	<b>16,680,232</b>	<b>16,424,052</b>	<b>15,210,992</b>	<b>18,678,037</b>	<b>18,018,032</b>
<b>Business-type activities:</b>										
Sewer	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	5,820,329
<b>Total business-type activities</b>	<b>4,702,081</b>	<b>4,712,656</b>	<b>5,005,444</b>	<b>4,828,439</b>	<b>5,142,280</b>	<b>5,461,330</b>	<b>5,546,377</b>	<b>5,775,425</b>	<b>5,927,684</b>	<b>5,820,329</b>
<b>Total primary government</b>	<b>\$ 20,176,016</b>	<b>\$ 21,008,125</b>	<b>\$ 20,871,646</b>	<b>\$ 22,610,293</b>	<b>\$ 23,035,268</b>	<b>\$ 22,141,562</b>	<b>\$ 21,970,429</b>	<b>\$ 20,986,417</b>	<b>\$ 24,605,721</b>	<b>\$ 23,838,361</b>

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ - (a)	\$ 28,138	\$ -	\$ -	\$ -	\$ 100,382
Restricted	-	-	-	-	6,759,738	5,918,192	5,284,024	4,072,226	3,693,988	2,715,462
Committed	-	-	-	-	3,469,215	3,679,767	3,340,240	4,419,099	4,482,037	3,458,710
Assigned	-	-	-	-	2,492,458	2,658,767	2,820,042	3,035,817	3,117,547	3,234,394
Unassigned	-	-	-	-	8,866,245	9,686,895	10,591,915	10,144,040	10,838,800	12,827,588
General fund:										
Reserved	63,007	47,904	75,761	86,254	-	-	-	-	-	-
Unreserved	16,258,795	16,668,116	20,933,104	22,182,284	-	-	-	-	-	-
<b>Total general fund</b>	<b>\$ 16,321,802</b>	<b>\$ 16,716,020</b>	<b>\$ 21,008,865</b>	<b>\$ 22,268,538</b>	<b>\$ 21,587,656</b>	<b>\$ 21,971,759</b>	<b>\$ 22,036,221</b>	<b>\$ 21,671,182</b>	<b>\$ 22,132,372</b>	<b>\$ 22,336,536</b>
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 198,949 (a)	\$ 218,310	\$ 218,310	\$ 218,310	\$ 228,559	\$ 228,559
Restricted	-	-	-	-	13,560,570	10,356,010	39,370,502	18,401,015	16,551,026	9,578,044
Committed	-	-	-	-	7,971,945	8,528,436	7,688,035	7,003,092	6,715,850	8,160,788
Unassigned	-	-	-	-	(147,328)	(137,479)	(263,166)	(116,930)	(69,544)	(8,263)
All other governmental funds:										
Reserved	1,981,536	1,349,394	1,682,034	511,768	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	8,514,482	8,897,621	7,578,863	9,707,555	-	-	-	-	-	-
Capital project funds	8,991,983	10,181,451	11,052,928	8,408,461	-	-	-	-	-	-
Permanent funds	50,112	61,070	80,652	96,812	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 19,538,113</b>	<b>\$ 20,489,536</b>	<b>\$ 20,394,477</b>	<b>\$ 18,724,596</b>	<b>\$ 21,584,136</b>	<b>\$ 18,965,277</b>	<b>\$ 47,013,681</b>	<b>\$ 25,505,487</b>	<b>\$ 23,425,891</b>	<b>\$ 17,959,128</b>

