# City of Portland, Maine
# Finance Committee Meeting
# Thursday, September 22, 2022
# 6:00 PM, Council Chambers

## AGENDA

**PUBLIC COMMENT INFORMATION**

To submit written public comment on an agenda item, email finance@portlandmaine.gov. Submissions must be received by 12:00 pm the day before the Finance Committee meeting to guarantee their inclusion in the agenda packet. All submissions must include the commenter's name and legal address. To help ensure your comment is submitted for the correct item, please include the name of the agenda item (see below).

**REMOTE ACCESS INFORMATION**

This meeting will be conducted from Council Chambers, located on the second floor of City Hall. The public may attend the meeting in person, however space in Council Chambers is limited. The public is therefore strongly encouraged to participate remotely via Zoom pursuant to the Remote Meeting Policy adopted by the Portland City Council. Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live either in person or via Zoom, a recording will be available in the Agenda Center following the meeting.

For public comment via Zoom, you will need to use the "raise your hand" feature. To raise your hand via the
telephone, please hit *9. You will be unmuted by the host when it is time for public comment.

Please click the link below to join the webinar:
https://portlandmaine-gov.zoom.us/j/85254894516?pwd=bUQreTVmU3dHanNPZTZmN2ZTY2VDUT09
Passcode: 856172
Or One tap mobile :
US: +19292056099,,85254894516#,,,,*856172# or +13017158592,,85254894516#,,,,*856172#

Or Telephone:
Dial(for higher quality, dial a number based on your current location):
US: +1 929 205 6099 or +1 301 715 8592 or +1 309 205 3325 or +1 312 626 6799 or +1 646 931 3860 or +1 719 359 4580 or +1 253 215 8782 or +1 346 248 7799 or +1 386 347 5053 or +1 564 217 2000 or +1 669 444 9171 or +1 669 900 6833
Webinar ID: 852 5489 4516
Passcode: 856172

**1. Introductions**

## 2. Presentation from Melanson: Summary Audit Results for the Year Ended 6/30/21

*The City will hear a report from our external auditing firm, Melanson. The report will present summary audit results for the fiscal year ended June 30, 2021 via PowerPoint presentation. The presentation will discuss the audit process, audit results including issues encountered, reports provided, analytical items, Portland Public School Department material weakness and significant deficiencies in internal controls, and selected financial information. The Committee will discuss the presentation and ask questions of City and School staff who will be in attendance.*

*See the attached backup for the detailed Management Letter for complete comments from Melanson.*

## 3. Review Upcoming Meeting Dates

a. **Thursday, October 6, 2022 - 5PM via Zoom**
b. **Thursday, October 13, 2022 - 5PM via Zoom**

## 4. Adjourment

# City of Portland, Maine

# Summary Audit Results for the Year Ending June 30, 2021

Alina Korsak, CPA – Principal, Melanson

MELANSON

# Audit Process

- An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.
- Auditors express an opinion on the financial statements that are the responsibility of management.
- No opinion is expressed on the effectiveness of the City’s internal controls. However, we do obtain and document our understanding of internal controls that are present in the City and test transactions on a sample basis to determine their operating effectiveness.

Melanson

# Audit Process Results

- Audit process went well considering this is a first-year client for our firm. Audit completion, although late, was consistent with prior year.
- Significant audit surprises were encountered with the school department and general assistance departments.
- The unexpected challenges resulted in adjustments being made to audit process and delayed timeline.
- School department testing was completed, but resulted in material weaknesses and significant deficiencies being reported in the management letter.
- General assistance testing was not completed as planned due to lack of basic requirements to receive the assistance at the state level.
- The significant general assistance over-expenditure although temporarily funded primarily by state but also FEMA, was the biggest audit surprise. Long-term effect will need to be evaluated.

MELANSON

# Results of Audit

- In our opinion, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Portland, Maine as of June 30, 2021, and for the year then ended in accordance with accounting principles accepted in the United States of America.
- No uncorrected misstatements ("passed adjustments")
- No disagreements with Management
- No material, corrected misstatements.

MELANSON

# Reports Provided

- Opinion on City Financial Statements (however, we do not express an opinion on the Transmittal letter, Management Discussion & Analysis, Required Supplemental Information or Statistical Section)
- Opinion on Jetport Financial Statements
- PFC Audit Report
- Jetport Covenant Certificate
- School Assurance Statement
- Governance Letter
- Management Letter
- Federal Single Audit Report
- State HHS Single Audit Report
- Governmental Audit Procedural Form to State Auditor

MELANSON

# Balance Sheet Reconciliation Process

- Cash, investments, and taxes receivable:
  - Reconciliations were not finalized and formally approved on a monthly basis. Refer to comment # 5 in the FY21 Management Letter titled “Reconcile Key General Ledger Timely”.
- Other balance sheet items:
  - Some audit challenges were encountered, with schedules being “work in progress” and adjusted during fieldwork.
- Goal for fiscal year 2022 audit:
  - All reconciliations and schedules should be final prior to fieldwork.

MELANSON

# Analytical Items

- Fund 242 – long-term plan is needed to help identify projects that the fund balance belongs to.
- Fund 300 – providing reconciliation how individual project balances agree in total to fund balance will help with audit trail, which is needed to maintain integrity of the projects.
- These were noted in FY21 Management Letter Comment #4, titled "Identify Individual Project Balances".

MELANSON

# School Material Weaknesses and Significant Deficiencies

- Management letter comment numbers:

  1. Evaluate the School Department's Internal Control Structure (Material Weakness):
     - Payroll
     - Vendor
     - Reporting and closing
  2. Improve Timeliness of School Accounting and the Year-end Closing Process (Significant Deficiency)
     - Lack of interim reconciliations
     - Year-end reconciliations continued six months after year end

MELANSON

# School Material Weaknesses and Significant Deficiencies (continued)

- Management letter comment number:
  3. Implement Prior School Department Additional Audit Recommendations (Significant Deficiency):
     - Purchasing card transactions
     - Cash receipts policy
     - Student Activity Funds
     - Accrued vacation excess balances

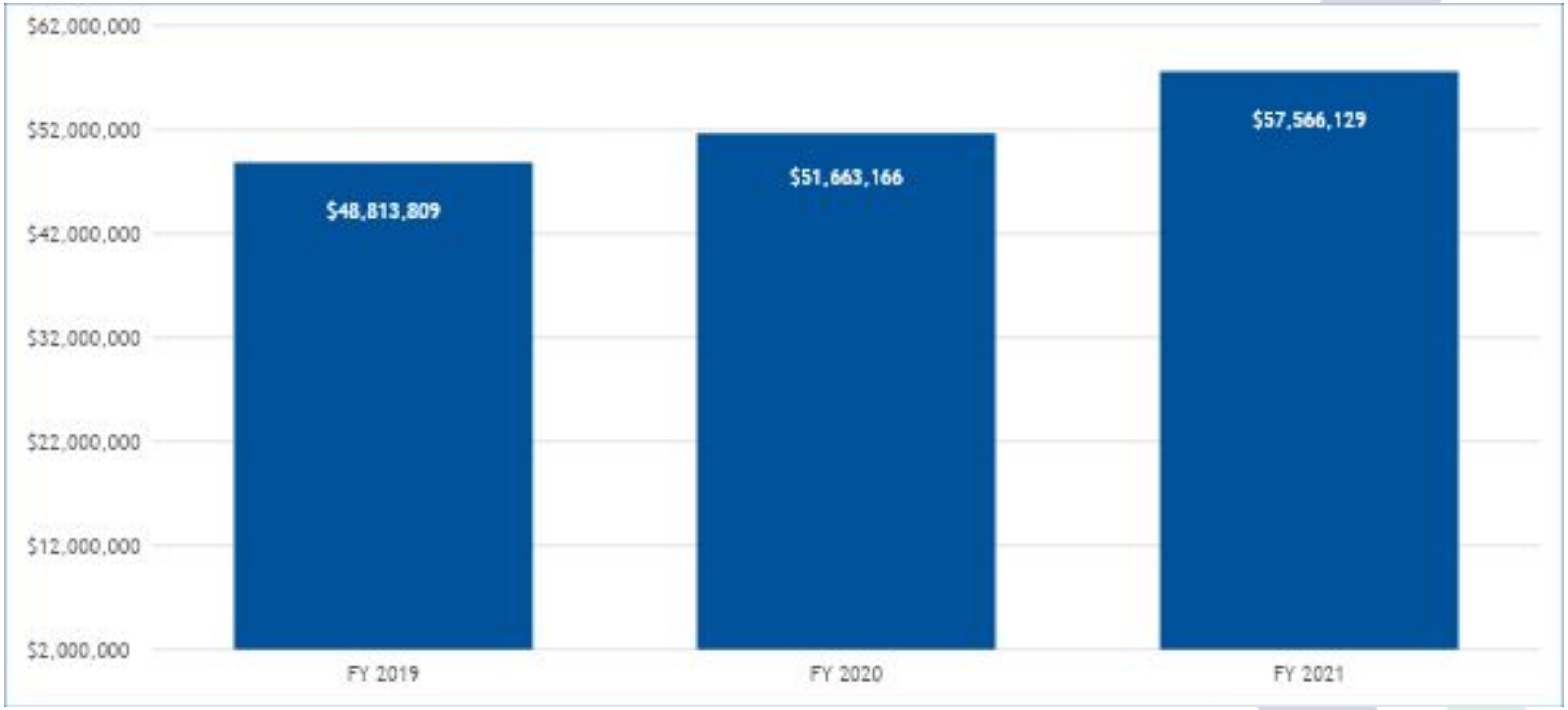
MELANSON

# Budget vs. Actual Comparison – General Fund – Fiscal Year Ended June 30, 2021 – Budgetary Basis

| | Budgeted Amounts | Actual Amounts | Variance |
|---|---|---|---|
| Revenues | $322,669,337 | $336,467,976 | $13,798,639 |
| Expenditures | $323,365,222 | $319,370,893 | $3,994,328 |
| | | | |
| Net | $(695,885) | $17,097,083 | $17,792,967 |

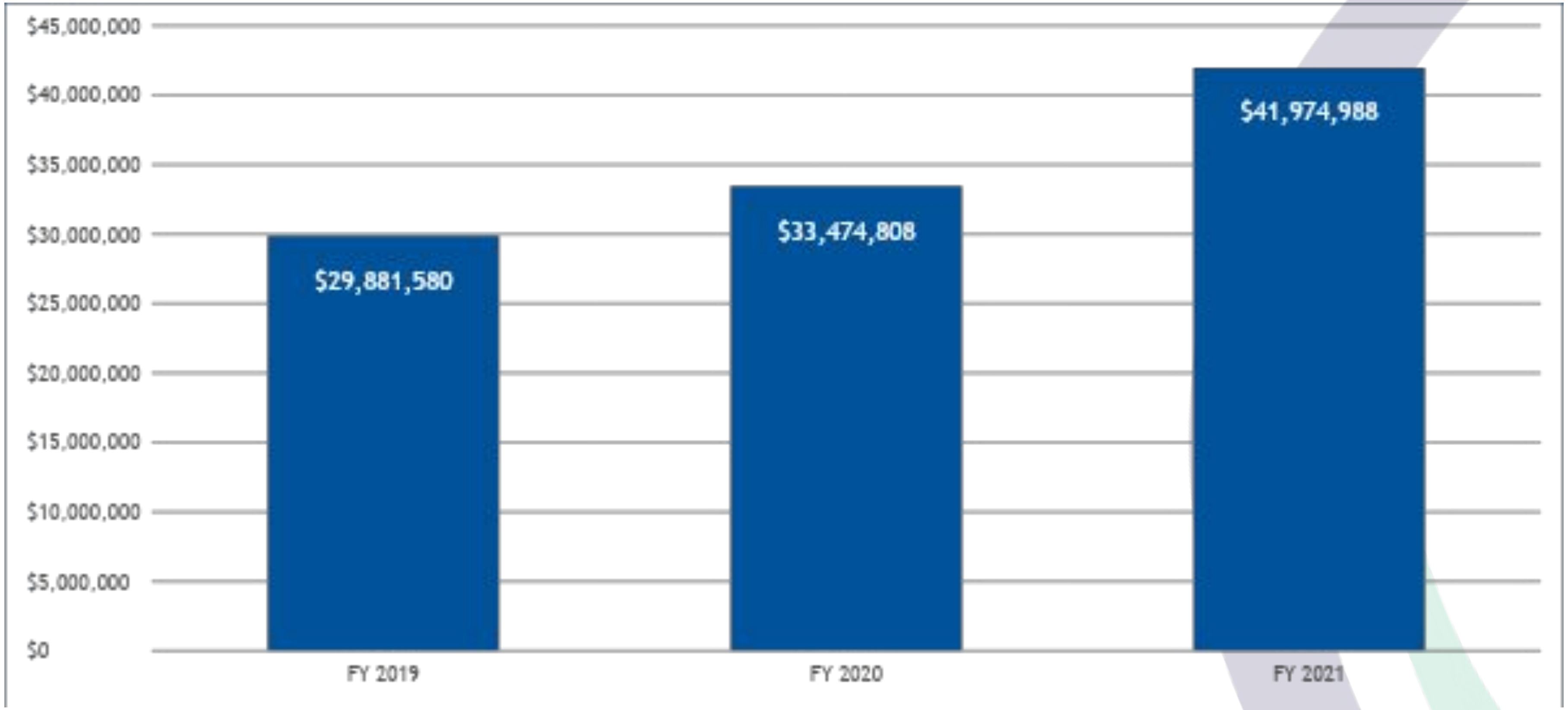
Melanson

# General Fund Unassigned Fund Balance – Last 3 Years



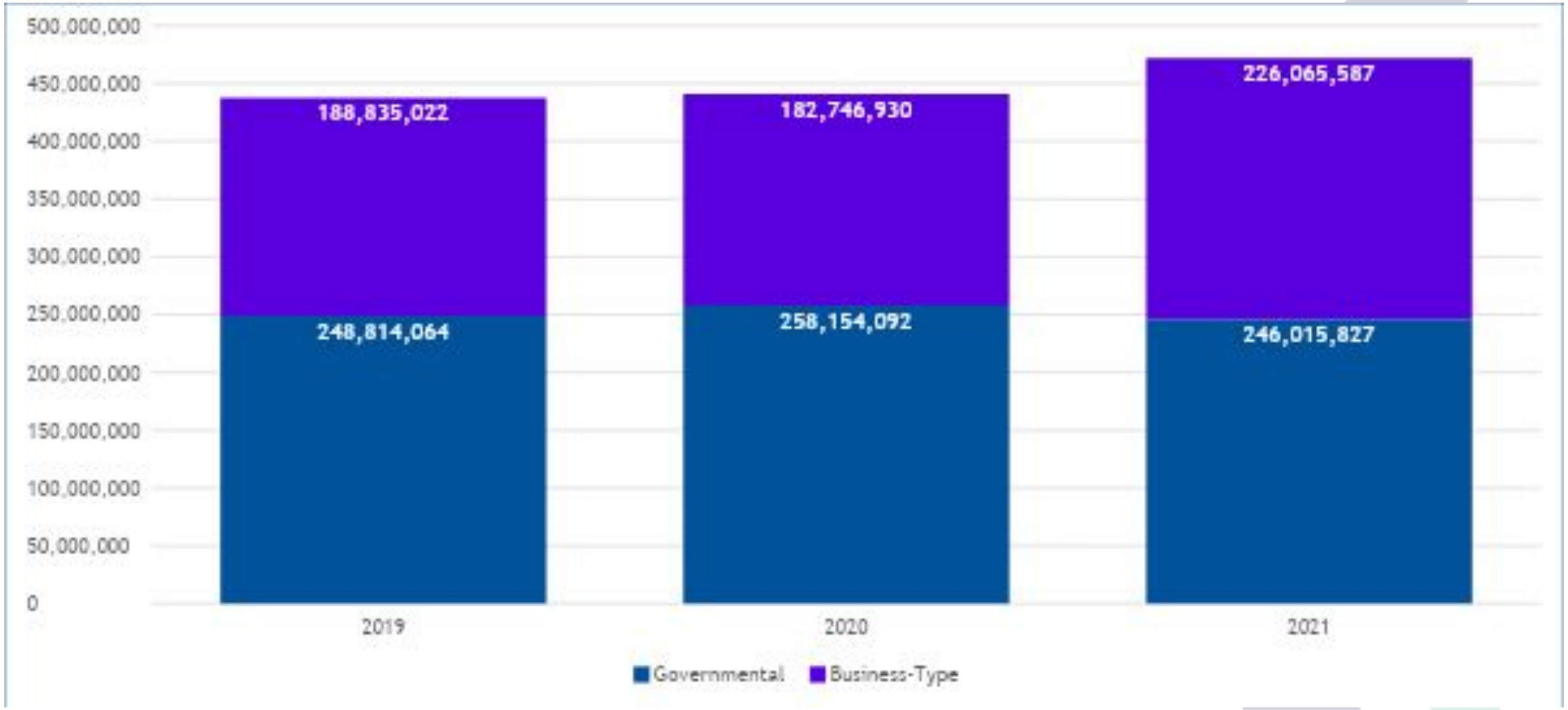

MELANSON

# Health and Social Services Actual Expenditures - Last 3 Years – Fund Basis



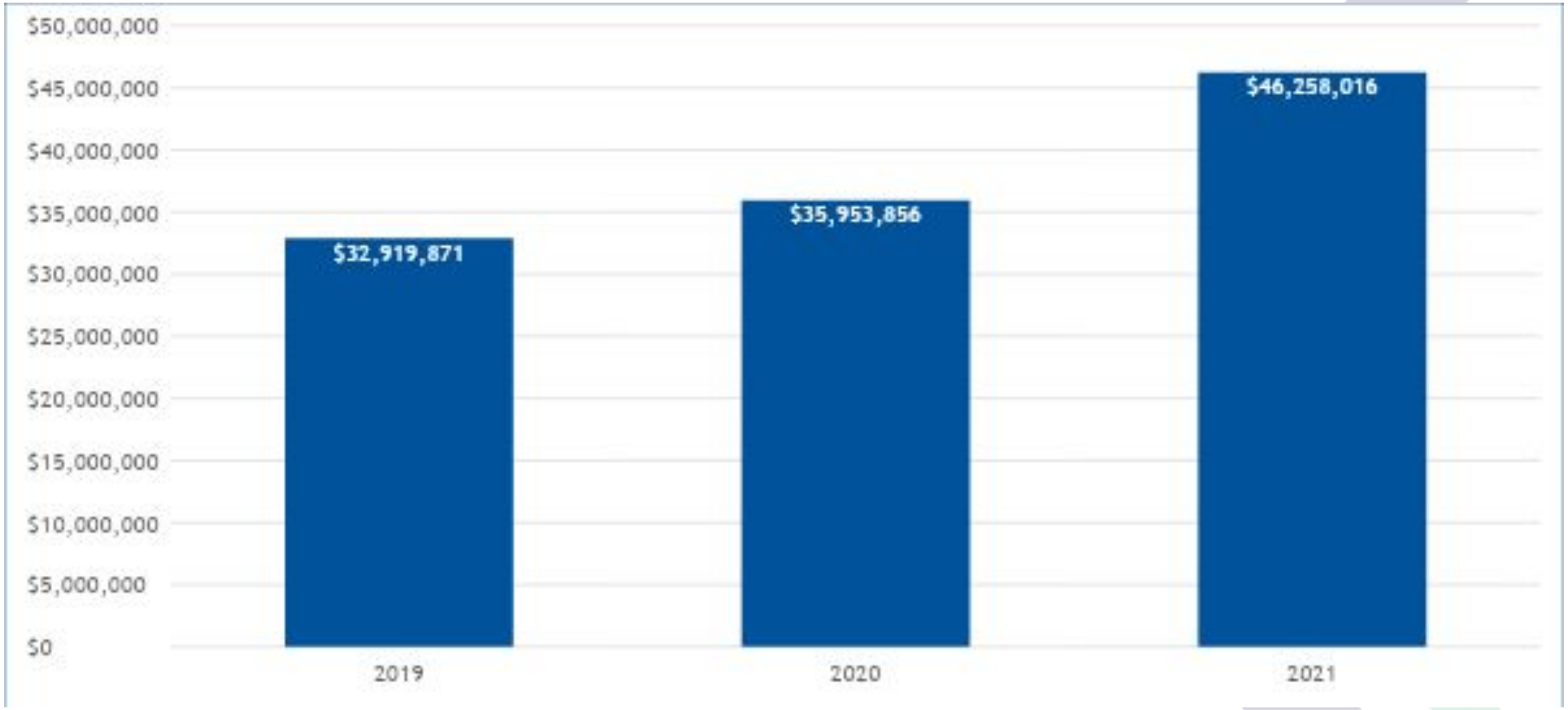

MELANSON

# General Obligation Bonds & Long-Term Loans Payable – Last 3 Years




MELANSON

# Net Pension Liability ("NPL") – Last 3 Years




Melanson

# New Auditing Standards

- Statement on Auditing Standards # 135 requires us to communicate risks to you during the planning phase of the audit. The following risks were identified in planning for fiscal year 2022 audit:
  - **The unusual rate at which social services costs were growing - this is a significant risk to the City. Plan needs to be implemented to continue to reduce these costs.**
  - Management override of internal controls – this is a presumed risk due to the unpredictable way in which management override of controls could occur. This risk is present in every entity.
  - Recognition of revenue – this risk is present in essentially every entity because it can be more easily adjusted than other financial statement items. Sound procedures and timely reporting contribute to proper recognition of revenue. Further, the use of the accrual basis for government-wide financial statements, enterprise and fiduciary funds and modified accrual basis of accounting for governmental funds increases risk surrounding revenue recognition.

MELANSON

# Social Services – Budget vs Subsequent Year Budget Recommendation

| | PY Budget | Subsequent Year Recommendation | Change |
|---|---|---|---|
| FY21 | $13,167,747 | $14,623,335 | $1,455,588 |
| FY22 | $14,623,335 | $16,714,830* | $2,091,495 |
| FY23 | $16,714,830 | $60,000,745 | $43,285,915 |

***increased by $20M mid-year**

MELANSON

# Questions and Comments

- This presentation is intended as a tool to assist the Finance Committee and management in understanding its financial results. The information contained in this presentation should be read in conjunction with the audited financial statements and related disclosures.

MELANSON

# CITY OF PORTLAND, MAINE

Management Letter
For the Year Ended June 30, 2021

## TABLE OF CONTENTS

To the Honorable Mayor
and City Council
City of Portland
389 Congress Street
Portland, Maine 04101

In planning and performing our audit of the basic financial statements of the City of Portland, Maine (the City) as of and for the year ended June 30, 2021, 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, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Merrimack, New Hampshire
Andover, Massachusetts
Greenfield, Massachusetts
Ellsworth, Maine
800.282.2440 | melansoncpas.com

Material weaknesses are noted in the table of contents and comment headings. However, additional material weaknesses may exist that have not been identified.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Significant deficiencies are noted in the table of contents and comment headings.

During our audit we also became aware of other matters that we believe represent opportunities for strengthening internal controls and operating efficiency. The recommendations that accompany this letter summarize our comments and suggestions concerning those matters.