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

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes	\$ 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	\$ 68,968,072
Intergovernmental	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	18,163,708
Licenses and permits	679,389	1,200,997	1,034,769	753,670	768,097	843,138	785,020	1,025,315	966,203	893,186
Charges for services	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	3,434,235
Unclassified	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	1,377,045
Interest	1,516,896	1,920,809	2,077,877	1,247,382	948,180	829,187	751,519	431,930	592,776	581,216
<b>Total revenues</b>	<b>79,467,547</b>	<b>79,791,020</b>	<b>82,913,376</b>	<b>84,709,935</b>	<b>82,961,508</b>	<b>84,273,031</b>	<b>85,316,085</b>	<b>85,680,135</b>	<b>89,977,118</b>	<b>93,417,462</b>
<b>Expenditures</b>										
General government	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	10,446,432
Public safety	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	10,860,700
Public works	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	5,170,020
Culture and recreation	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	3,848,406
Transportation and waterfront	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	1,214,276
Health, welfare and social services	304,135	364,539	365,874	411,092	422,295	346,737	321,795	329,143	335,866	369,616
Education	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	50,451,150
School lunch program	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	1,693,739
County tax	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	2,327,942
Other	38,262	45,863	40,846	59,571	1,822,481	1,741,346	1,526,050	1,508,810	1,474,662	1,297,458
Capital projects	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	9,356,651
<b>Debt Service: (a)</b>										
Principal	1,617,843	1,403,765	1,308,765	1,148,765	898,765	898,765	925,161	850,644	853,204	855,849
Interest expense	508,648	447,893	412,661	370,714	314,348	251,204	216,082	198,205	450,926	592,580
<b>Total expenditures</b>	<b>82,153,688</b>	<b>80,048,155</b>	<b>79,158,706</b>	<b>84,836,744</b>	<b>82,433,054</b>	<b>87,254,785</b>	<b>87,496,335</b>	<b>109,007,126</b>	<b>101,120,250</b>	<b>98,484,819</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,686,141)</b>	<b>(257,135)</b>	<b>3,754,670</b>	<b>(126,809)</b>	<b>528,454</b>	<b>(2,981,754)</b>	<b>(2,180,250)</b>	<b>(23,326,991)</b>	<b>(11,143,132)</b>	<b>(5,067,357)</b>

(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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Other financing sources (uses)</b>										
Proceeds - Bonds	\$ -	\$ 500,000	\$ -	\$ 6,182,810	\$ 4,712,173	\$ -	\$ 32,642,580	\$ -	\$ 9,747,306	\$ -
Proceeds capital leases	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	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	5,002,623
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)	(5,197,865)
<b>Total other financing sources (uses)</b>	<u>625,201</u>	<u>1,602,776</u>	<u>443,116</u>	<u>5,899,411</u>	<u>1,650,204</u>	<u>746,998</u>	<u>30,893,116</u>	<u>853,758</u>	<u>9,524,726</u>	<u>(195,242)</u>
<b>Net change in fund balances</b>	<u><b>\$ (2,060,940)</b></u>	<u><b>\$ 1,345,641</b></u>	<u><b>\$ 4,197,786</b></u>	<u><b>\$ 5,772,602</b></u>	<u><b>\$ 2,178,658</b></u>	<u><b>\$ (2,234,756)</b></u>	<u><b>\$ 28,712,866</b></u>	<u><b>\$ (22,473,233)</b></u>	<u><b>\$ (1,618,406)</b></u>	<u><b>\$ (5,262,599)</b></u>
<b>Total Debt Service including education</b>	4,630,023	4,291,922	4,098,209	3,811,482	3,442,285	3,729,355	3,454,307	3,756,533	5,786,569	6,232,124
<b>Debt service as a percentage of noncapital expenditures</b>	6.21%	5.75%	5.40%	4.83%	4.36%	4.68%	4.29%	4.64%	6.78%	6.99%



Table 6

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

Fiscal Year	Property Taxes (b)	Vehicle Taxes	Other (a)	Subtotal	TIF Property Taxes	Capital Project Property Taxes	Total
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	5,453,056	341,440	60,453,578	2,303,339	1,353,970	64,110,887
2014	56,837,797	5,829,497	350,795	63,018,089	2,334,343	-	65,352,432
2015	59,781,351	6,374,595	359,164	66,515,110	2,452,962	-	68,968,072

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

(b) includes property taxes allocated to adult education

Table 7

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

<b>Fiscal Year</b>	<b>State Revenue Sharing</b>	<b>School Aid</b>	<b>General Assistance</b>	<b>Homestead Reimb</b>	<b>Business Equipment Tax Exemption (b)</b>	<b>Other State Aid (a)</b>	<b>Total State Aid</b>
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
2015	1,264,320	5,356,835	124,747	477,176	1,259,322	545,061	9,027,461

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

(b) 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.

**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							
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%
2015	1,892,251,700	1,379,303,000	329,605,300	3,601,160,000	143,448,080	3,457,711,920	17.10	3,580,100,000	96.6%

(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
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	5,630,000	141,235,000	141,235,000
2012	57,960,000	57,960,000	140,425,200	140,425,200
2013	57,600,000	57,600,000	164,089,100	164,089,100
2014	57,330,000	57,330,000	196,012,700	196,012,700
2015	55,810,000	55,810,000	200,539,700	200,539,700

Table 9

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

Tax Year	Direct Rates			Overlapping Rate	
	General Municipal	Education	Total	Cumberland County (a)	Total
2006	5.79	11.73	17.52	0.75	18.27
2007	(b) 4.18	8.41	12.59	0.51	13.10
2008	4.46	8.71	13.17	0.52	13.69
2009	4.30	9.16	13.46	0.54	14.00
2010	4.61	9.52	14.13	0.57	14.70
2011	4.92	10.17	15.09	0.61	15.70
2012	4.61	9.52	14.13	0.57	14.70
2013	5.10	10.79	15.89	0.61	16.50
2014	5.14	10.91	16.05	0.65	16.70
2015	5.24	11.18	16.42	0.68	17.10

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	2015			2006		
	Assessed Valuation	Rank	Percentage of Total Assessed Value	Assessed Valuation	Rank	Percentage of Total Assessed Value
GGP - Maine Mall	\$ 250,647,400	1	6.96%	\$ 162,902,000	2	5.90%
Texas Instruments (National Semiconductor) (a)	181,117,600	2	5.03%	243,564,700	1	8.82%
Hannaford	58,788,000	3	1.63%	42,095,400	5	1.52%
Home Properties	55,243,700	4	1.53%	32,654,200	8	1.18%
Fairchild Semiconductor	48,708,300	5	1.35%	130,605,500	3	4.73%
Portland Pipe Line	44,706,800	6	1.24%	39,923,700	6	1.45%
Central Maine Power	39,923,700	7	1.11%	23,200,700	10	0.84%
Dead River	31,228,500	8	0.87%			
Oprock Portland	28,485,300	9	0.79%			
Anthem	27,402,100	10	0.76%	34,145,200	7	1.24%
Portland Newspapers				43,980,800	4	1.59%
BCIA New England Holdings				23,980,800	9	0.87%
	766,251,400		21.28%	777,053,000		28.15%
Total Assessed Valuation	\$ 3,601,160,000			\$ 2,760,751,200		
Includes:						
Municipal valuation	3,457,711,920			2,548,203,800		
TIF valuation	143,448,080			212,547,400		
	\$ 3,601,160,000			\$ 2,760,751,200		

(a) 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
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%	872,326	55,159,941	99.94%
2010	54,605,827	53,622,159	98.20%	931,718	54,553,877	99.90%
2011	55,253,882	54,175,209	98.05%	1,071,315	55,246,524	99.99%
2012	56,829,326	55,608,726	97.85%	1,165,614	56,774,340	99.90%
2013	58,630,745	57,515,651	98.10%	987,619	58,503,270	99.78%
2014	59,449,469	58,468,581	98.35%	391,212	58,859,793	99.01%
2015	61,546,876	60,720,014	98.66%	-	60,720,014	98.66%

**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 (f)	Capital Lease	General Obligation Bonds						
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	49,850,862	3,133,341	447,187	53,431,390	569,570,562	9.38%	25,002	2,137	1.42%
2014	55,335,688 (e)	2,870,232	420,085	58,626,005	569,570,562	10.29%	25,002	2,345	1.56%
2015	50,772,746	2,491,412	392,983	53,657,141	569,570,562	9.42%	25,002	2,146	1.42%

(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 2015, 2010 Census, U.S. Department of Commerce, Bureau of the Census.

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

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

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

(f) Includes premiums

**CITY OF SOUTH PORTLAND, MAINE**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2015**

Jurisdiction	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
City of South Portland General Obligation	\$ 51,165,729	100.00%	\$ 51,165,729
City of South Portland Capital Leases	2,491,412	100.00%	2,491,412
<b>Total direct debt</b>	<b>53,657,141</b>		<b>53,657,141</b>
Overlapping:			
Portland Water District	45,698,839	13.79%	6,300,406
Cumberland County	37,125,000	9.09%	3,375,128
<b>Total overlapping debt</b>	<b>82,823,839</b>		<b>9,675,534</b>
<b>Total direct and overlapping debt</b>	<b>\$ 136,480,980</b>		<b>\$ 63,332,675</b>

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

Sources: The outstanding debt for Cumberland County has been provided by the County. The percentage applicable to the City of South Portland is based on the ratio of the State equalized assessed valuation for the City of South Portland versus the equalized State valuation 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, 2015**