The City's written responses to our comments and suggestions have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance, including those overseeing the financial reporting process, the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Melanson

Merrimack, New Hampshire
March 18, 2022

## RECOMMENDATIONS

### 1. Evaluate the School Department's Internal Control Structure (Material Weakness)

A lack of segregation of duties exists as all School Finance Department personnel have full access to modules within the MUNIS system. As a result, unauthorized adjustments can be made by personnel and errors or irregularities could occur and not be identified timely. Specifically, 1) invoices may be posted for payment without appropriate review or authorization, 2) pay rates can be adjusted by individuals other than Human Resources personnel, and 3) journal entries can be posted without appropriate documentation.

We also identified that payroll may be processed without verifying that the various department heads approved the time worked by School employees, and that the audit trail in the system does not clearly identify who approved the timesheets. As a result, management is not formally approving the payroll.

Additionally, we understand that School personnel enter payroll into the MUNIS payroll module, but the posting of payroll to the general ledger is done manually. As a result, a duplication of effort exists and the manual process is more subject to errors.

We also identified that certain journal entries are posted without supporting documentation for the entry's purpose and therefore, management is not able to determine the appropriateness of all adjustments.

We recommend the School Department prioritize corrective action on the weaknesses noted above and other conflicts that may still be identified. Our observation is that the School Department does not have the internal resources to accomplish these tasks within the next few months, and therefore, we recommend that the School Department establish a corrective action plan, including what additional mitigating controls can be implemented in the near term before the internal control structure can be strengthened further.

***City's Response:***
The School Department acknowledges the lack of segregation of duties, which has primarily resulted from gradual staff eliminations and current vacancies. While vacancies have remained open, we have been working diligently to reorganize areas and redesign processes to allow for greater segregation of duties and strengthen internal controls to identify and correct errors and irregularities as they occur.

Understanding current processes and workflow design, as well as embracing a culture of change are key to the successful implementation of process improvements and require time to implement. To this end, we hired a new Accountant at the end of December 2021, who is working with the Director of Finance to modify and improve existing targeted processes.

While changes to the shared vendor master file can be made by the School, it is our practice to send all changes to the City, as requested.

We acknowledge that pay rates should be entered by Human Resources personnel. Training will be provided to HR personnel by payroll personnel, while we concurrently explore alternate payroll solutions.

All journal entries currently require appropriate supporting documentation and approval by the Director of Finance.

We have instituted a new time and attendance system, which requires supervisory approval.

We are currently exploring a payroll solution that does not require the use of two non-integrated MUNIS systems.

**2. Improve Timeliness of School Accounting and the Year-end Closing Process (Significant Deficiency)**

The School Department did not perform interim reconciliations of key general ledger accounts, including retirement and health insurance withholdings, which contributed to errors being made and not resolved timely. We noted that the year-end reconciliations continued six months after year end. Specifically, the School Department was reporting a $10 million deficit in a grant fund until December when the requests for reimbursements from grantor agencies were recorded into the general ledger. We understand the School has experienced turnover that could have contributed to this issue, but maintaining a complete and timely general ledger is essential for management to evaluate the fiscal year operating results including accurate budget and actual comparison reports.

We recommend that the School Department ensure that the general ledger is complete and accurately maintained and that reconciliations are performed with adjustments posted timely into the general ledger. This will permit management to assess critical and timely financial information.

***City's Response:***
The School Department acknowledges the delays that have resulted from the lack of timeliness of school accounting and the year-end closing process. This delay has primarily resulted from gradual staff eliminations and current vacancies. We continue to develop and implement a plan for process improvements and efficiencies, as well as fill the need to account for pandemic-related federal funding. Until all permanent positions are filled, we have hired contracted staff to help fill the Controller and Grant Accountant roles. The Director of Finance has taken an active role in process development, training and supervision of these roles. The contracted Controller will train the new Accountant in the account reconciliation process to ensure that accounts are reconciled in a timely basis throughout the year.

**3. Implement Prior Year School Department Additional Audit Recommendations (Significant Deficiency)**

The June 30, 2020 Audit Management Letter included several School Department related comments and recommendations that have not been addressed. We recommend that the School Department implement corrective action on the following prior comments:

- Review purchasing card transactions against supporting documentation monthly.
- Adopt a cash receipt policy (including timeliness).
- Improve controls over student activity funds.
- Review accrued vacation for excess balances.

***City's Response:***

- *Review purchasing card transactions against supporting documentation monthly* – We are in the process of transitioning this review from Accounts Payable to our new Accountant.
- *Adopt a cash receipt policy (including timeliness)* – With the hiring of a new Accountant, we are redesigning the receipt process and working towards more timely deposit of funds. We have requested a scanner through the City to facilitate more timely deposits of checks. We have also redesigned the recording of receipts to include more timely review and documentation.
- *Improve controls over student activity funds* – The new Accountant has been assigned the review of student activity funds and policy management. While we have replaced this one staff with multiple assigned duties, we recognize that additional staff will be needed in order to implement and maintain additional improvements and internal controls on a systemic level.
- *Review accrued vacation for excess balances* – We are currently researching this issue with our vendor to facilitate correction, while exploring an alternate payroll solution.

**4. Identify Individual Project Balances**

The City's fund 242 (Other Special Revenue Fund) and fund 300 (Capital Improvement Program) contain single fund balance accounts with June 30, 2021 balances of $21.1 million and $18.8 million, respectively. The MUNIS project accounting module is designed to track the detail of the individual project balances. We were not able to verify that the fund balance accounts in general ledger funds 242 and 300 agreed to remaining balances by individual projects as complete life to date project income statements are not maintained. As a result, the detailed purposes of the fund balance amounts are not fully documented. This appears to result from budgeted revenues for grants and projects not being recorded in MUNIS.

We recommend that the City identify individual project balances associated with funds 242 and 300. This will provide additional assurance to management's oversight of the status of the individual projects.

***City's Response:***
The City will review all project balances in the Special Revenue and Capital Funds to correctly identify the composition of total fund balance amounts. Regarding the Special Revenue Fund, it is likely that any differences between individual project balances and total fund balance arise from past transactions in the City's legacy computer system and the subsequent transfer of those project balances to the new MUNIS accounting software. Procedures implemented in MUNIS require all receipts and disbursements to be identified by project.

Anticipated completion date: December 31, 2022

Regarding the Capital Fund, the City does not allocate the proceeds from the issuance of debt to individual capital projects because funding for capital improvement projects is tracked in subsidiary records, and verified by both the City's bond counsel and financial advisor, to identify project funding needs and prevent overfunding of any specific capital improvement project. Therefore, capital project balances are budget balances that cannot be reconciled to total fund balance. Rather, differences between individual capital project balances and total fund balance arise from investment earnings which are not allocated by project and should be transferred to the General Fund. We will verify the amount of accumulated interest earnings and make the necessary transfer.

Anticipated completion date: June 30, 2022

**5. Reconcile Key General Ledger Balances Timely**

Key general ledger accounts, including cash, investments and accounts receivable, were not reconciled in a timely manner during the year, which increases the risk of errors or irregularities not being detected and resolved in a timely manner. The City performed monthly cash and certain receivable reconciliations, but due to pending assistance from its software provider, the reconciliations were not finalized and formally approved on a monthly basis. Also, certain key accounts were only reconciled annually, and we noted that the City continued to make significant journal entries four months after year end.

We recommend that the City perform annual key account reconciliations more timely and implement a process whereby the independent review of monthly reconciliations is formally documented.

***City's Response:***
The City implemented new accounting software that continues to cause delays in periodic cash reconciliations due to difficulties in extracting relevant information and significant increases in the amount of time to perform reconciliation functions, despite additional staff hours and ongoing discussions with representatives of the software company. As a result, the reconciliation of cash and general ledger accounts, always performed in a timely manner before converting to MUNIS software, are now not complete until several months after the close of the fiscal year. Despite challenges resulting from the Covid-19 pandemic, these delays were significantly reduced in FY20 and FY21, and the City is continuing to explore ways to enhance the efficiency and timeliness of the reconciliation process.

Anticipated completion date: Ongoing

The reconciliation of taxes receivable is a new issue that arose during FY21 when a MUNIS software upgrade removed taxes receivable reports that were previously available in the accounting system, thereby causing delays in producing accurate receivable balances that could be reconciled to general ledger accounts. The City developed a workaround solution in FY21 and we continue to work with representatives of the software company to produce reports that will enable us to reconcile receivable accounts on a more timely basis in the future.

Anticipated completion date: June 30, 2022

# Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

City of portland

# City of Portland, Maine

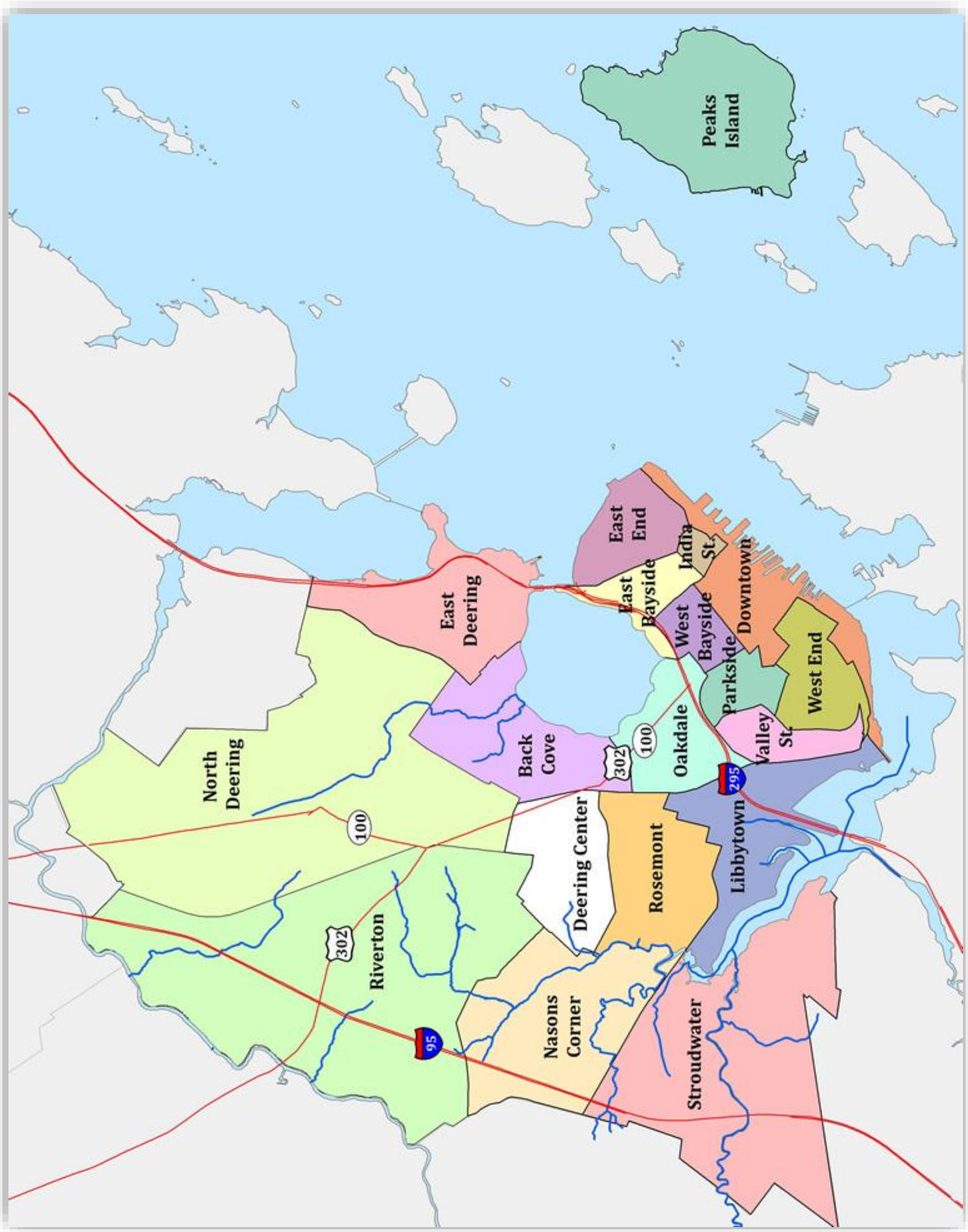
All photos courtesy of Corey Templeton, www.coreytempletonphotography.com

# CITY OF PORTLAND, MAINE

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prepared by the City of Portland, Maine
Finance Department


Peaks Island
East End
India St.
East Bayside
West Bayside
Downtown
East Deering
Parkside
West End
Valley St.
Oakdale
Back Cove
North Deering
Deering Center
Rosemont
Libbytown
Riverton
Nasons Corner
Stroudwater
100
302
295
95

**CITY OF PORTLAND, MAINE**
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**
**JUNE 30, 2021**

## TABLE OF CONTENTS

**CITY OF PORTLAND, MAINE**
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**
**JUNE 30, 2021**

**TABLE OF CONTENTS**
**(Cont'd)**

## Combining and Individual Fund Financial Schedules



## Statistical Section (Unaudited)

**CITY OF PORTLAND, MAINE**
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**
**JUNE 30, 2021**

## TABLE OF CONTENTS
**(Cont'd)**

This page is intentionally blank.

# Introduction

This page is intentionally blank.

March 18, 2022

Kathleen Snyder, Mayor
Members of the City Council
Citizens of Portland, Maine

In accordance with the requirements of our charter and the laws of the State of Maine to prepare a complete set of audited financial statements and in recognition of the increased interest in public officials' accountability to citizens and potential investors, this annual comprehensive financial report ("annual report") of the City of Portland, Maine for the fiscal year ended June 30, 2021, is submitted.

The City is also required to undergo a single audit in conformity with the U.S. Office of Management and Budget's Uniform Guidance, *Cost Principles, Audit, and Administrative Requirements for Federal Awards*. Information pertaining to this single audit, including a schedule of expenditures of federal awards, findings and questioned costs, recommendations and the independent auditor's reports on the internal control and compliance with applicable laws and regulations, are reported in a separate document.

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 the financial statements are free of any material misstatements.

Melanson, a licensed firm of Certified Public Accountants, has issued an unmodified ("clean") opinion on the City of Portland, Maine's financial statements for the year ended June 30, 2021. 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.

***Profile of the Government***

The City of Portland, Maine is located in the state's southern coastal region, along the shores of Casco Bay. The City occupies 52.60 square miles and serves a population of nearly 70,000. The City is empowered to levy a tax on real property and business owners' personal property located within its boundaries.

The City was first settled in 1632 and incorporated in 1786. The first City charter was granted in 1832, its original charter was adopted in 1923. It has been amended several times, most recently, November 2, 2010. A nine-member City Council constitutes the legislative body, which includes a popularly elected mayor. The City manager is the chief executive officer of the City.

The City adopts fiscal year budgets for its general and enterprise funds. Special revenue funds do not have legally adopted budgets, but do have program budgets. Budgetary controls are maintained on the other governmental funds through formal authorizations by the City Council and through grant agreements. Debt service requirements (principal and interest) are budgeted as expenditures in the general fund. Budgets are legally adopted by the City Council through the passage of an appropriation order. Total expenditures may not exceed total appropriations without approval of the City Council.

A nine-member board of education has general authority for the public schools. The board annually presents a budget for school purposes for the ensuing municipal year. The City Council approves the school budget through a series of council orders. The orders must be ratified by the voters by referendum usually held in May before the start of the new fiscal year.

The City provides a full range of municipal services that include police and fire, highways and sanitation, health and human services, parks, recreation, education, public improvements, planning and urban development, parking, airport, sanitary sewer, and general administrative services.

The financial reporting entity of the City includes all the funds of the City of Portland, Maine as well as all its component units. Component units are legally separate entities for which the City (the primary government) is financially accountable. Blended component units, although legally separate, are in substance, part of the primary government's operations and are included as part of the primary government. The Portland Development Corporation and the Fish Pier Authority are reported as enterprise funds in the City's fund financial statements and are included in the business-type activities column in the government-wide financial statements. The Portland Public Library and the Portland Fish Exchange are discretely presented component units reported in a separate column in the government-wide financial statements only. The notes to financial statements provide additional information on component units.

## *Portland's Local Economy 2021*

### Overview

Portland is a healthy, vibrant City with diverse sectors driving its economy. It is a major center in Northern New England for commerce, finance, arts and entertainment, food and drink, health care, information technology, post-secondary education and tourism, and has a strong marine industry. Mixed-use office, retail, residential and commercial districts as well as marine and industrial areas provide wide-ranging development opportunities and remain ongoing priorities for the future. The FY 2021 taxable valuation breakdown shows that Portland has a healthy real estate tax base ratio at 44% commercial/industrial and 56% residential.

## Population Demographics

With a population of 68,408[1] in the City, Portland is the hub of a Metropolitan Statistical Area of approximately 540,000 people. A city of growing diversity, students in the Portland Public Schools come from homes where about 60 different languages are spoken, with the 10 most common in descending order being Somali, Arabic, Spanish, French, Portuguese, Kirundi, Vietnamese, Khmer, Kinyarwanda and Acholi. Relative to education levels, 48% of Portland's population over age 25 has a Bachelor's Degree or higher. While Maine is reported to be the state with the oldest population and a median age of 45 years, Portland's median age is 37, which is below the national median age of 38.1.

<u>Pandemic Impact - Unemployment</u>

Prior to the COVID-19 pandemic Portland's unemployment rate was 2.4%, compared to 3.4% for the state and 3.8% for the U.S. Portland's unemployment rate increased to 7.1% in June 2020, compared to 5.1% for the state and 11.2% for the U.S. In June 2021 the unemployment rate in Portland decreased to 5.1%, compared to 5.2% for the state and 6.1% for the U.S.

<u>Pandemic Impact - New Residents</u>

Over the past five years the City has attracted new residents from all over the country and around the world, including an ever-growing sector of young creatives and entrepreneurs. As a result of the pandemic, the influx of new residents has increased, particularly from urban areas such as Boston, New York and San Francisco. The trend of working remotely combined with the perception of Maine as a rural, safe place to reside and raise a family has resulted in residential properties selling faster, and at higher prices.

## Downtown

Portland's downtown, comprised of the Old Port and the Arts District, greatly contributes to the City's reputation as a vibrant center for innovation, arts and culture, dining, shopping and entertainment. Young professionals and retirees choose to move to Portland for these reasons as well as the City's pedestrian orientation. Entrepreneurs from all over the United States are choosing to open businesses here.

<u>Pandemic Impact</u>: Food and drink sectors in downtown and throughout the City experienced significant losses. Performance venues were among the hardest hit by the pandemic, closing their doors in March 2020 and not beginning to reopen until July 2021. Port City Music Hall, a popular music venue, closed permanently. City-owned Merrill Auditorium, a concert hall that seats 1,908, experienced an estimated $1.5 million loss of revenues. The Maine Music Alliance formed to encourage donations to save Portland's remaining concert venues, such as the State Theatre, Blue, One Longfellow Square and Portland House of Music.

Retailers experienced substantially reduced revenues, pivoting to online sales when possible. While many retailers closed their doors permanently, most retailers reopened to in-store shopping with safety precautions for masking and occupancy levels in October 2020. All retailers are now open and most are operating at full capacity. Vacant stores are slowly being replaced with new shops and restaurants.

[1] U.S. Census 2020

**Food and Drink Sector**

The continuous growth of Portland's food sector has brought extraordinary accolades to the City. Bon Appetit named Portland the 2018 Restaurant City of the Year. The Boston Globe wrote that "Portland, Maine is what it looks like when a small city becomes an innovative and nationally recognized hub of cuisine."[2] In 2009 Bon Appetit and Wine Enthusiast Magazines both recognized Portland as among the best foodie cities in America. The local farm to table movement has been an integral part of the food sector's growth in Portland.

In addition to its booming restaurant industry, there has been a growing craft beer, distilling and wine-making industry. Portland has more microbreweries and distilleries per capita than any other city in the nation. There are now about 30 breweries and distilleries in the City and 150 in Maine. Two of the largest breweries are in Portland and have won international awards – Shipyard Brewing Company and Allagash Brewing Company. Their beers are distributed throughout the United States and beyond.

Pandemic Impact: The City's food and drink sector has been significantly impacted by the pandemic. State orders prohibited bars and tasting rooms (breweries, wineries and distilleries) from operating indoor service between March 2020 and October 2020. While restaurants were permitted to open for indoor service in June 2020, many needed to provide outdoor seating along with curbside pickup and delivery to accommodate customers who were not comfortable eating inside. In October 2020 State-mandated limits changed to permit indoor restaurant seating to 50 percent of capacity or 100 people, whichever was less. As the weather got colder, many restaurants added heaters to continue outdoor seating as long as possible. While many restaurants and bars closed, new businesses opened in FY 2021.

**Creative Economy**

Sustaining the arts community and promoting the cultural life of Portland are key economic development initiatives. Creative Portland, a non-profit arts agency, supports economic development efforts by strengthening and stimulating the workforce, creative industries and enterprises. Its mission is to support the creative economy through the arts by providing essential resources, fostering partnerships and promoting Portland's artistic talents and cultural assets.

The arts are an economic engine pumping the creative economy and are pivotal for workforce recruitment and retention. Portland boasts 75% participation – three quarters of its residents attend at least one performing arts event per year – in public attendance in the arts according to a U.S. Census report published by the National Endowment for the Arts in 2018. According to a report published by the Americans for the Arts, arts expenditures in the nonprofit sector alone represented $75 million in 2017, and $1.6 billion in economic activity statewide in arts and culture production.

Portland has over 150 arts and cultural organizations that contribute to the lifestyle and artful living that cited the City as one of the "top 10 places to live" by U.S. News & World Report.[3] Creative Portland supports the cultural life of the City with projects and programs including First Friday Art Walk, public art initiatives, community discussions, an arts & culture summit, fiscal

[2] Boston Globe, *Culinary Boom in Portland, Maine*, October 4, 2014

[3] U.S. News & World Report, *U.S. News Ranks the Best Places to Live in the U.S. in 2021-2022*, July 13, 2021

sponsorships, juried art exhibitions, public health banners, welcoming banner campaign and creative bus shelters.

**Tourism**

In 2019 over 16.5 million people visited Maine and generated over $6 billion in spending, according to the Maine Office of Tourism. Close to 6 million visited the Portland region, spending over $680 million and supporting 11,500 local jobs.

Pandemic Impact: Visits to Maine in 2020 declined to 12.1 million people and tourist spending decreased to $4.8 billion. The decline in the number of visitors was limited to 27% due to the ability of travelers to drive to the state, and the perceptions that Portland and Maine were safe destinations given the amount of open space. Final numbers for the 2021 tourist season are not yet available; however, hotel bookings in Portland and throughout the State have been strong although there has been a shortage of workers to fill the lodging and hospitality jobs that support the industry.

**Hotel Development**

The downtown continues to experience substantial growth in hotel rooms, with new hotels under development or proposed, many with waterfront views. Those most recently constructed, or under construction, include the 155-room Aloft Hotel at 383 Commercial Street, the 135-room Canopy Portland Waterfront on the corner of Commercial and Cross Streets, and the 155-room Hobson's Landing Hotel (plus 85 condominium units with 6,000 square feet of office and retail). Hotels still in the planning stages will be located at 58 Fore Street (as part of the Portland Company complex) and at Thompson's Point. New hotels completed last year were the AC Hotel Portland Downtown/Waterfront by Marriott with 169 rooms and 9 suites and the Francis Hotel, a boutique venue with 15 rooms and a restaurant that opened in an historic mansion on Congress Street.

Previously reported new hotels in the Arts District were the 110-room Press Hotel with a restaurant on the first floor in the former Portland Press Herald building. It joined the Westin Harborview, formerly the Eastland Park Hotel, which reopened at the end of 2013 after undergoing a $30 million renovation. In the Old Port is the 123-room Hyatt Place Hotel on Fore Street, the 131-room Courtyard by Marriot on the western section of Commercial Street, and the Inn at Diamond Cove on Great Diamond Island which accommodates 22 hotel condo units.

Pandemic Impact: Hotels operated at significantly reduced capacity once they reopened to guests at the beginning of June 2020. By August/September 2020 hotels increased to approximately 50% capacity as restrictions were gradually eased for out-of-state travelers. When all restrictions were lifted in May 2021, lodging facilities in the Portland area and throughout the state experienced a surge in advanced bookings although many establishments experienced labor shortages which curtailed services such as housekeeping and room service. Challenges related to labor shortages continued into September 2021 as seasonal student workers returned to school.

**Education**

Benefitting from a $100 million donation from David and Barbara Roux, Northeastern University launched the Roux Institute in November 2020, opening a 25,000 square-foot temporary campus at 100 Fore Street. The focus of the Roux Institute is to offer graduate education and research capabilities in the areas of artificial intelligence, computer and data sciences, digital engineering, and advanced life sciences and medicine. The Institute will partner with Maine companies to equip the workforce with essential technology skills, and to advance research and development, while establishing an innovation corridor stretching from Boston to Portland and beyond. It has recently been announced that the 13.5 acre B&M Baked Bean factory site on the Portland waterfront will be purchased by a nonprofit organization for the Roux Institute to build its permanent campus. In addition to classrooms, research space and offices, the property will also have housing, shops, restaurants, a hotel and public parkland.

The University of Southern Maine (USM) in Portland is undergoing a transformation of its Portland campus. It will be constructing two new student facilities and a campus green including a three-story, 42,000 square-foot structure to serve as the new campus hub, a 580-bed residence hall and a one-acre campus green to serve as the entry point to the Portland campus. In addition, $15 million has been raised to date to build the new home for the USM School of Music on the Portland campus. The building is estimated to cost between $38 million and $42 million.

The University of Maine System (UMS) will be constructing a new, permanent home for the Maine School of Law and the Graduate and Professional Center. Plans have not yet been finalized but the projected cost will be approximately $70 million. UMS will need to raise at least $30 million to match $40 million pledged by the Harold Alfond Foundation for the project that will be situated on the University of Southern Maine campus.

Bridging health care and academia, the University of New England (UNE) invested $17 million to open the UNE College of Dental Medicine on its Portland campus in 2013. In 2009, UNE opened the State's first College of Pharmacy and graduated its first class of pharmacists in the spring of 2013.

**Hospitals**

Portland has two major hospitals: Maine Medical Center (MMC) and Northern Light Mercy Hospital. MMC is a teaching hospital for Tufts University School of Medicine and the largest medical facility in northern New England. Portland's largest employer with over 9,000 employees, MMC is involved in a $512 million expansion to modernize and expand the hospital. Completion is anticipated by the end of 2022. Northern Light Mercy Hospital will be consolidating hospital operations at its new Fore River campus and has already sold its State Street building to be redeveloped into housing, though it will continue to operate out of that facility until its final move. Construction to expand the Fore River campus began in 2020 and will be completed in 2022. It will be a $74.7 million project.

<u>Pandemic Impact</u>: Along with all of Maine's hospitals, the two hospitals in Portland have suffered financial losses primarily due to the suspension of elective and preventative care, in order to prevent the spread of the virus and to care for COVID-19 patients. The financial situation is now improving as patient volumes for elective care and surgeries are increasing and CARES Act funding is being provided to hospitals. The Mills administration announced in August 2021 that $25 million in coronavirus relief funds will be awarded to 14 hospitals and 96 long-term care facilities in Maine to help recover from the pandemic. Maine Health, the parent organization of

MMC and other Maine medical facilities, will be investing $61 million in wage and benefit increases to retain as well as hire new staff.

**Transportation**

The City is a transportation hub for air, rail and shipping, and fully recognizes that transportation is a vital economic driver, connecting Portland to the world. The City's transportation infrastructure includes the Portland International Jetport, the Portland Transportation Center and three transport facilities on the Portland Waterfront.

The Portland International Jetport, located just ten minutes from downtown, is Maine's largest airport and the fastest growing airport in New England. The Jetport is currently served by eight airlines. These include year-round service from American, Delta, Southwest, and United; and seasonal service from Elite Airways, Frontier, JetBlue, and Sun Country. The Jetport primarily serves southern Maine and its revenue is produced through contracts and leases with airlines, concessions, fixed base operators, and other aeronautical business partners.

Pandemic Impact: The Jetport was poised to break previous passenger throughput levels in 2020 until the pandemic occurred. The Jetport served 2.18 million passengers in calendar year 2019, which decreased to 792,571 passengers in calendar year 2020 and 648,192 total passengers in fiscal year 2021 as the COVID-19 pandemic reduced the use of air travel worldwide. Despite these reductions the Jetport has seen a strong recovery in passenger volumes. In June 2021, the final month of the fiscal year, passenger volumes nearly recovered to 2019 levels, closing as the third busiest June in the Jetport's history, and serving 192,910 passengers or nearly a third of the fiscal year's total. This was due to a surge in leisure traffic as significant pent up demand for leisure travel and direct service from several new destinations brought the Jetport's summer 2021 passenger volumes back to 2019 pre-pandemic levels.

The International Marine Terminal (IMT) is owned by the City but leased and operated by the Maine Port Authority. It is the only international container terminal in Northern New England. This facility continues to expand in size and is connected directly to freight rail service. Eimskip USA, the Icelandic Steamship Company, established its U.S. Port of Call in Portland at the IMT in 2014, moving its base of operations from Norfolk Virginia. The company offers direct transatlantic cargo shipping services between the U.S., Canada and Europe and is planning further expansion of its operations on Portland's waterfront.

Pandemic Impact

The pandemic impact on the IMT has been minimal. According to Matthew Burns, Interim Executive Director of the Maine Portland Authority, "the success story of the International Marine Terminal continues into 2021 as Eimskip grows its trans-Atlantic liner service to Portland. The growth in container volume saw only a slight temporary decrease towards the beginning of the COVID-19 pandemic but has remained largely unaffected throughout the duration of the global pandemic and the IMT has remained fully operational throughout. Eimskip continues to build its customer base with an increase in imports (33% from YTD 2020) and exports (88% from YTD 2020). As of September 1st, 2021, container volume at the IMT is up 30% overall from the previous year. We expect over 30,000 total TEU (1x20' container = 1 TEU) to move through the IMT by the end of 2021, which will be another record year."

“The Maine Port Authority continues to develop investments to grow with Eimskip and hopes to break ground on the Maine International Cold Storage Facility (MICSF) in the Fall of 2021. Complementing MICSF is a $5.1 million Port Infrastructure Development Program grant through the US Maritime Administration in 2020 to upgrade portions of the IMT and Merrill’s Marine Terminal.”

The 120,000 square foot cold storage facility to support Maine and Portland’s growing food production industry will cost approximately $40 million. Under negotiation is a potential land swap between the City of Portland and the State of Maine which could result in the State taking ownership of the IMT while the City would take ownership of 10 acres of State-owned land on County Way, the Park & Ride Lot on Marginal Way and the former Union Branch rail corridor, which the City would convert into a bike-pedestrian corridor.

Casco Bay Lines is a quasi-public ferry service that provides transport for island residents and visitors to six Casco Bay Islands, four of which are part of the City of Portland. Since some of the islands have year-round inhabitants, Casco Bay Lines operates year-round from its terminal on Portland’s waterfront. Annually, it transports more than one million passengers, 35,000 vehicles and over 500,000 pieces of freight. The ferry service received a $6 million grant in 2018 from the Federal Transportation Administration (FTA) to help fund replacement of an aging ferry in its five-vessel fleet. A grant of $3.4 million was received from the FTA to fund the third phase of renovations to the Ferry Terminal. These renovations began in January 2021 and will continue for 18 months.

Ocean Gateway is an International Marine Passenger Terminal owned by the City of Portland. It provides berthing for cruise ships from May through October. In the 2019 season, the Port of Portland hosted 100 cruise ships that carried 152,801 passengers and 62,204 crew members. The largest of these vessels, Anthem of the Seas, carried over 6,450 passengers and crew and docked at the City’s mega berth.

Pandemic Impact: Approximately 130 cruise ships cancelled between April 2020 and November 2020 with no activity other than 8 days for Coast Guard cutters. Over $2 million in berthing and passenger fees were lost. For the 2021 season only the domestic line, American Cruise Lines, returned to Portland in mid-June through mid- September.

Portland Transportation Center is an intermodal facility at Thompson’s Point. It hosts Concord Coach Lines and the AMTRAK Downeaster. Concord provides bus service to Boston, Logan Airport and various Maine locations as far north as Orono, the home of the University of Maine campus. In addition, it offers daily direct trips to New York City. The AMTRAK Downeaster offers passenger rail service from Brunswick, Freeport, Portland, Old Orchard Beach, Saco, Wells and several stops in New Hampshire to Boston. It is one of the best performing regional Amtrak passenger rails in the country. In 2019, a record-setting half-million people rode the Downeaster, an increase of nearly eight percent compared to the previous year. The AMTRAK Downeaster temporarily suspended all passenger rail service April 29, 2020 through June 15, 2020 which impacted ridership and revenues. The Downeaster is now back to a full schedule with five trips per day between Portland and Boston.

## Housing

Portland, recently ranked as the 8th best place to live in the U.S., is a desirable location.[4] However, public officials and residents are increasingly concerned about Portland's affordability because housing costs are rising steadily. The pandemic slowed construction and development while demand for single-family and rental units remained strong. Historically high costs of building materials, a labor shortage, and strained supply chain have driven housing prices higher. Since January 2020 the City has approved 1,261 rental and condo units in 23 development projects. Of the total units approved 338, or 27%, are affordable for workforce to very low income households, and 69 of the affordable units are deed restricted to remain affordable under Portland's Inclusionary Zoning Ordinance (IZ). The fee-in-lieu option under IZ will direct $1,512,146 into the City's Housing Trust Fund while $544,258 from Hotel IZ will also be deposited into the Housing Trust Fund for projects approved during 2020 and 2021. In 2020 and 2021, the City Council approved federal and local funding totaling $2,401,605 to subsidize 204 new affordable units and renovate 100 low-income apartments.

The City has set a goal to evaluate the use of City-owned property to construct affordable housing for households earning 60% to 120% of the area median income. Two of eight parcels have received planning board approval to construct 216 units of mixed-income rental units. Another parcel in the disposition process is located on Peaks Island where affordable housing is in short supply. The Downtown Height Overlay Map and zoning map were amended to support the adaptive reuse of the former Mercy Hospital to allow for the construction of 170 rental units. Seventeen of the units would be deed restricted to households earning up to 100% area median income ("AMI") under the City's inclusionary zoning ordinance. These map amendments also allow for the construction of two new buildings on the former hospital's surface parking lot that will include a 43 affordable unit building for families earning up to 60% AMI, and 52 affordable units for adults aged 55 and over. Amendments to the Downtown Height Overlay Map at 200 Federal Street will allow for the construction of a 190' tall mixed-use building with 264 rental apartments, including 27 units deed restricted for affordability.

## Major Initiatives

Development of the 10-acre Portland Company Site on the waterfront at 58 Fore Street is estimated to cost over $150 million with planned retail, residential, office, hotel and marina uses, along with a parking garage. The marina has been completed while the new headquarters for Sun Life is under construction. Sun Life is a leading international financial services organization providing insurance, wealth and asset management solutions to individual and corporate clients. Sun Life has made commitments to working with the growing pool of talent in Portland, including a partnership with Northeastern University's Roux Institute, to train and recruit employees in data science, and apply these skills to actuarial sciences and other areas of the insurance industry.

An estimated $100 million development at Thompson's Point will include a wide range of commercial uses including an event center, a brewery, several museums, offices, a parking structure, restaurants and a hotel. This project is about 40% completed with retail and event space in rehabilitated historic railroad manufacturing and repair buildings. Construction of the Children's Museum and Theatre building has been completed and opened in the summer of 2021.

---

[4] U.S. News & World Report, *U.S. News Ranks the Best Places to Live in the U.S. in 2021-2022*, July 13, 2021

Portland's technology and bioscience sectors are growing substantially. Three leading firms have completed or will soon be completing new headquarters in Portland's Eastern Waterfront area, adjacent to the Old Port. These companies have chosen to be in Portland because it is attractive for recruitment of world-class talent.

Covetrus, a leading provider of technology-enabled health care services for companion and equine veterinary practitioners is in the process of constructing a $20 million, 259,156 square-foot headquarters at 12 Mountfort Street in downtown Portland. This company is the product of a merger between Vets First Choice, already located in Portland, and Henry Shein Animal Health. The merger will create the largest publicly traded company in Maine in terms of revenues.

In March 2019 WEX completed its new global 100,000 square-foot headquarters at 1 Hancock Street, providing 450 quality jobs with 200 additional jobs in the future. Growing at a rapid pace through the acquisition of several companies, further square footage at the same Portland location was completed in 2020. WEX is a leading business payment processing and information management solutions leader, with offices all over the world.

Tilson Technologies, a telecommunications and IT company, expanded into a new downtown 50,000 square-foot office building. It continues to be named year after year to Inc. Magazine's 5,000 fasting growing companies.

The bioscience animal health company, ImmuCell, recently expanded its presence in Portland with a new $20 million production facility.

The Portland Technology Park is a business campus being developed by the City near Interstate 95 off of Rand Road. It provides an option for bioscience, high tech and other types of companies that want or need an alternative to locating in an industrial park or a downtown area. In 2017 the Park gained it first occupant, Patrons Oxford Insurance Company, which completed its 19,000 square-foot headquarters at the Park and moved in its 46 employees. The Technology Park has sites for five to six more companies.

**Plans**

In November 2020 the Portland City Council adopted a new land use code under ReCode Portland Phase I. ReCode Portland is the first rewriting of the City's Land Use Code in over 50 years. Its purpose is to create a new, unified development code to serve Portland for the 21st century. The document is more user-friendly, advances the goals of the City's new Comprehensive Plan 2030 and better equips the City to meet its myriad needs in the areas of housing, design, preservation, conservation, the working waterfront, energy and transportation. ReCode Portland Phase II will involve conducting a code audit to explore how the land use code holds up against the goals of Portland's Plan, followed by a rewrite of elements of the code to better align with Portland's Plan and address substantive issues raised by technical analysis and public input.

Portland's Comprehensive Plan 2030 was completed in June 2017. It is a succinct and accessible plan to guide decision making in the City for the next 10 years and beyond. Fundamentally, it articulates a vision of Portland's values today and for the future, provides important information about the state of the City, establishes a to-do list for implementation and forms a framework for decision making. The plan was a product of extensive community engagement through feedback from thousands of people who completed surveys, attended community forums, invited City staff to stakeholder meetings, opened their classrooms, emailed comments and spoke up at Planning Board workshops.

***Long-term financial planning***

As part of the City charter, the Capital Improvement Plan (CIP) is updated annually and submitted to and adopted by the Council. The CIP is a financing and construction/acquisition plan for projects that require significant capital investment. The plan strives to maintain a balance between maintaining existing assets and investing in new assets to support growth and community priorities.

Additionally, the City continues to plan for final retirement of the City's 2001 pension obligation bond issue. Pension obligation debt service of $17.5 million is currently carried within the City operating budget and final retirement of the bonds will present opportunities for property tax relief, decreased reliance on annual borrowing and increased focus on scheduled maintenance of capital assets.

***Relevant financial policies***

The City has established a fund balance policy that targets its unassigned fund balance to 12.5% of expenditures. At June 30, 2021, unassigned fund balance was fully in compliance with policy.

The City also has a debt policy which guides the future issuance of long-term debt. The policy requires the evaluation of affordability factors which include:

- Net debt service payments not to exceed 15% of general fund expenditures.
- Net debt service payments not to exceed 1.5% of per capita income.
- General obligation debt per capita should not exceed $5,000.
- Total outstanding debt should not exceed 5% of the State of Maine's equalized valuation of the City.

At June 30, 2021, the City was in full compliance with the debt management policy.

*Acknowledgements*

This report could not have been completed without the dedicated service from the City Finance Department, the cooperation and assistance of all City departments, and the assistance and review of Melanson.

Respectfully submitted,

| | |
|---|---|
| Danielle West | Brendan T. O'Connell |
| Acting City Manager | Finance Director |

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report (“annual report”) for the year ended June 30, 2020. This was the twenty-seventh consecutive year that the City has received this prestigious award. The award requires a government to publish an easily readable and efficiently organized annual comprehensive financial report. This report also satisfies Generally Accepted Accounting Principles and applicable legal requirements.

Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Portland**
**Maine**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

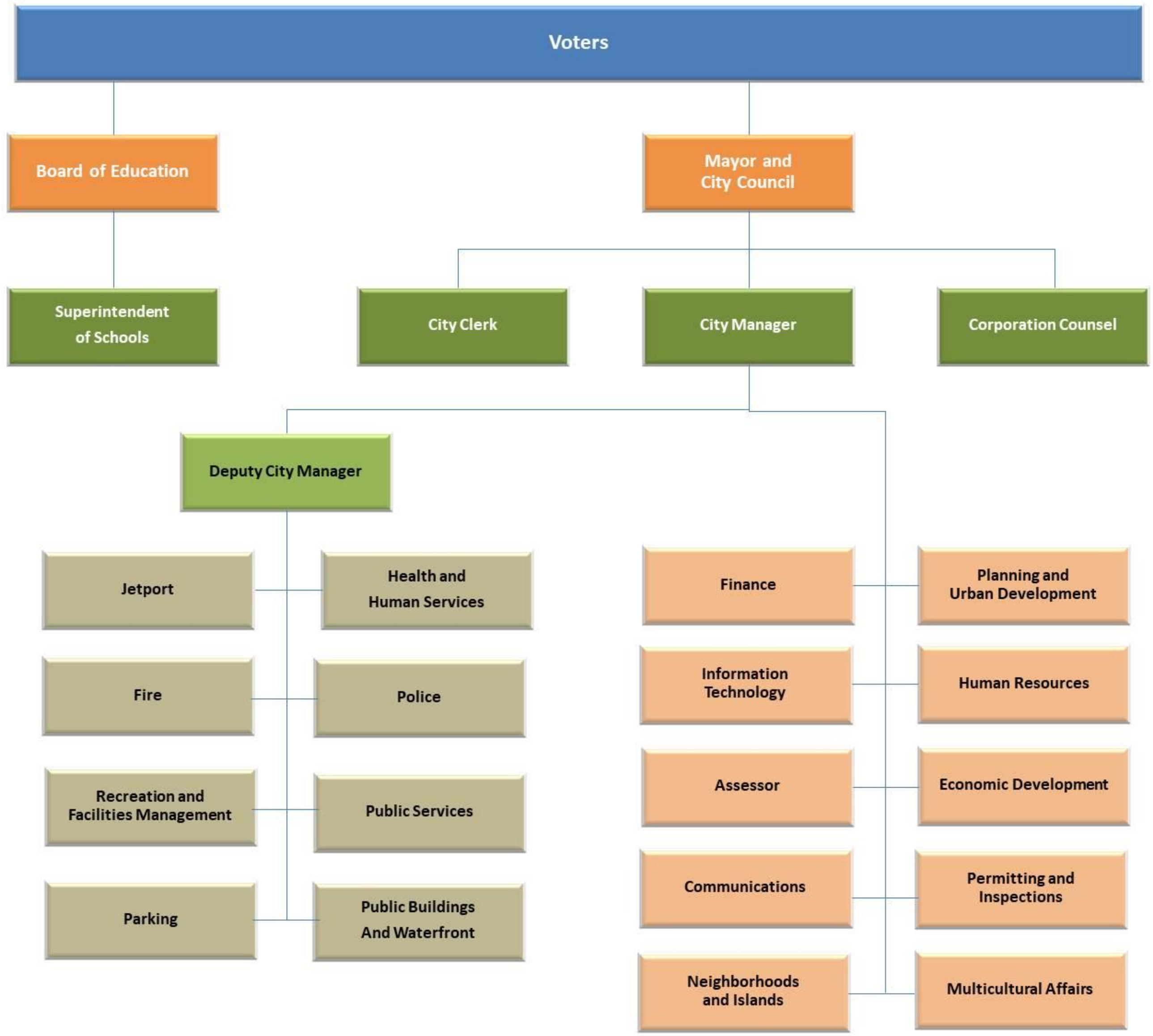
June 30, 2020

Christopher P. Morrill

Executive Director/CEO

The Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**CITY OF PORTLAND, MAINE**
**Table of Organization**
**June 30, 2021**



# CITY OF PORTLAND, MAINE

Principal Executive Officers
As of June 30, 2021

## City Council

Kate Snyder, Mayor

Belinda S. Ray, District 1
Spencer Thibodeau, District 2
Tae Y. Chong, District 3
Justin Costa, District 4
Kimberly Cook, District 5

Jill C. Duson, At Large
Pious Ali, At Large
Nicholas M. Mavodones, Jr., At Large

## City Staff

Jon Jennings, City Manager
Katherine Jones, City Clerk
Brendan T. O’Connell, Finance Director
Danielle West-Chuhta, Corporate Counsel

This page is intentionally blank.

# Financial Section

This page is intentionally blank.

MELANSON

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council
City of Portland, Maine

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Portland, Maine (the City), as of and for the year ended June 30, 2021, 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***

The City's 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.

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Portland Public Library, a discretely presented component unit of the City of Portland, Maine. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Portland Public Library, is based solely on the report of the other auditors. Also, we did not audit the financial statements of the Portland Fish Exchange, a discretely presented component unit of the City of Portland, Maine. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Portland Fish Exchange, is based solely on the report of the other auditors. 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*, issues 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. The financial statements of the Portland Public Library, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

Merrimack, New Hampshire
Andover, Massachusetts
Greenfield, Massachusetts
Ellsworth, Maine
800.282.2440 | melansoncpas.com

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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, and certain pension and OPEB schedules 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 evidence sufficient 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's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Melanson

Merrimack, New Hampshire
March 18, 2022

800.282.2440 | melansoncpas.com

This page is intentionally blank.

# Management's Discussion and Analysis

As management of the City of Portland (the City), we offer readers of the City of Portland, Maine's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. We encourage the readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which can be found on pages 1-12 of this report. All amounts in the Management's Discussion and Analysis are expressed in thousands of dollars. Also, please note that percentages may not add to 100% due to rounding.

## Financial Highlights

During the fiscal year ended June 30, 2021, the COVID-19 pandemic continued to disrupt economic activity at the national, state and local levels and cause volatility in financial markets around the world, including the United States. A state of emergency, declared by the State of Maine on March 15, 2020, expired on June 30, 2021.