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 2015 State Valuation of \$3,580,100,000, the City is in compliance with the total and categorical debt limits:

**Debt Limit by Category**

<u>Type of Debt</u>	<u>Maximum Percent Allowable</u>	<u>Maximum Amount Allowable</u>	<u>Principal Amount Outstanding</u>	<u>Legal Debt Margin</u>
School	10.00%	\$ 358,010,000	\$ 46,511,074	\$ 311,498,926
Storm or Sanitary Sewer	7.50%	268,507,500	392,983	268,114,517
Municipal	7.50%	268,507,500	<u>4,261,672</u>	264,245,828
Total Maximum Debt	15.00%	\$ 537,015,000	<u>\$ 51,165,729</u>	\$ 485,849,271

**Legal Debt Margin Calculation for Fiscal Year 2015**

State Valuation	\$ 3,580,100,000
Debt Limit - 15% of State Valuation	537,015,000
Less outstanding debt applicable to debt limit	<u>(51,165,729)</u>
Legal Debt Margin	<u>\$ 485,849,271</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>	<u>2015</u>
Debt limit	\$ 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	\$ 537,015,000
Total debt applicable to limit	<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>	<u>51,165,729</u>
Legal debt margin	\$ 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	\$ 485,849,271
Total debt applicable to the limit as a percentage of debt limit	6.36%	5.45%	4.62%	4.11%	4.49%	4.24%	9.38%	9.05%	10.03%	9.53%

Table 15

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

<b>Employer</b>	<b>2015</b>			<b>2006</b>		
	<b>(a) Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
UnumProvident Life Insurance Co.	3,500	1	14.00%	3,180	1	13.53%
Anthem/Blue Cross & Blue Shield of Maine	1,000	2	4.00%	1,000	3	4.26%
City of South Portland	870	3	3.48%	888	4	3.78%
Fairchild Semiconductor	775	4	3.10%	1,100	2	4.68%
WEX Inc. (formerly Wright Express)	744	5	2.98%	670	5	2.85%
Southern Maine Community College	739	6	2.96%	180	7	0.77%
Texas Instruments (formerly National Semi)	540	7	2.16%	545	6	2.32%
United Parcel Service	200	8	0.80%			
Macy's	150	9	0.60%	150	9	0.64%
Marriott Corporation	148	10	0.59%	160	8	0.68%
Portland News Co.				150	10	0.64%
	8,666		34.66%	8,023		34.14%

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

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

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

Fiscal Year	Population (a)	Personal Income (b)	Per Capita Personal Income (a)	Median Age (a)	School Enrollment (d)	Unemployment Rate (c)
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	4.80%
2015	25,002	569,570,562	22,781	39.40	3,064	4.00%

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

For years 2011 through 2015, 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 December 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Government</b>										
City Council	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Executive department	6.0	6.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
City clerk	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Corporation council	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Finance department	17.0	17.0	18.0	17.0	17.0	16.0	17.0	17.0	17.0	17.0
Information technology	3.0	3.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Planning department	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Human resources	3.0	3.0	3.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0
City building	1.0	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Public Safety</b>										
Police	56.0	56.0	57.0	56.0	55.0	56.0	55.0	56.0	58.0	59.0
Fire	67.0	69.0	65.5	65.0	64.0	65.0	67.0	68.0	69.0	69.5
Dispatch	12.0	12.0	12.0	12.0	11.0	10.0	9.0	8.0	6.0	5.0
Code	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
<b>Public Works</b>										
Public Works	23.5	23.5	21.0	21.0	21.0	20.0	20.0	20.0	21.0	22.0
<b>Parks and Recreation</b>										
Parks	11.5	11.5	12.0	11.5	11.5	11.5	11.5	11.5	11.5	13.5
Recreation	26.0	27.0	26.5	22.0	22.0	22.0	22.0	22.0	22.0	21.0
<b>Public Library</b>										
Main Library	12.0	11.0	12.0	12.0	11.0	11.0	11.0	11.0	11.0	11.0
Branch Library	5.5	4.5	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Transportation and Waterfront</b>										
Transportation and Waterfront	14.0	14.0	14.0	14.0	13.0	12.0	13.0	12.0	13.0	15.0
<b>Health and Welfare</b>										
Health and Welfare	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.0
<b>School</b>										
School	517.0	512.5	527.5	559.8	579.0	571.0	571.0	561.0	568.0	570.0
<b>Water Resource</b>										
Water Resource	25.0	25.0	25.0	25.0	26.0	28.0	29.0	29.0	29.0	29.5
<b>Total</b>	<b>823.0</b>	<b>819.0</b>	<b>828.0</b>	<b>849.8</b>	<b>865.0</b>	<b>858.0</b>	<b>861.0</b>	<b>851.0</b>	<b>861.0</b>	<b>869.5</b>

Source: Payroll Department.