In response to the public health crisis created by COVID-19, the governor of the State of Maine issued multiple executive orders and declarations to protect the public health and reduce community spread of the virus. These measures included closing or restricting access to certain businesses and activities, issuing a "stay at home" directive for most citizens, restricting nonessential travel, requiring self-quarantining by persons traveling into the state, suspension of lodging and short-term rental operations, and limiting movements of all persons in Maine to those necessary to obtain or provide essential services or conduct essential activities.

The City of Portland enacted additional measures that included increased services to protect the public health, temporary closures of municipal facilities, and suspension of numerous nonessential programs. The impact of actions taken at the national, state and local levels on the City of Portland's financial operations are noted in the discussion below.

- The assets plus the deferred outflows of the City of Portland, Maine exceeded its liabilities plus deferred inflows at the close of the most recent fiscal year by $456,476 *(Net Position).*
- The City's total net position increased by $39,698. Of the total increase in net position, $27,436 relates to the governmental funds and $12,263 is attributed to the enterprise funds. The primary reasons for the increase in the governmental funds is due to continued strong property tax collections and increases in intergovernmental revenues, particularly state revenue sharing, general assistance payments, and federal CARES payments for the City's long-term care facility; combined with reductions in budgeted expenses as a response to the pandemic, particularly in the areas of education, public facilities, and recreation. The increase in net position in the enterprise funds can be attributed to increases in federal COVID-related reimbursements and reductions in budgeted expenses in the jetport fund.
- As of the close of the current fiscal year, the City of Portland, Maine's governmental funds reported combined ending fund balances of $186,923, an increase of $14,562 compared to the prior year. The *unassigned fund balance* increased by $5,903 to $57,566 while *nonspendable*, *restricted, committed*, and *assigned* fund balance increased by $8,660. In total, the general fund balance increased by $6,138. The capital projects fund decreased by $3,625. The debt service fund increased by $5,976, and other governmental funds

increased by $6,073.

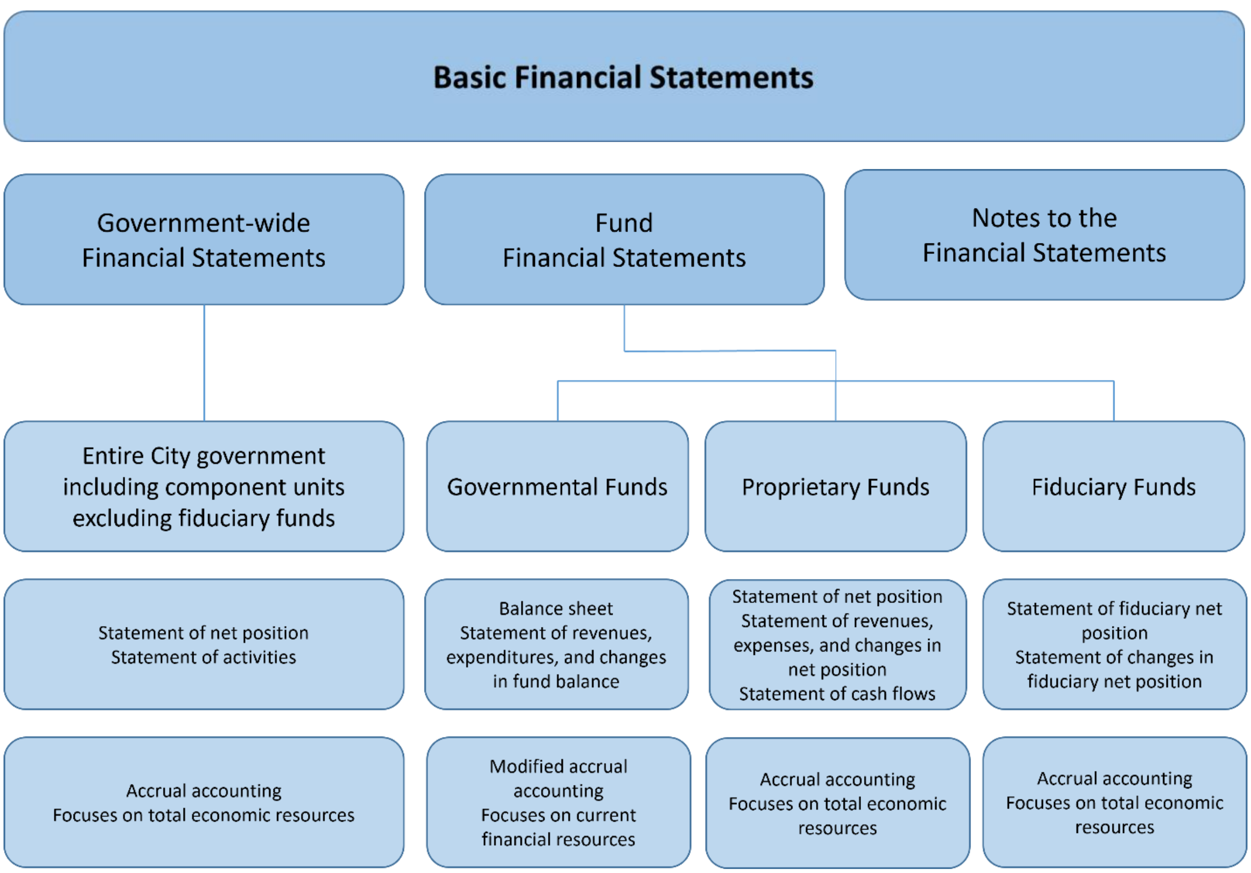
- The City's total general obligation debt increased $33,877 with the issuance of $78,877 general obligation bonds and direct borrowings, less principal repayments of general obligation bonds and direct borrowings in the amount of $45,000. Of the total amount issued, $14,937 was to refund outstanding general obligation bonds, $46,022 was to fund combined sewer overflow improvements, and $17,918 was to fund general capital improvements approved by the City Council in 2020.

## Overview of the Financial Statements

This discussion and analysis serves as an introduction the City of Portland, Maine's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

This report also contains required supplementary information and other supplementary information in addition to the basic financial statements, and other information found in the statistical section.



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

The *statement of net position* presents information on all of the City of Portland, Maine's assets, liabilities, and deferred outflows/inflows of resources, with the difference 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 Portland, Maine is improving or deteriorating.

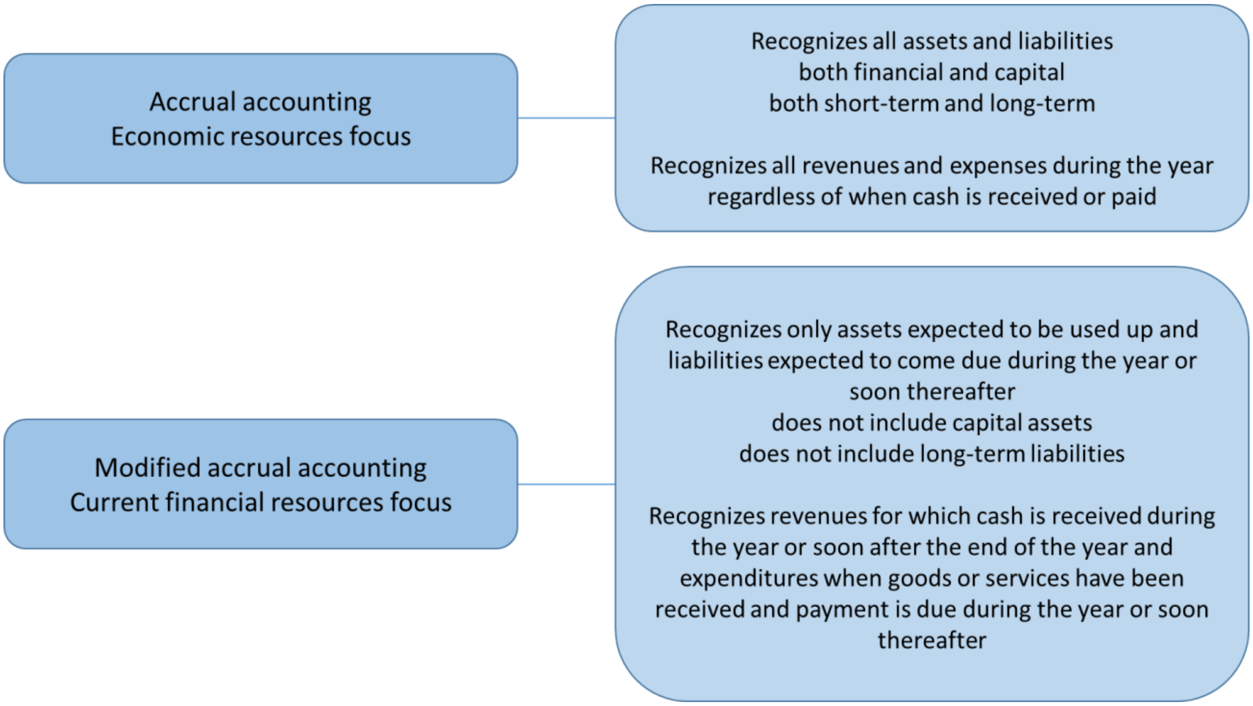
The *statement of activities* presents information showing how the City's *net position* changed during the most recent fiscal year. All the changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported 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 Portland, Maine 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 Portland, Maine include general government, public safety, public works (highways, streets, and sanitation), health and social services, public library, education, and transportation. The business-type activities of the City of Portland, Maine include airport, sewer, stormwater, seaport facilities, and economic development and financial assistance to business and industry.

The government-wide financial statements include not only the City itself (*primary government),* but also a legally separate library for which the City of Portland, Maine is financially accountable, and a legally separate fish pier exchange for which the City appoints its Board of Directors. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 39-40 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 Portland, Maine, 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 Portland, Maine can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.




***Governmental funds:*** These 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 used in evaluating a government's near-term financing requirements. The basic governmental funds can be found on pages 41-44.

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 balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

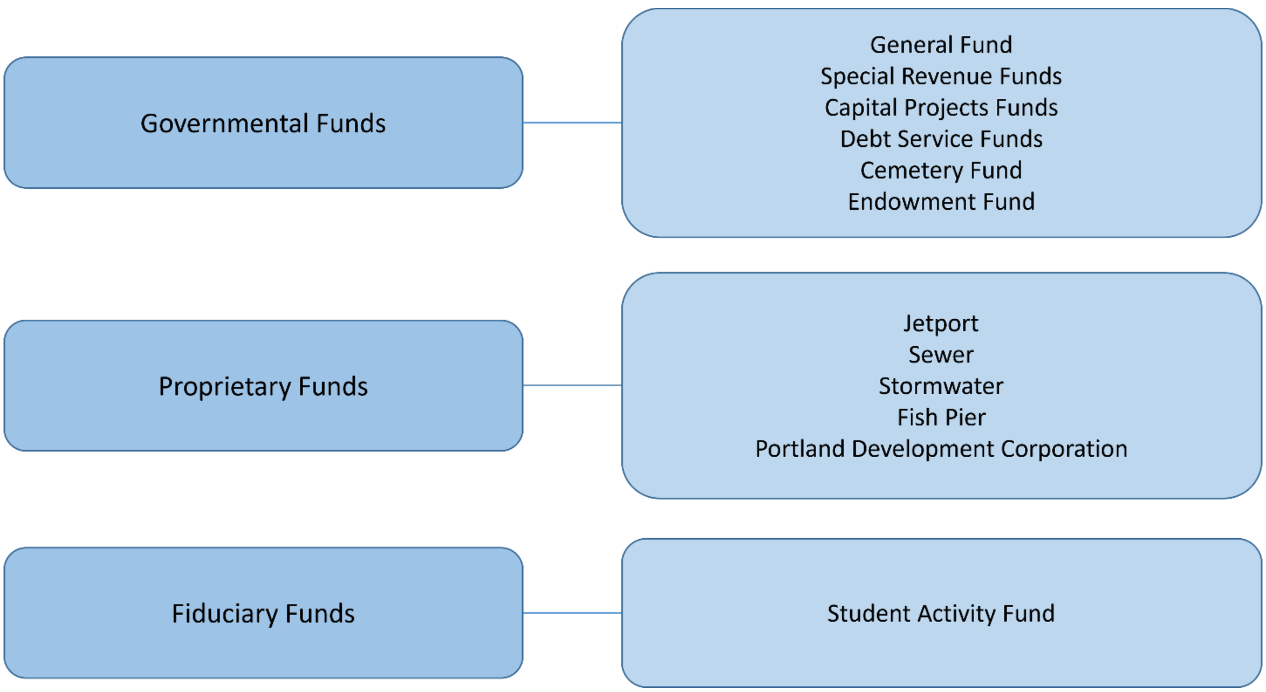
The City of Portland, Maine maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects fund, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements*. These statements can be found on pages 102-103.

The City of Portland adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. This statement can be found on pages 45-47.

***Proprietary funds*:** The City of Portland, Maine maintains one type of proprietary fund. *Proprietary funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Portland uses proprietary funds to account for its jetport, sewer and stormwater utilities. The Fish Pier Authority and the Portland Development Corporation (PDC), *blended component units,* are also reported as proprietary funds.

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 proprietary funds, each of which are considered to be a major fund of the City of Portland, Maine. The basic proprietary funds financial statements can be found on pages 48-50 of this report.

***Fiduciary funds:*** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. These funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City'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 51-52.




**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 53-92.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also represents *required supplementary information* concerning the City of Portland, Maine's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 93-99 of this report.

## Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of Portland, Maine, assets and deferred outflows of resources less liabilities and deferred inflows at the close of the 2021 fiscal year were $456,476, an increase of $39,699 from $416,777 at the end of fiscal year 2020.

**Net Position**
**Year Ended June 30, 2021**
**(With Comparison Totals for June 30, 2020)**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| **Current and other assets** | $ 249,768 | $ 203,957 | $ 135,719 | $ 95,107 | $ 385,487 | $ 298,088 |
| **Capital assets** | 371,203 | 365,449 | 364,290 | 342,658 | 735,493 | 708,107 |
| **Total assets** | 620,970 | 569,405 | 500,009 | 437,765 | 1,120,979 | 1,006,195 |
| **Deferred outflows of resources** | 19,108 | 15,598 | 2,518 | 3,120 | 21,626 | 18,718 |
| **Long-term liabilities** | 315,370 | 321,066 | 236,699 | 192,350 | 552,069 | 513,416 |
| **Other liabilities** | 101,294 | 64,359 | 27,435 | 21,918 | 128,729 | 86,277 |
| **Total liabilities** | 416,665 | 385,425 | 264,134 | 214,268 | 680,799 | 599,693 |
| **Deferred inflows of resources** | 5,033 | 8,633 | 297 | 785 | 5,330 | 9,419 |
| **Net investment in capital assets** | 210,407 | 209,958 | 162,843 | 160,924 | 373,250 | 370,882 |
| **Restricted, restated** | 57,092 | 50,952 | 4,362 | 4,369 | 61,454 | 55,321 |
| **Unrestricted (deficit)** | (49,118) | (69,966) | 70,889 | 60,538 | 21,771 | (9,428) |
| **Total net position** | $ 218,381 | $ 190,945 | $ 238,095 | $ 225,832 | $ 456,476 | $ 416,777 |

The change of unrestricted net position, from a deficit of $9,428 to $21,771 is the result of several factors. In the governmental funds, property tax collections continued to be strong and increases were realized in intergovernmental revenues, particularly state revenue sharing, general assistance payments, and federal CARES payments for the City's long-term care facility. Significant increases in health and human services expenses were offset by increases in state general assistance, and expenses were reduced for education, public facilities and recreation in response to changes in operations caused by the COVID-19 pandemic. In the enterprise funds, the Jetport realized significant intergovernmental revenues related to COVID-19 programs and reduced expenses in response to lower passenger traffic.

The net investment in capital assets is the largest portion of the City's net position. It reflects the City's investment in land, buildings, machinery, equipment, vehicles, and infrastructure less any related outstanding debt used to acquire those assets. The capital assets are used to provide services to the City's citizens. Accordingly, these assets are not available for future spending. It should be noted that the resources used to repay the debt issued to finance asset acquisition must be provided from sources other than the assets themselves.

The remaining portion of net position (13.46%) represents resources that are subject to external restrictions on how they may be used.

One of the largest items affecting net position is the change in the net pension liability. The increase in net pension liability during fiscal year 2021 was $10,304. This is the result of the change in investment earnings and other projections associated with the City's participation in the defined benefit pension plan administered by the Maine Public Employees Retirement System (MainePERS). The liability is derived from actuarially determined amounts and includes City employees participating in the plan as well as teachers of the School Department. The total net pension liability at June 30, 2021 is $46,258; $39,789 for the City's pension plan, and $6,469 for the Teacher's pension plan. Of the total $65,769 liability for the City's school teachers, only $6,469 is recorded by the City; the remaining $59,300 is the State of Maine's proportionate share. At the end of fiscal year 2021, the deferred outflows of resources related to pensions were $15,752; the deferred inflows were $1,794.

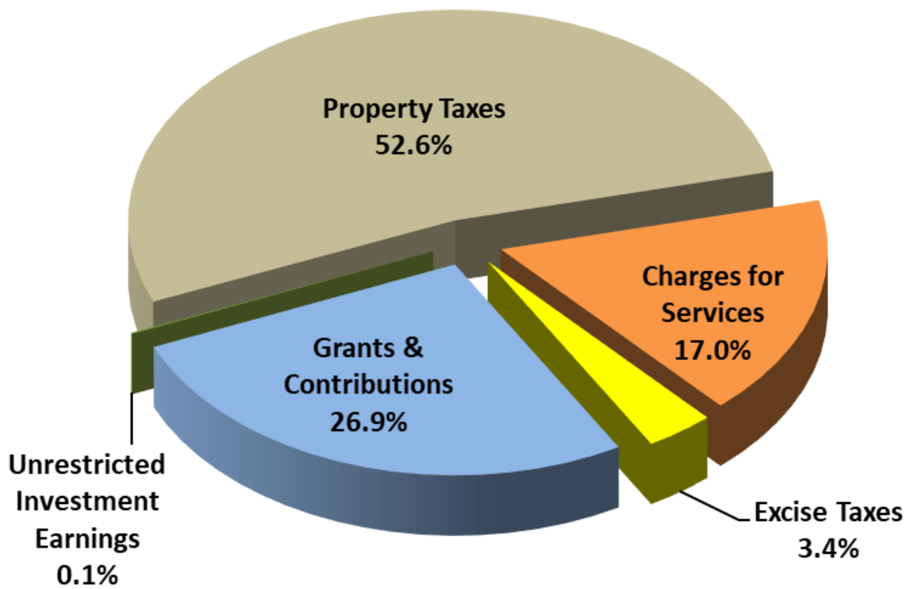
The City also has outstanding obligations relating to the group term life insurance and retiree health benefits plans administered by MainePERS and MEABT. The total OPEB liability at June 30, 2021 is $23,244, of which $20,141 relates to retiree health benefits for school employees. The City records this liability for retiree health benefits in the government-wide financial statements even though the State of Maine is responsible for 100% of this cost. At the end of the fiscal year 2021, the deferred outflows of resources related to OPEB were $4,084 and the deferred inflows of resources were $3,536.

**Changes in Net Position**
**Year Ended June 30, 2021**
**(With Comparison Totals for June 30, 2020)**

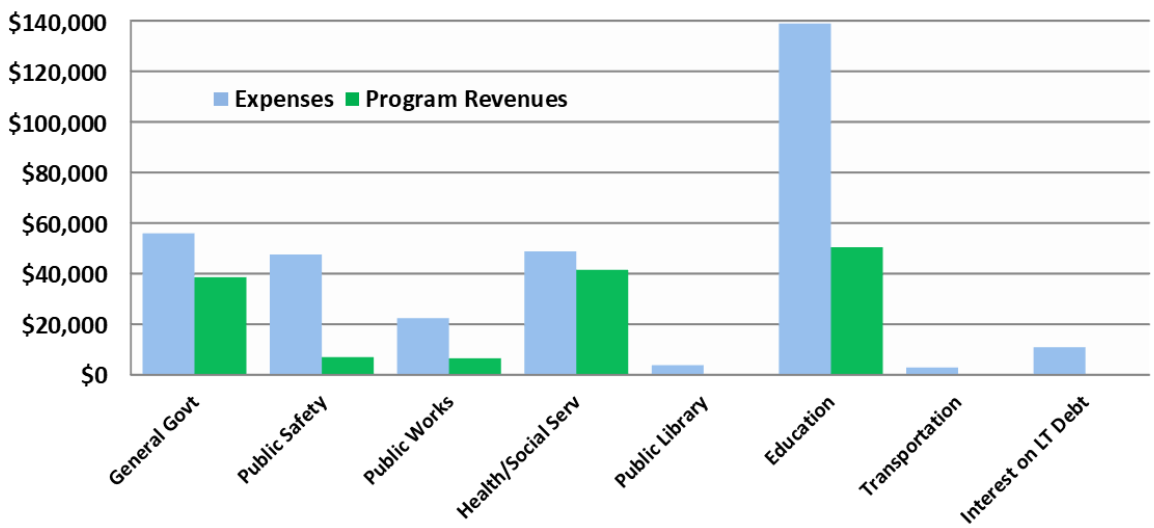
| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| **Revenues:** | | | | | | |
| **Program revenues:** | | | | | | |
| **Charges for services** | $ 61,093 | $ 66,714 | $ 49,054 | $ 53,245 | $ 110,147 | $ 119,959 |
| **Operating grants and contributions** | 81,229 | 55,699 | 336 | 2,372 | 81,565 | 58,071 |
| **Capital grants and contributions** | 1,713 | 893 | 7,048 | 16,403 | 8,761 | 17,296 |
| **General revenues:** | | | | | | |
| **Property and other taxes** | 200,605 | 196,650 | - | - | 200,605 | 196,650 |
| **Grants and contributions not restricted to specific programs** | 13,657 | 10,820 | 9,610 | - | 23,267 | 10,820 |
| **Other** | 353 | 1,373 | 242 | 1,065 | 595 | 2,438 |
| **Total revenues** | 358,650 | 332,149 | 66,290 | 73,085 | 424,940 | 405,234 |
| **Expenses:** | | | | | | |
| **General government** | 55,948 | 56,952 | - | - | 55,948 | 56,952 |
| **Public safety** | 47,551 | 47,591 | - | - | 47,551 | 47,591 |
| **Public works** | 22,403 | 24,858 | - | - | 22,403 | 24,858 |
| **Health and social services** | 48,807 | 40,659 | - | - | 48,807 | 40,659 |
| **Public library** | 3,833 | 4,995 | - | - | 3,833 | 4,995 |
| **Education** | 138,915 | 126,940 | - | - | 138,915 | 126,940 |
| **Transportation** | 2,877 | 2,788 | 27,341 | 33,054 | 30,218 | 35,842 |
| **Interest on long-term debt** | 10,883 | 11,546 | - | - | 10,883 | 11,546 |
| **Sewer** | - | - | 23,244 | 22,250 | 23,244 | 22,250 |
| **Stormwater** | - | - | 2,187 | 1,985 | 2,187 | 1,985 |
| **Fish Pier Authority** | - | - | 712 | 580 | 712 | 580 |
| **Real estate development/lending** | - | - | 542 | 297 | 542 | 297 |
| **Total expenses** | 331,218 | 316,328 | 54,026 | 58,166 | 385,244 | 374,494 |
| **Transfers in (out)** | - | - | - | - | - | - |
| **Increase (decrease) in net position** | 27,436 | 15,823 | 12,263 | 14,918 | 39,698 | 30,741 |
| **Net position - beginning, as restated** | 190,945 | 176,097 | 225,832 | 210,914 | 416,777 | 386,035 |
| **Net position - end of year** | $ 218,381 | $ 191,921 | $ 238,095 | $ 225,832 | $ 456,476 | $ 416,777 |

**Governmental activities:** During the current fiscal year, continued strong tax collections and significant increases in intergovernmental revenues, combined with lower than anticipated expenses relating to reductions in nonessential programs due to the Covid-19 pandemic, increased net position by $27,436 compared to the prior fiscal year, for an ending balance of $218,381.

**Revenue by Source – Governmental Activities**
**For the Year Ended June 30, 2021**

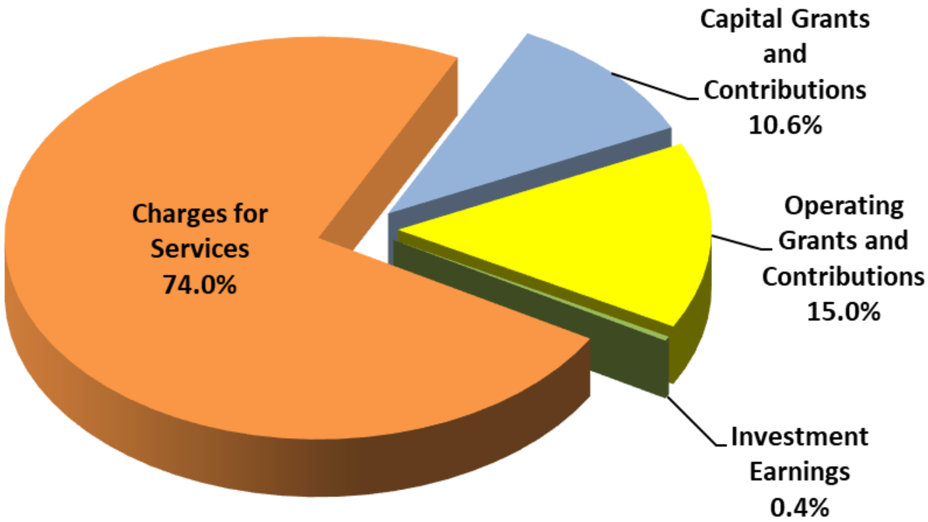



**Expenses and Program Revenues – Governmental Activities**
**For the Year Ended June 30, 2021**

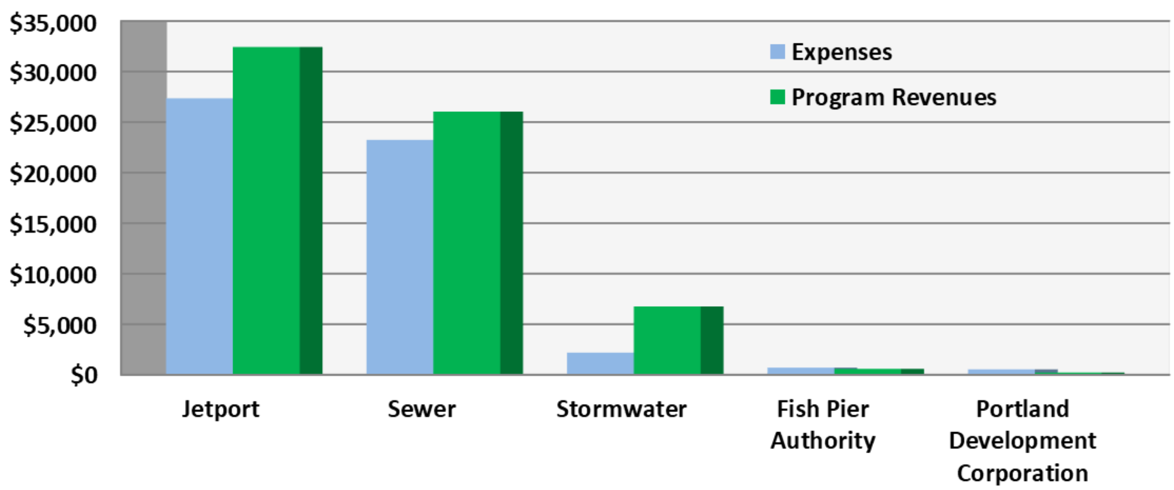



**Business-type activities:** For the City of Portland, Maine's business activities, the results for the current year were positive in that the overall net position for business-type activities increased $12,263 to an ending balance of $238,095.

**Revenues by Source – Business-type Activities**
**For the Year Ended June 30, 2021**




**Expenses and Program Revenues – Business-type Activities**
**For the Year Ended June 30, 2021**



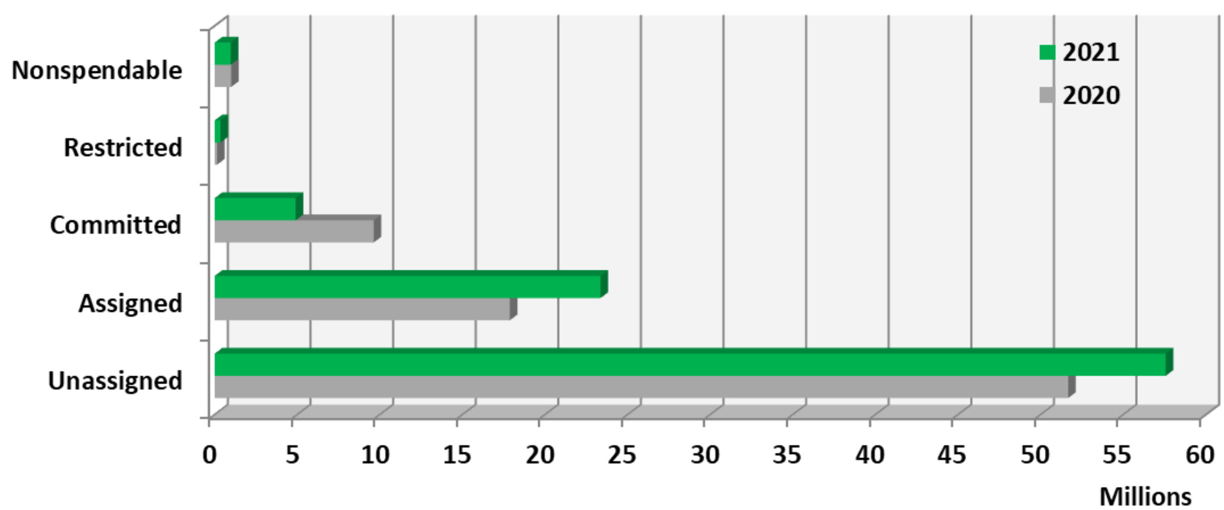
## Financial Analysis of Governmental Funds

The City of Portland, Maine uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

***Governmental Funds:*** The focus on the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances, of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City of Portland, Maine's Council.

At June 30, 2021, the City of Portland, Maine's governmental funds reported combined fund balance of $186,923, an increase of $14,562. Approximately 31% of this amount, or $57,566, constitutes *unassigned fund balance, which* is available for spending at the City's discretion. The remainder of fund balance is either *nonspendable, restricted, committed,* or *assigned* to indicate that it is 1) not in spendable form, 2) externally restricted for a specific purpose, 3) internally committed to a particular purpose, or 4) assigned to a particular purpose.

| General Fund - Components of Fund Balance<br>June 30, 2021 | Amount | Percent of Total |
|---|---|---|
| Nonspendable | $ 974 | 1.1% |
| Externally restricted | 344 | 0.4% |
| Internally committed | 4,900 | 5.6% |
| Assigned to a particular purpose | 23,354 | 26.8% |
| Unassigned and available for spending | 57,566 | 66.1% |



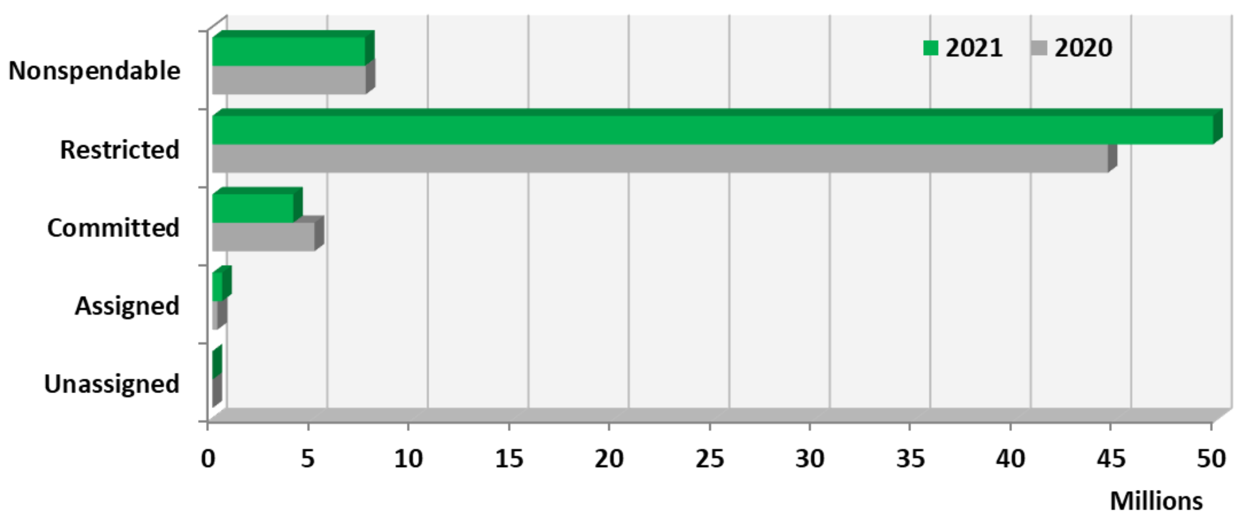

The general fund is the central operating fund of the City and is the only fund that can have a positive unassigned balance. At the end of the current fiscal year, unassigned fund balance of the general fund was $57,566; total fund balance was $87,139. As a measure of liquidity in the general fund, it may be useful to compare both unassigned fund balance and total fund balance to general fund expenditures. The total fund balance of the City of Portland's general fund increased $6,138 during the 2021 fiscal year.

The capital projects fund, a major fund, had a decrease of $3,625 in fund balance. This was due mainly to the timing of the issuance of long-term debt and the expenditure of funds as related projects progressed.

The debt service fund, also a major fund, had an increase of $5,976 in fund balance. This was the result of the assignment of additional funds for the payment of future debt service relating to outstanding pension obligation bonds.

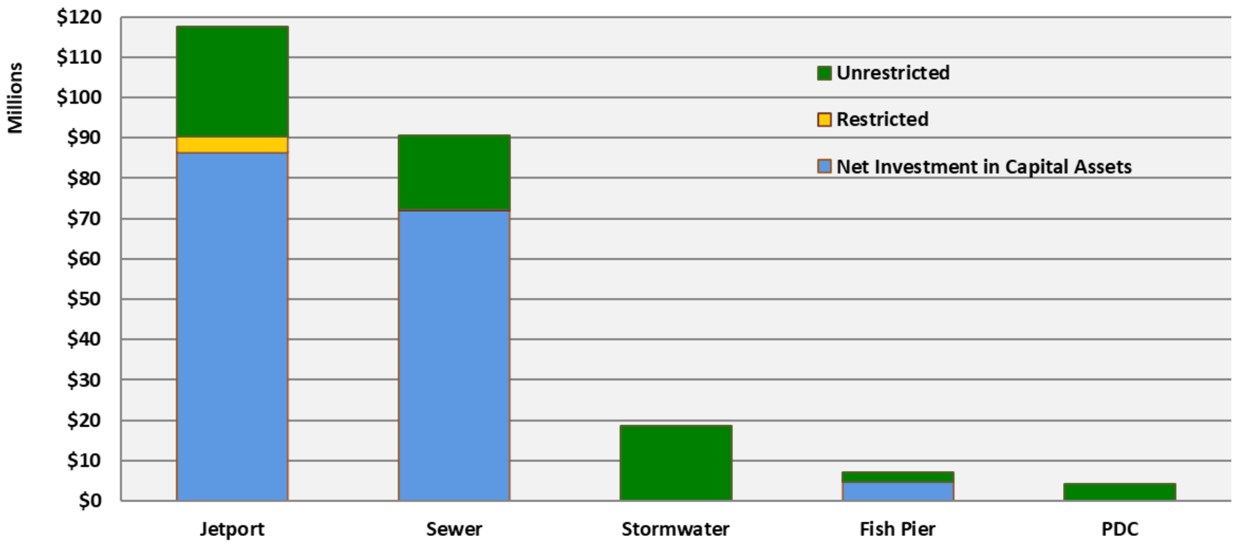
The non-major governmental funds had an increase of $6,073. This was due to increases in debt service reserves and increased intergovernmental revenues in the City's special revenue funds.

| Capital Projects, Debt Service, and Other Governmental Funds<br>Components of Fund Balance, June 30, 2021 | Amount | Percent of Total |
|---|---|---|
| Nonspendable | $ 7,596 | 7.6% |
| Externally restricted | 73,543 | 73.7% |
| Internally committed | 4,020 | 4.0% |
| Assigned to a particular purpose | 14,625 | 14.7% |
| Unassigned | - | 0.0% |




*Proprietary funds.* The City of Portland, Maine's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the five enterprise funds totaled $238,095, an overall increase of $12,263. Net position increased from $112,276 to $117,411 in the Jetport; increased from $86,965 to $90,669 in Sewer; increased from $14,879 to $18,627 in Stormwater; decreased from $4,429 to $4,231 in the Portland Development Corporation; and decreased from $7,283 to $7,157 in the Fish Pier Authority.

**Proprietary Funds – Net Position**
**June 30, 2021**




Net position restricted for operating maintenance and renewal and replacement in the enterprise funds totaled $4,362 at the end of the 2021 fiscal year. The following table summarizes restricted net position at year end and also the amount and percentage increase (decrease) from June 30, 2020.

| Restricted Net Position | Amount | Percentage of Total | Increase / (Decrease) from 2020 | Percentage Increase / (Decrease) |
|---|---|---|---|---|
| Jetport | $ 4,278 | 98% | $ (47) | -1% |
| Sewer | 84 | 2% | 40 | 91% |
| Stormwater | - | 0% | - | 0% |
| Fish Pier Authority | - | 0% | - | 0% |
| Portland Development Corporation | - | 0% | - | 0% |
| Total | $ 4,362 | 100% | $ (7) | |

The decrease of $47 in restricted net position in the Jetport is attributed to decreases in required reserves for Jetport operating maintenance. The increase of $40 in restricted net position in the Sewer enterprise fund represents an increase in debt service reserves.

## General Fund Budgetary Highlights

Actual revenues exceeded budgeted amounts by $13,799 due to continued strong property tax collections and significant increases in intergovernmental revenues, particularly state revenue sharing, general assistance and federal CARES reimbursements for the City's long-term care facility. Overall, total revenue collections were 3.0% higher compared to the prior year.

Expenditures were $3,994 under amounts budgeted, despite significant increases in expenditures for health and human services in response to the Covid-19 pandemic, primarily due to reductions in education, public facilities and recreation. Total expenditures, budgeted to decrease by 0.2% in fiscal year 2021, were 1.1% higher compared to the prior year.

Refer to Statement 5 on pages 45-47, Schedules B-1 and B-2 on pages 106-107, and the notes to the financial statements on pages 53-92 for more detailed information.

The following schedule presents a summary of the general fund's revenues on the budgetary basis for the fiscal year ended June 30, 2021, and the percentage of increases (decreases) from the year ended June 30, 2020.

| Revenues | Amount | Percentage of Total | Increase / (Decrease) from 2020 | Percentage Increase / (Decrease) |
|---|---|---|---|---|
| **General property taxes** | $ 189,104 | 56% | $ 4,245 | 2% |
| **Excise taxes** | 12,120 | 4% | 1,682 | 16% |
| **Licenses and permits** | 7,352 | 2% | (1,833) | -20% |
| **Fines, forfeits and penalties** | 1,980 | 1% | (191) | -9% |
| **Uses of money and property** | 7,308 | 2% | (3,140) | -30% |
| **Intergovernmental** | 24,597 | 7% | 8,819 | 56% |
| **Charges for services** | 33,598 | 10% | (2,602) | -7% |
| **Education** | 22,408 | 7% | (622) | -3% |
| **Other** | 12,826 | 4% | 2,688 | 27% |
| **Interdepartmental charges** | 25,174 | 7% | 642 | 3% |
| **Total** | $ 336,467 | 100% | $ 9,688 | |

General fund expenditures on the budgetary basis for the year ended June 30, 2021 and the corresponding increases (decreases) and percentages from the prior year are as follows:

| Expenditures | Amount | Percentage of Total | Increase / (Decrease) from 2020 | Percentage Increase / (Decrease) |
|---|---|---|---|---|
| General government | $ 26,701 | 8% | $ (3,088) | -10% |
| Public safety | 34,770 | 11% | (577) | -2% |
| Public works | 12,573 | 4% | (2,370) | -16% |
| Health and social services | 40,476 | 13% | 7,988 | 25% |
| Public library | 3,722 | 1% | (513) | -12% |
| Education | 113,965 | 36% | (1,612) | -1% |
| Pension and employee insurance | 31,147 | 10% | 2,235 | 8% |
| Other | 11,350 | 4% | 396 | 4% |
| Debt service | 44,804 | 14% | 1,265 | 3% |
| Capital | (138) | 0% | (138) | - |
| Total | $ 319,371 | 100% | $ 3,587 | |

As described in the notes to the financial statements (page 57), the City treats inter-fund and interdepartmental transfers as revenues and expenditures for budgetary purposes. Interdepartmental expenditures for the year ended June 30, 2021 increased $641 or 2.6%. Interdepartmental expenditures for the year are summarized below along with the dollar amount of change and percentage increase and (decrease) from the prior year.

| Expenditures | Amount | Percentage of Total | Increase / (Decrease) from 2020 | Percentage Increase / (Decrease) |
|---|---|---|---|---|
| General government | $ 2,330 | 9% | $ 60 | 3% |
| Public safety | 1,736 | 7% | 23 | 1% |
| Public works | 982 | 4% | (4) | 0% |
| Pension and employee insurance | 2,398 | 10% | 66 | 3% |
| Debt service | 17,728 | 70% | 496 | 3% |
| Total | $ 25,174 | 100% | $ 641 | |

## Capital Assets and Debt Administration

**Capital assets.** The City of Portland, Maine's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to $735,493 (net of accumulated depreciation). The investment in capital assets includes land, buildings, machinery, equipment, vehicles, roads and sewer lines. The total increase for the current year was approximately $27,386 or 3.9%. Depreciation expense (net of disposals) for the year was $28,953 while additions (net of disposals) were $56,339.

| City of Portland, Maine's capital assets | | | | | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| **Capital assets not being depreciated** | | | | | | |
| Land | $ 25,117 | $ 24,767 | $ 18,431 | $ 18,431 | $ 43,547 | $ 43,197 |
| Construction in progress | 24,748 | 15,957 | 56,688 | 36,112 | 81,436 | 52,069 |
| **Capital assets being depreciated, net** | | | | | | |
| Buildings and improvements | 126,120 | 132,084 | 100,807 | 105,718 | 226,927 | 237,801 |
| Improvements other than buildings | 22,560 | 21,613 | 50,413 | 48,546 | 72,973 | 70,160 |
| Machinery and equipment | 26,708 | 27,791 | 9,646 | 10,788 | 36,354 | 38,579 |
| Infrastructure | 145,951 | 143,238 | 128,305 | 123,063 | 274,256 | 266,301 |
| Total | $ 371,203 | $ 365,449 | $ 364,291 | $ 342,658 | $ 735,493 | $ 708,107 |

Additional information on the City of Portland, Maine's capital assets can be found on pages 58-59 and pages 66-67 of this report.

**Long-term debt.** At the end of the 2021 fiscal year, the City had total bonded debt outstanding of $464,307. Of this amount, $369,732 comprised general obligation bonds and direct placements backed by the full faith and credit of the City. The remaining $94,575 consisted of revenue bonds secured solely by Jetport operating revenues and passenger surcharges.

| City of Portland, Maine's outstanding bonded debt | | | | | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| General obligation bonds | $ 236,350 | $ 249,693 | $ 79,080 | $ 39,777 | $ 315,430 | $ 289,470 |
| Notes from direct borrowings | 9,666 | 8,461 | 52,410 | 46,385 | 62,076 | 54,846 |
| Revenue bonds | - | - | 94,575 | 96,585 | 94,575 | 96,585 |
| Total | $ 246,016 | $ 258,154 | $ 226,066 | $ 182,747 | $ 472,081 | $ 440,901 |

Total bonded debt increased $31,180 (7.1%) during the 2021 fiscal year as new general obligation debt issues exceeded general obligation principal repayments by $33,190, and revenue bond principal repayments were $2,010 with no new revenue bonds issued. The City issued $78,877 in new debt: $1,891 of interest-free loans from the Maine Municipal Bond Bank for improvements to schools, $14,937 to refund outstanding general obligation bonds, and $62,049 for new capital improvement projects which included $46,022 for improvements to the City's sewer and stormwater infrastructure.

The City of Portland, Maine maintains an "Aa1" rating from Moody's Investor Services and an "AA" rating from Standard and Poor's Rating Services.

State statutes limit the amount of general obligation debt that a municipality may issue to 15% of its total state assessed valuation. The current debt limit for the City is $1,672,395. Outstanding debt of $369,732 is 22.11% of the total allowed.

Additional information on the City of Portland, Maine's long-term debt can be found in Note K. Long-term liabilities on pages 81-85.

## Economic Factors and Next Year's Budget and Rates

The following economic factors currently affect the City of Portland, Maine and were considered and included in developing the 2021-2022 fiscal year budgets:

- Continuing impact of the Covid-19 pandemic on revenues and expenses
- Unemployment rate
- Expenses for which the City has limited control
- Taxable assessed value
- State budget deliberations
- Restrictions on discretionary spending at the federal level

In adopting the budget for the 2022 fiscal year, City officials considered many factors in making judgements and estimates about the finances of the upcoming year:

- Minimize taxpayer impact
- Minimize the impact to services and its recipients
- Minimize the impact to our workforce
- Responsibly manage our fund balance

The result was no increase in the tax rate of $23.31 mills, with a fund balance utilization component of $753 by the School Department.

## Requests for Information

This financial report is designed to provide a general overview of the City of Portland, Maine's finances for all those with an interest in the City's finances. Questions concerning any of the information in this report or requests for additional information should be addressed to:

Office of the Finance Director
City of Portland, Maine
389 Congress Street
Portland, Maine 04101

This report is available online at www.portlandmaine.gov/200/Finance

This page is intentionally blank.

# Basic Financial Statements

This page is intentionally blank.