Note: Neither the municipal nor the education departments have maintained their employment numbers on a full-time equivalents basis. The above represents the 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.

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

<u>Function</u>	<u>Fiscal Year</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>	<u>2015</u>
Police (b)										
Physical arrests	850	767	814	814	750	833	693	745	636	676
Calls for Service	33,676	32,522	34,692	30,648	32,028	33,009	30,740	34,071	37,391	36,361
UCR - Crime Index	1,148	981	1,058	1,253	1,085	946	923	1,013	923	1,012
Fire										
Fire calls	1,121	1,321	1,129	1,071	1,283	1,192	1,173	1,137	1,327	1,366
Medical calls	2,944	3,046	3,056	3,173	2,768	3,026	3,240	3,142	2,915	3,089
Inspections	2,338	1,818	2,268	2,310	1,600	1,698	1,749	1,670	1,808	1,923
Refuse Collection										
Refuse collected (tons)	7,741	7,838	7,525	6,947	6,633	6,253	6,244	5,878	5,705	5,643
Recyclables collected (tons)	2,053	1,905	2,093	2,036	2,457	2,461	2,323	2,278	2,292	2,333
Other public works										
Street resurfacing (miles)	5.33	5.23	5.87	4.59	5.21	5.01	4.50	4.00	3.50	2.90
Potholes repaired	156	187	217	200	241	250	225	235	255	220
Parks and Recreation										
Community center admissions	84,548	106,408	116,840	111,582	158,224	155,153	177,390	185,868	190,549	189,242
Library										
Items in collection (a)	116,046	115,930	101,828	106,817	106,527	104,062	99,316	102,906	103,838	103,104
Total items circulated (a)	216,010	212,959	256,623	224,929	277,641	288,602	262,125	267,654	213,668	200,337
Total items borrowed (a)	12,475	13,367	17,307	20,624	24,826	21,242	21,088	21,183	19,184	19,353
Water Resource										
Average daily sewage treatment (thousands of gallons)	7,840	7,350	7,140	8,100	7,613	6,610	6,740	6,273	6,139	6,078
Transit										
Total route miles	216,004	215,310	214,326	224,847	210,169	193,242	196,295	189,007	203,469	203,469
Passengers	189,355	184,273	202,299	223,575	219,749	211,634	247,370	263,124	258,617	259,824

**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 2005-2014

Table 19

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

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Buildings	6	6	6	6	6	7	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	37	30	35	36	39	38	35	39	38	34
Fire Department										
Buildings	7	7	7	7	7	7	7	7	7	7
Vehicles	21	23	23	24	26	27	27	28	28	28
Code Enforcement										
Buildings	-	-	-	-	-	1	1	1	1	1
Vehicles	2	4	4	4	4	4	4	5	5	6
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	10	10	10	11	10	11	12	12	12
Heavy Vehicles	31	32	37	36	37	38	39	39	39	39
Engineering										
Vehicles	1	-	-	-	-	-	-	-	-	-
Culture and recreation										
Buildings	14	14	13	14	14	14	14	14	15	15
Vehicles	16	18	18	18	18	18	18	17	18	19
Transportation & Waterfront										
Buildings	2	2	2	2	2	2	2	2	3	3
Buses	7	7	7	7	7	12	12	8	10	10
Vehicles	2	2	2	2	2	2	2	2	2	2
Water Resources										
Buildings	37	37	38	38	38	38	38	38	38	38
Vehicles	21	24	22	23	23	24	23	23	23	23
School Department										
Schools	8	9	9	9	9	8	8	8	8	8
Buildings	4	4	4	4	4	4	4	4	4	4
Portable Classrooms	2	2	2	2	2	2	3	3	3	3
School Buses	21	21	23	23	23	22	22	23	23	23
Vehicles	8	8	8	8	8	7	8	7	7	7

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