Statement 1

**CITY OF PORTLAND, MAINE**
**STATEMENT OF NET POSITION**
**June 30, 2021**

| | Primary Government | | | Component Units | |
|---|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Portland Public Library | Portland Fish Exchange (as of April 30, 2021) |
| **ASSETS** | | | | | |
| Cash and cash equivalents | $ 177,201,161 | $ 104,191,701 | $ 281,392,863 | $ 487,661 | $ 238,772 |
| Investments | 31,721,317 | - | 31,721,317 | 8,528,186 | - |
| Taxes receivable | 3,133,203 | - | 3,133,203 | - | - |
| Accounts receivable, net | 6,647,807 | 6,475,809 | 13,123,615 | 115,169 | 159,509 |
| Loans and notes receivable, net | 1,326,257 | 1,720,427 | 3,046,684 | - | - |
| Due from other governments | 25,169,826 | 6,294,405 | 31,464,231 | - | - |
| Inventories | 965,250 | 614,666 | 1,579,916 | - | 41,356 |
| Prepaid expenses | 140,248 | 329,846 | 470,093 | 58,009 | 40,695 |
| Restricted assets-cash and cash equivalents | 3,462,500 | 16,092,173 | 19,554,673 | 633,247 | - |
| Capital assets: | | | | | |
| Land | 25,116,587 | 18,430,891 | 43,547,478 | 162,500 | - |
| Construction in progress | 24,748,190 | 56,687,742 | 81,435,932 | - | - |
| Buildings and improvements, net | 126,119,774 | 100,807,383 | 226,927,157 | 3,234,397 | - |
| Improvements other than buildings, net | 22,559,525 | 50,413,284 | 72,972,809 | - | 70,804 |
| Machinery and equipment, net | 26,708,039 | 9,645,824 | 36,353,862 | 183,423 | 162,200 |
| Infrastructure, net | 145,950,665 | 128,305,419 | 274,256,084 | - | - |
| Total assets | $ 620,970,350 | $ 500,009,571 | $ 1,120,979,921 | $ 13,402,592 | $ 713,336 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | | |
| Deferred outflows of pension resources | $ 15,120,403 | $ 632,022 | $ 15,752,425 | $ - | $ - |
| Deferred outflows - other post-employment benefits | 3,987,447 | 96,342 | 4,083,789 | - | - |
| Deferred outflows of refunding bonds | - | 1,789,423 | 1,789,423 | - | - |
| Total deferred outflows of resources | $ 19,107,850 | $ 2,517,787 | $ 21,625,637 | $ - | $ - |
| **LIABILITIES** | | | | | |
| Accounts payable | $ 8,468,413 | $ 8,234,401 | $ 16,702,815 | $ 83,741 | $ 96,157 |
| Accrued liabilities | 29,962,174 | 6,566,377 | 36,528,551 | 315,313 | 148,303 |
| Unearned revenue | 23,735,753 | 88,822 | 23,824,575 | - | - |
| Noncurrent liabilities: | | | | | |
| Due within one year | 39,128,054 | 12,546,343 | 51,674,397 | 28,078 | 9,160 |
| Due in more than one year | 315,370,237 | 236,699,382 | 552,069,619 | 697,185 | 10,309 |
| Total liabilities | $ 416,664,634 | $ 264,135,325 | $ 680,799,959 | $ 1,124,317 | $ 263,929 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Deferred inflows of pension resources | $ 1,695,441 | $ 98,233 | $ 1,793,674 | $ - | $ - |
| Deferred inflows - other post-employment benefits | 3,337,459 | 198,619 | 3,536,078 | - | - |
| Total deferred inflows of resources | $ 5,032,899 | $ 296,852 | $ 5,329,752 | $ - | $ - |
| **NET POSITION** | | | | | |
| Net investment in capital assets | $ 210,406,853 | $ 162,843,416 | $ 373,250,269 | $ 2,855,057 | $ 213,535 |
| Restricted for: | | | | | |
| Operating maintenance | - | 4,278,202 | 4,278,202 | - | - |
| Loan programs | 1,663,207 | - | 1,663,207 | - | - |
| Education | 737,638 | - | 737,638 | - | - |
| Tax increment financing districts | 2,490,389 | - | 2,490,389 | - | - |
| Other grants and special revenue | 23,407,457 | - | 23,407,457 | - | - |
| Permanent funds, expendable | 21,329,054 | - | 21,329,054 | 4,126,433 | - |
| Permanent funds, nonexpendable | 7,464,463 | - | 7,464,463 | 3,737,868 | - |
| Renewal and replacement | - | 84,401 | 84,401 | - | - |
| Unrestricted (deficit) | (49,118,396) | 70,889,162 | 21,770,766 | 1,558,917 | 235,872 |
| Total net position | $ 218,380,667 | $ 238,095,181 | $ 456,475,848 | $ 12,278,275 | $ 449,407 |

The notes to the financial statements are an integral part of this statement.

**CITY OF PORTLAND, MAINE**
**STATEMENT OF ACTIVITIES**
**For the Year Ended June 30, 2021**

| Functions / Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities | Primary Government: Business-type Activities | Primary Government: Total | Component Units: Portland Public Library | Component Units: Portland Fish Exchange (for the year ended April 30, 2021) |
|---|---|---|---|---|---|---|---|---|---|
| **Primary government:** | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| General government | $ 55,948,114 | $ 32,949,197 | $ 5,340,490 | $ 298,056 | $ (17,360,371) | $ - | $ (17,360,371) | $ - | $ - |
| Public safety | 47,550,594 | 5,180,928 | 1,818,939 | - | (40,550,727) | - | (40,550,727) | - | - |
| Public works | 22,403,199 | 3,915,219 | 1,170,592 | 1,442,390 | (15,874,998) | - | (15,874,998) | - | - |
| Health and social services | 48,806,859 | 18,455,243 | 23,059,266 | - | (7,292,350) | - | (7,292,350) | - | - |
| Public library | 3,833,477 | - | - | - | (3,833,477) | - | (3,833,477) | - | - |
| Education | 138,941,921 | 592,990 | 49,840,455 | - | (88,508,476) | - | (88,508,476) | - | - |
| Transportation | 2,877,058 | - | - | - | (2,877,058) | - | (2,877,058) | - | - |
| Interest on long-term debt | 10,883,492 | - | - | - | (10,883,492) | - | (10,883,492) | - | - |
| Total governmental activities | $ 331,244,713 | $ 61,093,577 | $ 81,229,742 | $ 1,740,447 | $ (187,180,949) | $ - | $ (187,180,949) | $ - | $ - |
| Business-type activities: | | | | | | | | | |
| Jetport | $ 27,341,118 | $ 15,663,078 | $ 112,005 | $ 7,048,297 | $ - | $ (4,517,739) | $ (4,517,739) | $ - | $ - |
| Sewer | 23,244,047 | 26,032,418 | - | - | - | 2,788,371 | 2,788,371 | - | - |
| Stormwater | 2,187,049 | 6,768,581 | - | - | - | 4,581,532 | 4,581,532 | - | - |
| Fish Pier Authority | 712,852 | 586,464 | - | - | - | (126,386) | (126,386) | - | - |
| Portland Development Corporation | 542,898 | 3,500 | 224,169 | - | - | (315,228) | (315,228) | - | - |
| Total business-type activities | $ 54,027,964 | $ 49,054,042 | $ 336,175 | $ 7,048,297 | $ - | $ 2,410,550 | $ 2,410,550 | $ - | $ - |
| Total primary government | $ 385,272,677 | $ 110,147,619 | $ 81,565,917 | $ 8,788,743 | $ (187,180,949) | $ 2,410,550 | $ (184,770,398) | $ - | $ - |
| **Component units:** | | | | | | | | | |
| Portland Public Library | $ 6,067,892 | $ 156,262 | $ 5,716,262 | $ 1,599,546 | | | | $ 1,404,178 | $ - |
| Portland Fish Exchange | 1,164,819 | 960,900 | 315,000 | - | | | | - | 111,081 |
| (for the year ended April 30, 2021) | $ 7,232,711 | $ 1,117,162 | $ 6,031,262 | $ 1,599,546 | | | | $ 1,404,178 | $ 111,081 |
| General revenues: | | | | | | | | | |
| Property taxes | | | | | $ 188,484,756 | $ - | $ 188,484,756 | $ - | $ - |
| Excise taxes | | | | | 12,120,475 | - | 12,120,475 | - | - |
| Grants and contributions not restricted to specific programs | | | | | 13,657,773 | 9,610,024 | 23,267,797 | - | - |
| Unrestricted investment earnings | | | | | 353,603 | 242,166 | 595,768 | 214,609 | 78 |
| Total general revenues | | | | | $ 214,616,607 | $ 9,852,189 | $ 224,468,796 | $ 214,609 | $ 78 |
| Change in net position | | | | | 27,435,658 | 12,262,740 | 39,698,398 | 1,618,787 | 111,159 |
| Net position - beginning, restated | | | | | 190,945,009 | 225,832,441 | 416,777,450 | 10,659,488 | 338,248 |
| Net position - ending | | | | | $ 218,380,667 | $ 238,095,181 | $ 456,475,848 | $ 12,278,275 | $ 449,407 |

The notes to the financial statements are an integral part of this statement.

**CITY OF PORTLAND, MAINE**
**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**June 30, 2021**

| | General | Debt Service | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and cash equivalents | $ 108,174,520 | $ 14,141,612 | $ 25,292,619 | $ 33,054,910 | $ 180,663,661 |
| Investments | 4,365,448 | - | - | 27,355,869 | 31,721,317 |
| Taxes receivable | 3,133,203 | - | - | - | 3,133,203 |
| Accounts receivable | 7,437,267 | - | - | 35,190 | 7,472,457 |
| Allowance for uncollectible accounts | (824,651) | - | - | - | (824,651) |
| Loans receivable | - | - | - | 1,400,232 | 1,400,232 |
| Allowance for uncollectible loans | - | - | - | (73,975) | (73,975) |
| Due from other governments | 5,733,681 | - | - | 19,436,145 | 25,169,826 |
| Interfunds receivable | 12,577,692 | - | - | - | 12,577,692 |
| Inventories | 834,077 | - | - | 131,173 | 965,250 |
| Prepaid expenditures | 140,248 | - | - | - | 140,248 |
| Total assets | $ 141,571,486 | $ 14,141,612 | $ 25,292,619 | $ 81,339,544 | $ 262,345,261 |
| **LIABILITIES** | | | | | |
| Accounts payable | $ 5,372,296 | $ - | $ 1,288,183 | $ 1,807,934 | $ 8,468,413 |
| Accrued liabilities | 21,777,906 | - | 257,009 | 4,562,345 | 26,597,260 |
| Interfunds payable | - | - | - | 12,577,692 | 12,577,692 |
| Claims and judgments | 1,143,048 | - | - | - | 1,143,048 |
| Unearned revenue | 23,239,080 | - | - | 496,674 | 23,735,753 |
| Total liabilities | $ 51,532,330 | $ - | $ 1,545,192 | $ 19,444,645 | $ 72,522,167 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Unavailable revenue-property taxes | $ 2,900,123 | $ - | $ - | $ - | $ 2,900,123 |
| Total deferred inflows of resources | $ 2,900,123 | $ - | $ - | $ - | $ 2,900,123 |
| **FUND BALANCES** | | | | | |
| Nonspendable: | | | | | |
| Inventories and prepaid expenditures | $ 974,325 | $ - | $ - | $ 131,173 | $ 1,105,498 |
| Permanent funds | - | - | - | 7,464,463 | 7,464,463 |
| Restricted: | | | | | |
| Capital projects | - | - | 23,747,427 | 299,408 | 24,046,834 |
| Career and technical education | 343,909 | - | - | - | 343,909 |
| Other grants and special revenue | - | - | - | 28,167,519 | 28,167,519 |
| Permanent funds | - | - | - | 21,329,054 | 21,329,054 |
| Committed: | | | | | |
| Economic development activities | 338,837 | - | - | - | 338,837 |
| Capital improvement | 2,588,146 | - | - | 2,444,124 | 5,032,271 |
| Loan programs | - | - | - | 1,326,257 | 1,326,257 |
| Revaluation | 330,001 | - | - | - | 330,001 |
| Self-insurance programs | 1,028,500 | - | - | - | 1,028,500 |
| Recodification | 95,000 | - | - | - | 95,000 |
| Subsequent years expenditure | 520,000 | - | - | 250,000 | 770,000 |
| Assigned: | | | | | |
| Barron Center resident benefits | 104,186 | - | - | - | 104,186 |
| Capital Improvement | 8,000,000 | - | - | - | 8,000,000 |
| Debt service | - | 14,141,612 | - | - | 14,141,612 |
| Medicaid settlements | 300,000 | - | - | - | 300,000 |
| Casco Bay Island Transit District | - | - | - | 482,901 | 482,901 |
| Self insurance programs | 14,950,000 | - | - | - | 14,950,000 |
| Unassigned | 57,566,129 | - | - | - | 57,566,129 |
| Total fund balances | $ 87,139,033 | $ 14,141,612 | $ 23,747,427 | $ 61,894,900 | $ 186,922,972 |
| Total liabilities, deferred inflows of resources and fund balances | $ 141,571,486 | $ 14,141,612 | $ 25,292,619 | $ 81,339,544 | $ 262,345,261 |

Continued

The notes to the financial statements are an integral part of this statement.

**CITY OF PORTLAND, MAINE**
**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**June 30, 2021**

Reconciliation of the total fund balances - total governmental funds to the total net position of governmental activities:

| | | |
|---|---|---|
| Total fund balances - total governmental funds, Statement 3 | | $ 186,922,972 |
| 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. | | 371,202,779 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | | 2,900,123 |
| Accrued interest payable on long-term liabilities is not reported in the funds. | | (2,221,866) |
| Deferred inflows and outflows of pension resources are not financial resources nor are they available to pay current-period expenditures: | | |
| Deferred outflows | $ 15,120,403 | |
| Deferred inflows | (1,695,441) | 13,424,962 |
| Deferred inflows and outflows of OPEB resources are not financial resources nor are they available to pay current-period expenditures: | | |
| Deferred outflows | $ 3,987,447 | |
| Deferred inflows | (3,337,459) | 649,988 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds: | | |
| General obligation bonds | $ (236,349,835) | |
| Premium on bonds | (14,767,159) | |
| Notes payable | (9,665,992) | |
| Capital leases | (6,592,248) | |
| Self-insurance | (9,522,817) | |
| Compensated absences | (10,542,982) | |
| Net pension liability | (44,078,952) | |
| Net and total OPEB liability | (22,978,307) | (354,498,292) |
| Net position of governmental activities | | $ 218,380,667 |

The notes to the financial statements are an integral part of this statement.

# CITY OF PORTLAND, MAINE
## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
## GOVERNMENTAL FUNDS
## For the Year Ended June 30, 2021

| | General | Debt Service | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **Revenues** | | | | | |
| General property taxes | $ 183,818,463 | $ - | $ - | $ 5,914,508 | $ 189,732,971 |
| Excise taxes | 12,120,475 | - | - | - | 12,120,475 |
| Licenses and permits | 7,352,278 | - | - | 655,389 | 8,007,668 |
| Fines, forfeits and penalties | 1,979,783 | - | - | - | 1,979,783 |
| Uses of money and property | 7,307,561 | 2,242 | 40,666 | 5,575,343 | 12,925,812 |
| Intergovernmental | 56,190,689 | - | - | 39,343,989 | 95,534,678 |
| Current services | 34,267,610 | - | 564 | 4,265,741 | 38,533,915 |
| Capital contributions | 439,727 | - | 355,500 | - | 795,227 |
| Total revenues | $ 303,476,586 | $ 2,242 | $ 396,730 | $ 55,754,970 | $ 359,630,529 |
| **Expenditures** | | | | | |
| Current: | | | | | |
| General government | $ 21,214,425 | $ - | $ - | $ 10,742,164 | $ 31,956,589 |
| Public safety | 31,967,923 | - | - | 997,016 | 32,964,939 |
| Public works | 10,961,045 | - | - | 1,438,169 | 12,399,214 |
| Health and social services | 34,743,102 | - | - | 7,231,885 | 41,974,988 |
| Public library | 3,442,123 | - | - | - | 3,442,123 |
| Education | 109,474,136 | - | - | 25,685,075 | 135,159,210 |
| Pension and employee insurance | 27,075,996 | - | - | - | 27,075,996 |
| Other | 11,817,335 | - | - | - | 11,817,335 |
| Debt service: | | | | | |
| Principal | 21,464,904 | - | - | 286,748 | 21,751,652 |
| Interest | 12,752,342 | - | - | 28,887 | 12,781,229 |
| Capital outlay | 610,242 | - | 23,567,584 | 3,555,196 | 27,733,022 |
| Total expenditures | $ 285,523,573 | $ - | $ 23,567,584 | $ 49,965,140 | $ 359,056,298 |
| Excess (deficiency) of revenues over (under) expenditures | $ 17,953,013 | $ 2,242 | $ (23,170,854) | $ 5,789,830 | $ 574,231 |
| **Other financing sources (uses)** | | | | | |
| Transfers in | 826,441 | 5,973,404 | 5,829,960 | 777,594 | 13,407,398 |
| Transfers out | (12,939,527) | - | - | (467,871) | (13,407,398) |
| Sale of city property | 297,781 | - | - | (26,421) | 271,360 |
| General obligation bonds issued | - | - | 12,167,053 | - | 12,167,053 |
| Refunding bonds issued | - | 14,759,078 | - | - | 14,759,078 |
| Premium on general obligation bonds | - | - | 1,549,126 | - | 1,549,126 |
| Payments to refunded bond escrow agent | - | (14,759,078) | - | - | (14,759,078) |
| Total other financing sources (uses) | $ (11,815,305) | $ 5,973,404 | $ 19,546,139 | $ 283,301 | $ 13,987,539 |
| Net change in fund balances | $ 6,137,708 | $ 5,975,646 | $ (3,624,715) | $ 6,073,133 | $ 14,561,771 |
| Fund balances - beginning, restated | 81,001,324 | 8,165,967 | 27,372,141 | 55,821,768 | 172,361,201 |
| Fund balances - ending | $ 87,139,033 | $ 14,141,612 | $ 23,747,427 | $ 61,894,900 | $ 186,922,972 |

Continued

The notes to the financial statements are an integral part of this statement.

# CITY OF PORTLAND, MAINE
## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
## GOVERNMENTAL FUNDS
### For the Year Ended June 30, 2021

| | | |
|---|---|---|
| Reconciliation of the change in fund balances - total governmental funds to the change in net position of governmental activities: | | |
| Net change in fund balances - total governmental funds, Statement 4 | | $ 14,561,771 |
| Amounts reported for governmental activities in the Statement of Activities 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 and reported as depreciation expense. | | |
| Capitalized expenditures | $ 30,830,889 | |
| Depreciation expense | (18,392,954) | 12,437,935 |
| The cost less accumulated depreciation of assets disposed or sold not reflected in the governmental funds. | | (6,684,381) |
| Current years' other financing source in the funds that did provide current financial resources are not reported in the current year's statement of activities. | | (1,891,179) |
| Current years' revenues in the Statement of Activities that do not meet the availability criteria in the fund statements. | | (1,248,215) |
| The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. | | |
| Debt issued and premiums received | $ (28,999,432) | |
| Amortization of premiums | 1,712,872 | |
| Principal repaid | 39,734,392 | 12,447,832 |
| Changes in the net pension liability and related deferred inflows and outflows of resources are not recorded as expenditures in the governmental funds, but are recorded as expenses in the Statement of Activities. | | |
| General government expense | $ (434,857) | |
| Public safety expense | (1,171,538) | |
| Public works expense | (208,507) | |
| Health and human services expense | (288,682) | |
| Education | (1,355,528) | (3,459,112) |
| Changes in the net OPEB liability and related deferred inflows and outflows of resources are not recorded as expenditures in the governmental funds, but are recorded as expenses in the Statement of Activities. | | |
| General government expense | $ 177,113 | |
| Public safety expense | 45,366 | |
| Public works expense | 89,245 | |
| Health and human services expense | 195,036 | |
| Education | 1,859,208 | 2,365,968 |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | | |
| Change in self insurance liability | $ (969,353) | |
| Change in accrued compensated absences | (310,474) | |
| Change in accrued interest | 184,866 | (1,094,961) |
| Change in net position of governmental activities, Statement 2 | | $ 27,435,658 |

The notes to the financial statements are an integral part of this statement.

Statement 5

**CITY OF PORTLAND, MAINE**
**GENERAL FUND**
**STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**
**For the Year Ended June 30, 2021**

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|---|---|---|---|
| | Original | Final | (Budget Basis) | Final Budget |
| **Revenues** | | | | |
| General property taxes | $ 184,339,915 | $ 184,339,915 | $ 189,104,475 | $ 4,764,560 |
| Excise taxes | 10,602,000 | 10,602,000 | 12,120,475 | 1,518,475 |
| Licenses and permits | 6,712,953 | 6,712,953 | 7,352,278 | 639,325 |
| Intergovernmental revenue | 12,936,276 | 12,936,276 | 24,596,781 | 11,660,505 |
| Charges for services | 34,492,550 | 34,228,197 | 33,598,179 | (630,018) |
| Fines, forfeits and penalties | 1,310,550 | 1,310,550 | 1,979,783 | 669,233 |
| Uses of money and property | 9,159,375 | 9,127,875 | 7,307,561 | (1,820,314) |
| School department revenue: | | | | |
| Local revenue | 1,026,377 | 1,026,377 | 538,789 | (487,588) |
| Intergovernmental revenues | 23,668,223 | 23,744,260 | 21,869,543 | (1,874,717) |
| Use of surplus | 829,333 | 753,296 | - | (753,296) |
| Other financing resources: | | | | |
| Operating transfers | 650,537 | 615,637 | 567,316 | (48,321) |
| Sale of city property | 125,000 | 125,000 | 294,182 | 169,182 |
| HCD charges | 417,956 | 417,956 | 410,310 | (7,646) |
| Enterprise fund charges | 15,992,935 | 15,992,935 | 15,296,810 | (696,125) |
| School department charges | 9,831,829 | 9,831,829 | 9,462,387 | (369,442) |
| Special revenue/endowment fund charges | 388,573 | 398,473 | 414,731 | 16,258 |
| Reimbursements | 10,184,955 | 10,505,808 | 11,554,374 | 1,048,566 |
| Total revenues | 322,669,337 | 322,669,337 | 336,467,976 | 13,798,639 |
| **Expenditures and encumbrances** | | | | |
| General government: | | | | |
| City council | 450,014 | 450,014 | 365,357 | 84,657 |
| City clerk | 679,454 | 679,454 | 641,151 | 38,303 |
| City manager | 764,688 | 764,688 | 746,868 | 17,820 |
| Assessor | 418,620 | 418,620 | 410,662 | 7,958 |
| Finance | 1,865,502 | 1,865,502 | 1,959,554 | (94,052) |
| Legal | 728,821 | 728,821 | 822,954 | (94,133) |
| Human resources | 1,072,530 | 1,080,361 | 1,038,326 | 42,035 |
| Parking | 2,244,853 | 2,244,853 | 2,027,836 | 217,017 |
| Economic development | 1,220,230 | 1,220,230 | 1,232,690 | (12,460) |
| Planning & urban development | 1,425,522 | 1,482,181 | 1,367,392 | 114,790 |
| Permitting & inspections | 1,926,043 | 1,956,038 | 1,871,946 | 84,092 |
| Information technology | 2,589,248 | 2,661,492 | 2,518,204 | 143,289 |
| Public buildings & waterfront | 5,079,184 | 5,110,383 | 3,785,036 | 1,325,347 |
| Parks, recreation & facilities | 9,324,469 | 9,327,323 | 7,913,454 | 1,413,869 |
| Total general government | 29,789,178 | 29,989,961 | 26,701,432 | 3,288,529 |

Continued

The notes to the financial statements are an integral part of this statement.

**CITY OF PORTLAND, MAINE**
**GENERAL FUND**
**STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE -**
**BUDGET AND ACTUAL (BUDGET BASIS)**
**For the Year Ended June 30, 2021**

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|---|---|---|---|
| | Original | Final | (Budget Basis) | Final Budget |
| **Expenditures and encumbrances, continued** | | | | |
| Public safety | | | | |
| Police | 17,195,829 | 17,216,615 | 16,383,294 | 833,321 |
| Fire | 17,804,366 | 17,813,816 | 18,386,247 | (572,431) |
| Total public safety | 35,000,195 | 35,030,431 | 34,769,540 | 260,890 |
| Public works | 13,655,734 | 14,062,228 | 12,573,290 | 1,488,938 |
| Health and social services: | | | | |
| Health & human services | 17,529,017 | 17,572,389 | 26,111,917 | (8,539,528) |
| Barron Center | 15,767,907 | 15,767,907 | 14,364,256 | 1,403,651 |
| Total health and social services | 33,296,924 | 33,340,296 | 40,476,174 | (7,135,877) |
| Education | | | | |
| General education | 113,542,955 | 113,542,955 | 108,805,636 | 4,737,319 |
| School adult education | 2,536,294 | 2,536,294 | 2,261,871 | 274,423 |
| School lunch program | 3,783,428 | 3,783,428 | 2,897,474 | 885,954 |
| Total education | 119,862,677 | 119,862,677 | 113,964,982 | 5,897,695 |
| Debt service | 45,700,279 | 45,700,279 | 44,804,191 | 896,088 |
| Public library | 3,927,837 | 3,779,038 | 3,722,265 | 56,773 |
| Pension and employee benefits | 30,021,778 | 30,021,778 | 31,146,519 | (1,124,741) |
| Contingent | 250,000 | 250,000 | 127,222 | 122,778 |
| Liability insurance | 793,128 | 793,128 | 894,110 | (100,982) |
| County tax | 7,011,159 | 7,011,159 | 7,011,159 | - |
| Memberships/Contributions | 3,375,448 | 3,375,448 | 3,317,691 | 57,757 |
| Wage adjustment | - | 148,799 | - | 148,799 |
| Total expenditures and encumbrances | $ 322,684,337 | $ 323,365,222 | $ 319,370,893 | $ 3,994,328 |
| Excess (deficiency) of revenues over (under) expenditures and encumbrances | $ (15,000) | $ (695,885) | $ 17,097,083 | $ 17,792,967 |

Continued

The notes to the financial statements are an integral part of this statement.

**CITY OF PORTLAND, MAINE**
**GENERAL FUND**
**STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)**
**For the Year Ended June 30, 2021**

| | Revenues | Expenditures | Other Financing Sources (Uses) |
|---|---|---|---|
| Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds - General Fund (Statement 4) | $ 303,476,586 | $ 285,523,573 | $ (11,815,305) |
| Activity reported in special revenue fund | | | |
| School food service program | 2,474,027 | 2,897,474 | - |
| Interdepartmental revenues and expenditures | 37,398,848 | 37,398,848 | - |
| Sale of city property | 297,781 | - | (297,781) |
| Contributions made on behalf of the City for the teachers' retirement and OPEB plans | (6,808,013) | (6,808,013) | - |
| Unbudgeted revenues | (622,936) | - | - |
| Capital outlay funded by contributions | - | (384,901) | - |
| Transfers in | 251,681 | (2,084,960) | (826,441) |
| Transfers out | - | 2,146,363 | 12,939,527 |
| Net compensated absences and other accruals | - | 648,739 | - |
| FY21 encumbrances | - | 33,769 | - |
| Statement of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance - Budget and Actual (Budget Basis), Statement 5 | $ 336,467,976 | $ 319,370,893 | $ - |

The notes to the financial statements are an integral part of this statement.

**CITY OF PORTLAND, MAINE**
**STATEMENT OF NET POSITION**
**PROPRIETARY FUNDS**
**Business-type Activities - Enterprise Funds**
**June 30, 2021**

| | Jetport | Sewer | Stormwater | Fish Pier Authority | Portland Development Corporation | Total Business-type Activities |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | $ 25,526,981 | $ 56,147,085 | $ 17,704,538 | $ 2,178,320 | $ 2,634,778 | $ 104,191,701 |
| Accounts receivable | 3,631,956 | 1,538,345 | 1,104,289 | 254,646 | 5,372 | 6,534,609 |
| Allowance for uncollectible accounts | (55,800) | (1,000) | - | (2,000) | - | (58,800) |
| Notes and loans receivable | - | 152,797 | - | - | 1,795,531 | 1,948,327 |
| Allowance for uncollectible loans | - | - | - | - | (227,900) | (227,900) |
| Due from other governments | 6,270,893 | - | - | - | 23,513 | 6,294,405 |
| Inventories | 512,213 | 102,453 | - | - | - | 614,666 |
| Prepaid expenses | 329,846 | - | - | - | - | 329,846 |
| Total current assets | $ 36,216,088 | $ 57,939,680 | $ 18,808,827 | $ 2,430,967 | $ 4,231,293 | $ 119,626,854 |
| Noncurrent assets: | | | | | | |
| Restricted cash and cash equivalents | $ 13,523,969 | $ 2,568,204 | $ - | $ - | $ - | $ 16,092,173 |
| Capital assets: | | | | | | |
| Land | 13,313,236 | 854,086 | - | 4,263,569 | - | 18,430,891 |
| Buildings and improvements | 182,112,110 | 1,716,184 | - | 12,751,199 | - | 196,579,494 |
| Improvements other than buildings | 153,163,551 | 96,031 | - | 1,405,606 | - | 154,665,188 |
| Machinery and equipment | 19,445,717 | 6,475,605 | - | 450,590 | - | 26,371,911 |
| Infrastructure | - | 167,540,969 | - | - | - | 167,540,969 |
| Construction in progress | 7,974,686 | 48,713,055 | - | - | - | 56,687,741 |
| Less accumulated depreciation | (197,349,814) | (44,552,567) | - | (14,083,272) | - | (255,985,652) |
| Total capital assets (net of accumulated depreciation) | $ 178,659,486 | $ 180,843,364 | $ - | $ 4,787,693 | $ - | $ 364,290,543 |
| Total noncurrent assets | $ 192,183,455 | $ 183,411,568 | $ - | $ 4,787,693 | $ - | $ 380,382,716 |
| Total assets | $ 228,399,543 | $ 241,351,248 | $ 18,808,827 | $ 7,218,659 | $ 4,231,293 | $ 500,009,571 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | | | |
| Deferred outflows of pension resources | $ 368,145 | $ 263,876 | $ - | $ - | $ - | $ 632,022 |
| Deferred outflows of other post-employment benefits | 46,916 | 49,426 | - | - | - | 96,342 |
| Deferred outflows of refunding bonds | 1,789,423 | - | - | - | - | 1,789,423 |
| Total deferred outflows of resources | $ 2,204,484 | $ 313,303 | $ - | $ - | $ - | $ 2,517,787 |
| **LIABILITIES** | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | $ 2,023,094 | $ 6,162,450 | $ 44,590 | $ 4,268 | $ - | $ 8,234,401 |
| Accrued liabilities | 2,541,683 | 2,537,784 | 44,330 | 569 | - | 5,124,367 |
| Current portion of long-term debt | 3,173,612 | 9,362,710 | - | 10,021 | - | 12,546,343 |
| Compensated absences | 259,605 | 187,853 | - | - | - | 447,459 |
| Claims and judgments | 636,860 | 342,713 | 14,979 | - | - | 994,552 |
| Unearned revenue | 8,444 | 2,393 | 77,985 | - | - | 88,822 |
| Total current liabilities | $ 8,643,299 | $ 18,595,903 | $ 181,884 | $ 14,857 | $ - | $ 27,435,943 |
| Noncurrent liabilities: | | | | | | |
| Long-term debt due in more than one year | 104,396,024 | 132,256,432 | - | 46,926 | - | 236,699,382 |
| Total noncurrent liabilities | $ 104,396,024 | $ 132,256,432 | $ - | $ 46,926 | $ - | $ 236,699,382 |
| Total liabilities | $ 113,039,323 | $ 150,852,335 | $ 181,884 | $ 61,783 | $ - | $ 264,135,325 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Deferred inflows of pension resources | $ 57,219 | $ 41,014 | $ - | $ - | $ - | $ 98,233 |
| Deferred inflows of other post-employment benefits | 96,722 | 101,897 | - | - | - | 198,619 |
| Total deferred inflows of resources | $ 153,940 | $ 142,911 | $ - | $ - | $ - | $ 296,852 |
| **NET POSITION** | | | | | | |
| Net investment in capital assets | $ 86,012,387 | $ 72,100,283 | $ - | $ 4,730,746 | $ - | $ 162,843,416 |
| Restricted for - | | | | | | |
| Operating maintenance | 4,278,202 | - | - | - | - | 4,278,202 |
| Renewal and replacement | - | 84,401 | - | - | - | 84,401 |
| Unrestricted | 27,120,175 | 18,484,622 | 18,626,943 | 2,426,130 | 4,231,293 | 70,889,162 |
| Total net position | $ 117,410,764 | $ 90,669,306 | $ 18,626,943 | $ 7,156,876 | $ 4,231,293 | $ 238,095,181 |

The notes to the financial statements are an integral part of this statement.

# CITY OF PORTLAND, MAINE
## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
## PROPRIETARY FUNDS
### Business-type Activities - Enterprise Funds
### For the Year Ended June 30, 2021

| | Jetport | Sewer | Stormwater | Fish Pier Authority | Portland Development Corporation | Total Business-type Activities |
|---|---|---|---|---|---|---|
| Operating revenues: | | | | | | |
| Charges for services | $ 15,663,078 | $ 26,032,418 | $ 6,768,581 | $ 586,464 | $ 3,500 | $ 49,054,041 |
| Intergovernmental | 112,005 | - | - | - | 224,169 | 336,174 |
| Total operating revenues | $ 15,775,082 | $ 26,032,418 | $ 6,768,581 | $ 586,464 | $ 227,669 | $ 49,390,215 |
| Operating expenses: | | | | | | |
| Personnel services | $ 4,782,151 | $ 2,342,518 | $ 1,217,540 | $ 77,744 | $ 48,503 | $ 8,468,455 |
| Contractual services | 7,103,039 | 2,477,243 | 388,712 | 224,079 | 370,993 | 10,564,066 |
| Portland Water District services | - | 13,152,642 | - | - | - | 13,152,642 |
| Supplies and materials | 401,383 | 233,920 | 121,723 | 12,233 | 1,448 | 770,707 |
| Rentals | 24,874 | 120,748 | 64,786 | - | - | 210,408 |
| Utilities | 1,041,284 | 107,949 | - | 12,274 | - | 1,161,507 |
| Maintenance | 1,258,636 | 583,817 | 77,722 | 265,339 | 8,685 | 2,194,199 |
| Depreciation | 9,440,144 | 2,975,793 | - | 108,166 | - | 12,524,103 |
| Other | 123,787 | (24,219) | - | 11,250 | 113,267 | 224,085 |
| Total operating expenses | $ 24,175,298 | $ 21,970,411 | $ 1,870,483 | $ 711,085 | $ 542,898 | $ 49,270,172 |
| Operating income (loss) | $ (8,400,215) | $ 4,062,007 | $ 4,898,098 | $ (124,620) | $ (315,228) | $ 120,043 |
| Nonoperating revenues (expenses): | | | | | | |
| Passenger facility charges | $ 2,211,787 | $ - | $ - | $ - | $ - | $ 2,211,787 |
| Operating subsidies (CARES) | 9,610,024 | - | - | - | - | - |
| Interest and other revenue | 42,317 | 53,213 | 29,190 | - | 117,446 | 242,165 |
| Interest and other expense | (3,165,821) | (1,273,636) | (316,566) | (1,767) | - | (4,757,790) |
| Total nonoperating revenues (expenses) | $ 8,698,307 | $ (1,220,424) | $ (287,376) | $ (1,767) | $ 117,446 | $ (2,303,838) |
| Income (loss) before capital contributions and transfers | $ 298,092 | $ 2,841,583 | $ 4,610,722 | $ (126,387) | $ (197,782) | $ 7,426,228 |
| Capital contributions | 4,836,510 | - | - | - | - | 4,836,510 |
| Transfers in (out) | - | 862,363 | (862,363) | - | - | - |
| Change in net position | $ 5,134,603 | $ 3,703,946 | $ 3,748,360 | $ (126,387) | $ (197,782) | $ 12,262,738 |
| Total net position - beginning | 112,276,161 | 86,965,360 | 14,878,583 | 7,283,263 | 4,429,074 | 225,832,442 |
| Total net position - ending | $ 117,410,764 | $ 90,669,306 | $ 18,626,943 | $ 7,156,876 | $ 4,231,293 | $ 238,095,181 |

The notes to the financial statements are an integral part of this statement.

# CITY OF PORTLAND, MAINE
## STATEMENT OF CASH FLOWS
## PROPRIETARY FUNDS
### Business-type Activities - Enterprise Funds
### For the Year Ended June 30, 2021

| | Jetport | Sewer | Stormwater | Fish Pier Authority | Portland Development Corporation | Total Business-type Activities |
|---|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | | |
| Receipts from customers and users | $ 16,522,278 | $ 26,220,245 | $ 6,755,223 | $ 531,660 | $ 208,190 | $ 50,237,597 |
| Payments to suppliers | (10,009,739) | (16,920,041) | (750,551) | (573,149) | (501,875) | (28,755,356) |
| Payments to employees | (4,462,324) | (1,048,936) | (1,184,407) | (77,744) | (48,503) | (6,821,915) |
| Net cash provided (used) by operating activities | $ 2,050,215 | $ 8,251,268 | $ 4,820,264 | $ (119,233) | $ (342,189) | $ 14,660,326 |
| **Cash flows from capital and related financing activities** | | | | | | |
| Contributed capital | $ 6,529,911 | $ - | $ - | $ - | $ - | $ 6,529,911 |
| Passenger facility charges | 1,729,800 | - | - | - | - | 1,729,800 |
| Proceeds from sale of general obligation bonds | - | 57,771,000 | - | - | - | 57,771,000 |
| Acquisition and construction of capital assets | (9,591,739) | (23,603,557) | - | - | - | (33,195,296) |
| Principal paid on bond maturities | (2,010,000) | (6,427,483) | - | (9,341) | - | (8,446,824) |
| Interest paid on debt | (4,359,555) | (1,601,615) | (316,566) | (2,658) | - | (6,280,395) |
| Net cash provided (used) by capital and related financing activities | $ (7,701,583) | $ 26,138,344 | $ (316,566) | $ (11,998) | $ - | $ 18,108,196 |
| **Cash flows from noncapital financing activities** | | | | | | |
| Transfers in (out) | $ - | $ 862,363 | $ (862,363) | $ - | $ - | $ - |
| Operating subsidies (CARES) | 9,610,024 | - | - | - | - | 9,610,024 |
| Issuance of loans | - | - | - | - | (605,600) | (605,600) |
| Repayment of loans | - | 19,851 | - | - | 947,452 | 967,303 |
| Net cash provided (used) by noncapital financing activities | $ 9,610,024 | $ 882,213 | $ (862,363) | $ - | $ 341,853 | $ 9,971,727 |
| **Cash flows from investing activities** | | | | | | |
| Interest income | $ 42,317 | $ 53,213 | $ 29,190 | $ - | $ 117,446 | $ 242,165 |
| Net cash provided by investing activities | $ 42,317 | $ 53,213 | $ 29,190 | $ - | $ 117,446 | $ 242,165 |
| Net increase (decrease) in cash and cash equivalents | $ 4,000,974 | $ 35,325,038 | $ 3,670,526 | $ (131,231) | $ 117,109 | $ 42,982,415 |
| Cash and cash equivalents, and restricted cash, beginning of year | 35,049,976 | 23,390,252 | 14,034,012 | 2,309,551 | 2,517,668 | 77,301,460 |
| Cash and cash equivalents, and restricted cash, end of year | $ 39,050,950 | $ 58,715,289 | $ 17,704,538 | $ 2,178,320 | $ 2,634,778 | $ 120,283,874 |
| **Reconciliation of operating income (loss) to net cash provided (used) by operating activities:** | | | | | | |
| Operating income (loss) | $ (8,400,215) | $ 4,062,007 | $ 4,898,098 | $ (124,620) | $ (315,228) | $ 120,043 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | | |
| Depreciation | 9,440,144 | 2,975,793 | - | 108,166 | - | 12,524,103 |
| Change in operating assets and liabilities: | | | | | | |
| Accounts receivable | 686,291 | 187,827 | (32,734) | (48,280) | (4,424) | 788,680 |
| Due from other governments | 52,462 | - | - | - | (15,055) | 37,407 |
| Inventories | (39,077) | (8,202) | - | - | - | (47,279) |
| Accounts payable | 455,088 | 70,119 | (100,114) | (47,975) | (7,482) | 369,636 |
| Accrued liabilities | 303,672 | 1,296,254 | 33,133 | - | - | 1,633,058 |
| Compensated absences | 16,154 | (2,672) | - | - | - | 13,482 |
| Accrued claims and judgments | 13,998 | 109,664 | 2,506 | - | - | 126,167 |
| Unearned revenue | 8,444 | - | 19,377 | (6,525) | - | 21,296 |
| Change in net pension liability and related deferred outflows and inflows of resources | (422,243) | (583,111) | - | - | - | (1,005,354) |
| Change in net post-employment benefits liability and related deferred outflows and inflows of resources | (64,503) | 143,590 | - | - | - | 79,087 |
| Total adjustments | $ 10,450,430 | $ 4,189,261 | $ (77,834) | $ 5,387 | $ (26,962) | $ 14,540,283 |
| Net cash provided (used) by operating activities | $ 2,050,215 | $ 8,251,268 | $ 4,820,264 | $ (119,233) | $ (342,189) | $ 14,660,326 |
| **Noncash investing, capital, and financing activities:** | | | | | | |
| Disposal of capital assets | $ - | $ 333,137 | $ - | $ - | $ - | $ 333,137 |
| Accumulated depreciation on capital asset dispositions | - | 333,137 | - | - | - | 333,137 |

The notes to the financial statements are an integral part of this statement.

Statement 9

**CITY OF PORTLAND, MAINE**
**STATEMENT OF FIDUCIARY NET POSITION**
**FIDUCIARY FUNDS**
**June 30, 2021**

| | Custodial Funds |
|---|---|
| **ASSETS** | |
| Cash and cash equivalents | $ 656,632 |
| Total assets | $ 656,632 |
| **NET POSITION** | |
| Restricted for: | |
| School Activities | $ 656,632 |
| Total net position | $ 656,632 |

Statement 10

**CITY OF PORTLAND, MAINE**
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**
**FIDUCIARY FUNDS**
**For the Year Ended June 30, 2021**

| | Custodial Funds |
|---|---|
| **ADDITIONS** | |
| Contributions | $ 343,439 |
| Total additions | $ 343,439 |
| **DEDUCTIONS** | |
| School activities | $ 662,544 |
| Total deductions | $ 662,544 |
| Net increase (decrease) in fiduciary net position | $ (319,105) |
| Net position - beginning, restated | 975,737 |
| Net position - ending | $ 656,632 |

The notes to the financial statements are an integral part of this statement.

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Description of the government-wide 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 non-fiduciary activities of the City (the primary government) and its component units. *Governmental Activities*, which are normally supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the City is reported separately from certain legally separate *component units* for which the City is financially accountable.

### B. Reporting entity

The City of Portland, Maine was incorporated in 1786 under the laws of the State of Maine. The City is governed by an elected mayor and an eight-member governing council. The accompanying financial statements present the government and its component units, entities for which the City is considered financially accountable. Blended component units are presented as funds of the City. The City's two discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City.

**Blended component units:** The Portland Fish Pier Authority, a local development corporation, was organized by the City for the purpose of managing and marketing the entire premises known as the Portland Fish Pier for the benefit of the fishing and fishery related business enterprises and the citizens of Portland. The Authority's board of directors is an advisory board governed by the City Council. The City and the Portland Fish Pier Authority are financially interdependent.

The Portland Development Corporation (PDC) is a local development corporation, which was organized in 1991 for the purpose of implementing and administering economic development programs. The board of directors is an advisory board governed by the City Council and is staffed by City employees. The PDC is financially dependent upon the City.

The financial statements of the Authority and the PDC have been incorporated into the City's proprietary funds and neither issues separate financial statements.

**Discretely presented component units:** The Portland Public Library (the Library) is a nonprofit corporation established in 1889. The Library has a Board of Trustees which is not appointed by the City Council. The Library is financially dependent upon the City. The City owns the land and building in which the Library operates and provides other support services to the Library. In addition, the City provides significant financial support to the Library and believes that the City's financial statements would be incomplete without the inclusion of the library as a discretely presented component unit. The Library, which is not a governmental entity, prepares its financial statements on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles for not-for-profit organizations. The Library is exempt from income taxes as an organization described in Section 501(a) of the Internal Revenue Code.

Separately issued financial statements are available for the Library and can be obtained at the Library's administrative offices.

Portland Public Library
5 Monument Square
Portland, ME 04101

The Portland Fish Exchange (the Exchange) is a nonprofit, quasi-public corporation formed by the City to foster, encourage, and assist fishing and fishery-related business enterprises within the City. The Exchange is managed by a Board of Directors that is selected by the City. The Exchange prepares its financial statements on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles as applied to governmental units. The Exchange is exempt from income taxes as an organization described in Section 501(a) of the Internal Revenue Code.

Separately issued financial statements are available for the Exchange and can be obtained at the Exchange's administrative offices.

Portland Fish Exchange, Inc.
6 Portland Fish Pier
Portland, ME 04101

**Jointly governed organizations:** The City participates in two jointly governed organizations. Neither is part of the City's reporting entity.

The Greater Portland Transit District provides public transportation to the residents of participating communities. The District is managed by a Board of Directors selected by the participating communities. The members' proportional share of bonds payable is repaid through member assessments. The City's share of any residual interest has not been determined.

ecomaine is a non-profit solid waste management corporation which serves 68 municipal members. Owned and controlled by 20 communities, ecomaine creates electricity through its processing of waste and operates an extensive recycling program. The City is an owner-member. The City has no explicit, measureable equity. The City has no recorded asset in connection with its participation in ecomaine.

Complete financial statements for each organization can be obtained from the entity's administrative offices.

| | |
|---|---|
| Greater Portland Transit District<br>114 Valley Street<br>Portland, ME  04102 | ecomaine<br>64 Blueberry Road<br>Portland, ME  04102 |

**C. Basis of presentation – government-wide financial statements**

Although separate government-wide and fund financial statements are presented; they are interrelated. The governmental activities column incorporates data from governmental funds and business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental, proprietary, and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements.

The Portland Public Library and the Portland Fish Exchange, component units of the City, are combined in one column in the government-wide financial statements, and shown in separate columns in supporting schedules of component units.

As a general rule, the effect of interfund activity has been eliminated from the government-wide statements.

**D. Basis of presentation – fund financial statements**

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major governmental funds.

The City reports the following major governmental funds:

The *general fund* is the City's main operating fund. It accounts for all the financial resources of the general government, except those accounted for in another fund.

The *debt service fund* accounts for the servicing of general long-term debt related to outstanding multi-modal taxable pension bonds.

The *capital projects fund* accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

The City reports all of its proprietary funds as major. These funds consist of the following:

The *jetport fund* is used to account for the operation of the City's airport. The airport serves the southern part of Maine. The revenue is produced primarily through contracts and leases.

The *sewer fund* and *stormwater fund* are used to account for sewer and stormwater services provided to residents and businesses. The City owns and maintains sewer and stormwater lines and is responsible for the costs of maintenance, improvements and expansion. All users of the system pay monthly or quarterly fees, based on water usage to support the system. The Portland Water District (not a department of the City) owns and operates the filtration plant, for which it charges the City monthly fees which are included in the sewer rate. The stormwater service charge was implemented in 2016 to more equitably allocate costs associated with capital maintenance of the City's sewer and stormwater infrastructure.

The remaining two proprietary funds are the *Fish Pier Authority* and the *Portland Development Corporation,* which are blended component units of the City.

The City also reports a *custodial fund* type to account for student activity funds.

During the course of operations, the City has activity between funds for various purposes. Any residual balances at year end are reported as due from/to other funds or advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in the governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included in transfers in the business-type activities column. There are exceptions to this treatment; these include charges which would distort the direct costs and program revenues reported for the various functions concerned.

**E. Measurement focus basis of accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

The 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 expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, licenses, and interest associated in the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements have been met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds are reported using the *economic resource measurement focus* and the *accrual basis of accounting.*

The custodial fund employs the same *economic resources measurement focus* and *accrual basis of accounting* as do proprietary funds.

**F. Budgetary information**

***Budgetary basis of accounting***

Annual budgets are adopted on a basis consistent with Generally Accepted Accounting Principles for the general fund except for the following:

- Encumbrances are treated as expenditures.
- Appropriations of prior year fund balances are treated as revenue.
- Interdepartmental and inter-fund transfers are treated as revenues and/or expenditures.
- Insurance claims, compensated absences, and investment income are recorded on the cash basis.
- On-behalf payments made by the State of Maine are not budgeted.
- Capital leases are not budgeted.

The *capital projects fund* is appropriated on a project-length basis. Other special revenue funds and the permanent funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span more than one fiscal year.

The appropriated budget is prepared by department, division, and expenditure. The City's department heads may make transfers of appropriations within their department. Council authorization is required when expenditures exceed appropriation. The legal level of budgetary control (i.e., the level at which at which expenditures may not legally exceed appropriation) is at the fund level except for the School Department which is the cost center level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed, executory contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) may be carried into the next fiscal year.

**G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

***1. Cash, cash equivalents, and investments***

The City's cash and cash equivalents consist of cash on hand, demand deposits, and cash equivalent investments (i.e., money market mutual funds).

Investments are recorded at fair value. Income earned from the investment of pooled cash is allocated to various funds on the basis of the average cash balance allocated to the fund.

***2. Restricted assets***

Restricted cash and cash equivalents are shown on the Statement of Net Position and consist of the balance of funds held in external accounts that are specifically restricted for debt service payments or for capital projects which are financed through debt issuances. The funds cannot be accessed without the City providing supporting documentation that cash has been spent on the approved items. As such, these items are shown separate from other cash held which is otherwise more accessible to the City.

***3. Inventories and prepaid items***

Inventories are valued at cost, using the first-in first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than purchased.

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

***4. Capital assets***

Capital assets include property, plant, equipment and infrastructure assets (i.e., road, bridges, sidewalks, and similar items). They are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated minimum useful life in excess of two years with an initial, individual cost as follows:

| Type of Asset | Cost |
| --- | --- |
| Land | ALL |
| Improvements other than buildings | $20,000 |
| Machinery and equipment | 20,000 |
| Buildings, building improvements, and leasehold improvements | 50,000 |
| Infrastructure, sewer improvements and jetport runways | 100,000 |

Such assets are recorded at historical cost or estimated historical cost, if historical cost is unknown. As the City acquires or constructs additional capital assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its useful life. Donated capital assets and similar items are recorded at their estimated acquisition value as of the date of the donation.

Land and construction in progress are not depreciated. The other property, plant, equipment and infrastructure of the primary government is depreciated using the straight-line method over the following useful lives:

| Asset | Years |
| --- | --- |
| Buildings and improvements | 20 - 40 |
| Improvements other than buildings, including land and leasehold improvements | 20 - 40 |
| Machinery and equipment | 2 - 20 |
| Infrastructure, including sewer and jetport runway improvements | 30 - 67 |

***5. Deferred outflows/inflows of resources***

In addition to assets, the Statement of Net Position will sometimes report a separate section of deferred outflows of resources. This separate financial 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/expenditure) until then. The City has several such items in the statement of net position. These items are related to the recognition of the net pension and OPEB liabilities and can include: differences between expected and actual experience, change in assumptions, the net difference between projected and actual earnings on pension and OPEB plan investments, and changes in proportion and differences between the City’s contributions and proportionate share of contributions, and also City pension and OPEB contributions subsequent to the measurement date. In addition, the statement of net position also reports a deferred outflow of resources related to refunding bonds. This amount represents the difference between the reacquisition price and the net carrying amount of the refunded debt. It is being amortized over the remaining life of the bond.

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 City has several of these items. The first arises from the modified accrual basis of accounting and is reported in the governmental funds Balance Sheet as *unavailable revenue.* The governmental funds report unavailable funds in one category: property taxes. The amount deferred is recognized as an inflow or resources in the period that the amount becomes available. The government-wide financial statements, Statement of Net Position, reports items related to the recognition and of the net pension and OPEB liabilities, and can include the items listed above.

***6. Net position flow assumptions***

Sometimes the City will fund outlays for a particular purpose from both restricted (bond or grant proceeds) and unrestricted sources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

***7. Fund balance flow assumptions***

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted sources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***8. Fund balance policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or assignment (assigned fund balance).

The committed fund balance classification includes amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision making authority. The City Council is the highest level of decision making authority that can, by the adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed remains in place until a similar action (the adoption of another ordinance) is taken to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the Finance Director to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of the assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**H. Revenues and expenditures/expenses**

***1. Program revenues***

Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

***2. Property taxes***

Property taxes act as an enforceable lien on real property and are levied usually in late June or early July. Taxes are due in two installments: one in September and the second in March. Property values are based on the assessed values as of the previous April 1st as set by statute. Interest is assessed after the due dates as approved by the council. The maximum rate that can be charged is determined annually by the State of Maine Department of Revenue Services. Upon the expiration of eight months, and within one year from the date of levy, a tax lien is recorded for all delinquent real property.

***3. Compensated absences***

Vacation
Vacation benefits are earned based on anniversary date and length of service in amounts ranging between two to five weeks per year. City employees are allowed to carry over vacation time earned up to a maximum of 240 hours for employees hired prior to 1979 and 160 hours for all other employees. Employees are eligible for payment of earned vacation benefits upon termination of employment.

Sick leave
Employees earn sick leave pursuant to collectively bargained agreements or policy; generally at a rate of one day per month. Upon retirement, termination, or death an employee may be compensated for amounts up to 180 days at current pay.

The liability for both types of leave is reported as incurred in the government-wide and the proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability would include salary related benefits.

*4. Proprietary funds operating and nonoperating revenues and expenses*

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 all the enterprise funds are charges to customers for sales and services. Operating expenses include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating.

### I. 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 for both the City's and the Teacher's Pension Plans and additions to/deductions from the City's and Teacher's fiduciary net position have been determined on the same basis as they are reported by the Maine Public Employees Retirement System (MainePERS). 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.

## II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

### A. Cash deposits with financial institutions

*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. The City's primary investment policy does not have a deposit policy for custodial credit risk. As of June 30, 2021, the City's bank balance was $286,485,095; none of which was exposed to custodial credit risk.

### B. Investments

At June 30, 2021, the City had the following investments and maturities:

| | | | Maturity (years) | | | |
|---|---|---|---|---|---|---|
| Investment types: | Fair Value | Not Applicable | < 1 | 1 - 5 | 6 - 10 | 10 > |
| Primary government - City: | | | | | | |
| U.S. Treasuries | $ 30,886 | $ - | $ 30,886 | $ - | $ - | $ - |
| Certificates of Deposit | 50,000 | - | 50,000 | - | - | - |
| Mutual Funds | 16,836,010 | 16,836,010 | - | - | - | - |
| Corporate Bonds | 625,734 | - | 201,296 | 424,438 | - | - |
| Common Stock | 9,744,455 | 9,744,455 | - | - | - | - |
| Money Market Funds | 4,434,231 | 4,434,231 | - | - | - | - |
| | $ 31,721,317 | $ 31,014,697 | $ 282,182 | $ 424,438 | $ - | $ - |

*Interest rate risk:* The City's primary investment policy requires that, to the extent possible, the City will attempt to match investment term with anticipated cash requirements. Funds may be invested in securities exceeding one year.

*Credit risk:* This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Maine statutes (Title 30-A §5711) authorize the City to invest in government unit bonds, corporate securities, financial institution stock and other obligations, other stock investments, and other prudent investments. The City's investment policy has primary objectives of safety, liquidity, return on investment, and point of presence.

At June 30, 2021, the City's investment in debt securities and the corresponding credit ratings were as follows:

| Credit risk ratings | AAA | AA | AA- | A+ | A | BBB |
|---|---|---|---|---|---|---|
| Corporate Bonds | $ - | $ - | $ 211,970 | $ 201,296 | $ - | $ 212,468 |
| Money Market Funds | 4,434,231 | - | - | - | - | - |
| | $ 4,434,231 | $ - | $ 211,970 | $ 201,296 | $ - | $ 212,468 |

*Custodial credit risk-investments:* For investments, the custodial risk is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. As of June 30, 2021, the City had no investments that were subject to custodial credit risk. The City's investment policy states that all security transactions will be settled using a delivery versus payment settlement system. City securities are held by third party custodians or trust departments designated by the treasurer and evidenced by safekeeping receipts.

*Concentration of credit risk:* The City's investment policy states that the City will diversify its investments by security type and institution. With the exception of U.S. Treasury securities, no more that 50% of the City's total investment portfolio will be invested in a single type, or with a single financial institution. This limit may be increased to 75% for pooled cash and investments held by the City's primary relationship banking institution provided that it is fully collateralized by an investment satisfactory to the finance director and corporate counsel. At June 30, 2021, 61% of the City's cash and investments were held at one institution. Of the total cash and investments, 88% was held in cash.

*Fair value measurements:* Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the City uses various methods, including market, income and cost approaches. Based on these approaches, the City often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The City utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the City is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

- Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.

- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In determining the appropriate levels, the City performs a detailed analysis of the assets and liabilities. At the end of the fiscal year, all investments held were classified as Level 1.

For the year ended June 30, 2021, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

- Investments have been valued using a market approach. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers.

- The beneficial interest in the perpetual trust has been valued using an income approach. The fair value of the beneficial interest in perpetual trust is based on the fair value of the underlying assets in the trust, which approximates the future estimated cash flows from the trust.

**C. Receivables**

***Patient accounts receivable*** and revenues are recorded at established rates when services are performed. Revenues from services include amounts reimbursable under Medicare, Medicaid, private insurance, and self-pay. Differences between established rates and third party payer rates, which are generally lower, are recorded as reductions to operating revenues.

***Property taxes*** were levied on September 22, 2020 on the assessed value of real property as of April 1, 2020, as described below. Taxes were due in two installments, October 30, 2020 and March 19, 2021. Interest was charged at 8.00% per annum on amounts not paid by October 31, 2020 and March 20, 2021. Upon the expiration of eight months, and within one year from the date of the levy, a tax lien is recorded for all delinquent taxes on real estate property. Property taxes of $187,343,305 for the fiscal year ended June 30, 2021 were assessed at a rate of 23.31 mills on the dollar on a total taxable value of $8,037,035,478.

***Unbilled service receivables*** have been accrued at year end. This method is consistent with prior years.

***Allowances for uncollectible accounts*** are maintained for all receivables.

The City has twelve ***revolving loan programs,*** which are accounted for within its enterprise and special revenue funds. Funding for these programs came from federal grants, bonded debt, and the general fund. Federal grants and program income continue to fund program loans, which are made to qualified borrowers for housing and economic development activities.

***Allowance for uncollectible loans*** are established and used to estimate the portion of the City's loan portfolio that will ultimately be uncollectible. Allowances for each loan fund are reviewed annually.

The City is the recipient of several ***airport development aid program capital grants*** for the City's airport. Federal, state, and local grants were authorized in the amount of $30,379,235. At June 30, 2021, $19,453,508 had been expended against these grants. Amounts due from the federal and state government are $6,270,893.

## D. Capital assets

Capital asset activity for the year ended June 30, 2021 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Primary Government | | | | |
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 24,766,587 | $ 350,000 | $ - | $ 25,116,587 |
| Construction in progress | 15,956,979 | 15,017,524 | (6,226,313) | 24,748,190 |
| Total capital assets, not being depreciated | $ 40,723,566 | $ 15,367,524 | $ (6,226,313) | $ 49,864,777 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | $ 277,684,262 | $ 1,425,933 | $ - | $ 279,110,195 |
| Improvements other than buildings | 52,913,700 | 9,674,292 | (7,056,552) | 55,531,439 |
| Machinery and equipment | 64,297,102 | 3,532,901 | (1,258,336) | 66,571,667 |
| Infrastructure | 270,755,343 | 7,056,552 | - | 277,811,895 |
| Total capital assets, being depreciated | $ 665,650,406 | $ 21,689,678 | $ (8,314,888) | $ 679,025,197 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | $(145,600,658) | $ (7,389,762) | $ - | $(152,990,421) |
| Improvements other than buildings | (31,300,338) | (2,064,883) | 393,306 | (32,971,915) |
| Machinery and equipment | (36,506,046) | (4,594,784) | 1,237,201 | (39,863,629) |
| Infrastructure | (127,517,705) | (4,343,525) | - | (131,861,230) |
| Total accumulated depreciation | $(340,924,747) | $(18,392,954) | $ 1,630,507 | $(357,687,194) |
| Total capital assets being depreciated, net | 324,725,658 | 3,296,724 | (6,684,381) | 321,338,002 |
| Governmental activities capital assets, net | $ 365,449,224 | $ 18,664,248 | $ (12,910,693) | $ 371,202,779 |

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

| | |
|---|---|
| Governmental activities: | |
| General government | $ 4,979,228 |
| Public safety | 2,081,101 |
| Public works, including general infrastructure | 6,433,720 |
| Health and social services | 412,362 |
| Education | 3,741,275 |
| Public library | 351,962 |
| Total depreciation expense - governmental activities | $ 17,999,648 |

The increase of $16,762,447 in total accumulated depreciation differs from total depreciation expense of $17,999,648 due to the removal of accumulated depreciation in the amount of $1,237,201 relating to asset disposals.

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 18,430,891 | $ - | $ - | $ 18,430,891 |
| Construction in progress | 36,112,145 | 34,829,785 | (14,254,189) | 56,687,741 |
| Total capital assets, not being depreciated | $ 54,543,036 | $ 34,829,785 | $ (14,254,189) | $ 75,118,632 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | $ 196,516,705 | $ 62,790 | $ - | $ 196,579,494 |
| Improvements other than buildings | 149,153,690 | 5,511,498 | - | 154,665,188 |
| Machinery and equipment | 26,352,938 | 352,109 | (333,137) | 26,371,911 |
| Infrastructure | 159,886,548 | 7,654,423 | - | 167,540,971 |
| Total capital assets, being depreciated | $ 531,909,881 | $ 13,580,820 | $ (333,137) | $ 545,157,565 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | $ (90,798,877) | $ (4,973,235) | $ - | $ (95,772,113) |
| Improvements other than buildings | (100,607,402) | (3,644,502) | - | (104,251,904) |
| Machinery and equipment | (15,565,345) | (1,493,879) | 333,137 | (16,726,087) |
| Infrastructure | (36,823,065) | (2,412,487) | - | (39,235,552) |
| Total accumulated depreciation | $(243,794,689) | $ (12,524,103) | $ 333,137 | $(255,985,656) |
| Total capital assets being depreciated, net | 288,115,192 | 1,056,717 | - | 289,171,909 |
| Business-type activities capital assets, net | $ 342,658,230 | $ 35,886,502 | $ (14,254,189) | $ 364,290,541 |

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

| | |
|---|---|
| Business-type activities: | |
| Jetport | $ 9,440,144 |
| Sewer | 2,975,793 |
| Fish Pier Authority | 108,166 |
| Total depreciation expense - business-type activities | $ 12,524,103 |

## E. Pension plans

***General Information about the pension plans to which the City is a participant***

The City contributes to two defined benefit pension plans, (1) the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and (2) the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan). As of the year ended June 30, 2021, the City has the following balances reported in the government-wide financial statements:

| | Net Pension Liability | Deferred Outflows of Resources | Deferred Inflows of Resources | Pension Expense |
|---|---|---|---|---|
| PLD Plan | $ 39,788,600 | $ 11,540,404 | $ 1,793,674 | $ 1,605,239 |
| SET Plan | 6,469,416 | 4,212,021 | - | 848,517 |
| **Total** | **$ 46,258,016** | **$ 15,752,425** | **$ 1,793,674** | **$ 2,453,756** |

*Plan Descriptions.* City teachers are provided with pensions through the Maine Public Employees Retirement System (MainePERS) as part of the State Employee and Teacher Plan – a cost sharing multiple-employer plan with a special funding situation. The State of Maine is a non-employer contributing entity in that the state pays the unfunded actuarial liability (UAL) on behalf of the teachers, while the City contributes the normal cost, which is actuarially calculated.

City employees are also provided with pensions through MainePERS as part of the Participating Local District (PLD) Consolidated Plan – a cost sharing multiple-employer plan.

MainePERS is established under Maine law found in Title 5 MRSA Part 20. The authority to establish and amend benefit provisions rests with the State legislature. MainePERS issues a publicly available financial report that can be obtained at www.mainepers.org.

*Benefits provided.* Benefit terms are established in Maine statute; in the case of the PLD Consolidated Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. MainePERS retirement programs 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 (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years.) In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement or after normal retirement age. Normal retirement age for teachers is age 62 or 65. The normal retirement age is determined by whether a member has met certain creditable service requirements on specific dates, as established by statute. For employees covered through the PLD, normal retirement age is 65. 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. MainePERS also provides disability and death benefits by statute for the City's teachers and by contract for City's PLD Plan.

Upon termination of membership, accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights under either plan. The annual rate of interest credited to employee's accounts is set by MainePERS's Board of Trustees and is currently at 2.69%.

*Contributions.* Retirement benefits are funded by contributions from participants and contributions from the City, earnings on investments and in the SET plan by contributions of the State of Maine. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Employer and employee normal cost contribution rates are defined by law or MainePERS board rule and depend on the terms of the plan under which an employee is covered. The City's contributions are determined by actuarial valuation. Teachers are required to contribute 7.65% of their annual pay. PLD City employees are required to pay 7.35% to 8.10% of their annual pay. For the year ended June 30, 2021 for the teachers' plan, the City was required to pay 4.16% (normal cost) of participants salary and the State of Maine was required to contribute 14.33% (unfunded actuarial liability (UAL)). For the PLD Plan participants the City was required to contribute between 10.0% and 10.8% of participant's annual pay. Contributions for the City's plan and the SET plan for the year ended June 30, 2021 were $6,528,816 and $2,498,575, respectively.

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

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's portion of the net pension liabilities were based on projections of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating local districts, and of all participating school districts, and the State of Maine.

**City's Plan –** At June 30, 2021, the City reported a liability of $39,788,600 for its proportionate share of the net pension liability. At June 30, 2020, the City's proportionate share of the PLD Plan was 10.01%.

**SET Plan –** At June 30, 2021, the City reported a liability for its proportionate share of the net pension liability that reflected a reduction for the State of Maine's pension support provided to the SET plan. The amount recognized by the City as its proportionate share of the net pension liability, the State's support, and the total portion of the net pension liability that was associated with the Teacher's Plan were as follows:

| | | |
|---|---|---|
| City's proportionate share of the net pension liability | $ | 6,469,416 |
| State's proportionate share of the net pension liability | | 59,299,504 |
| Total | $ | 65,768,920 |

At June 30, 2020, the City's proportion of the SET Plan was 0.40%.

For the year ended June 30, 2021, the City recognized pension expense of $1,605,239 for the City's Plan, pension expense of $848,517 for the SET plan, and State support of $6,608,619. At June 30, 2021, the City recorded deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| SET Plan | | Deferred outflows of resources | | Deferred inflows of resources |
|---|---|---|---|---|
| Difference between expected and actual experience | $ | 69,864 | $ | - |
| Changes of assumptions | | - | | - |
| Net difference between projected and actual earnings on pension plan investments | | 268,205 | | - |
| Changes in proportion and differences between the City's contributions and proportionate share of contributions | | 1,375,377 | | - |
| The City's contribution subsequent to the measurement date | | 2,498,575 | | - |
| | $ | 4,212,021 | $ | - |

| City's Plan | | Deferred outflows of resources | | Deferred inflows of resources |
|---|---|---|---|---|
| Difference between expected and actual experience | $ | 2,387,646 | $ | 437,473 |
| Changes of assumptions | | - | | - |
| Net difference between projected and actual earnings on pension plan investments | | 2,589,097 | | - |
| Changes in proportion and differences between the City's contributions and proportionate share of contributions | | 34,845 | | 1,356,201 |
| The City's contribution subsequent to the measurement date | | 6,528,816 | | - |
| | $ | 11,540,404 | $ | 1,793,674 |

The amount of $9,027,391 is reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| | | SET Plan | | City's Plan |
|---|---|---|---|---|
| Year ended June 30: | | | | |
| 2022 | $ | 447,419 | $ | (1,988,451) |
| 2023 | | 792,284 | | 803,178 |
| 2024 | | 238,117 | | 2,199,165 |
| 2025 | | 235,625 | | 2,204,022 |
| | $ | 1,713,445 | $ | 3,217,914 |

*Actuarial assumptions.* The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

| | SET Plan | City's Plan |
|---|---|---|
| Inflation | 2.75% | 2.75% |
| Salary increases | 2.75% | 2.75% |
| Investment rate of return | 6.750% | 6.750% |
| Cost of living benefit increases, per annum | 2.20% | 1.91% |

Mortality rates for the City's plans were based on the RP2014 Tables Total Dataset Healthy Annuitant Mortality Table for both males and females. Economic assumptions and mortality tables were adopted as a result of the latest experience study review covering the period June 30, 2012 through June 30, 2015.

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 class of assets. 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, 2020 are summarized in the following table:

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return |
|---|---|---|
| Public equities | 30.0% | 6.0% |
| US Government | 7.5% | 2.3% |
| Private equity | 15.0% | 7.6% |
| Real estate | 10.0% | 5.2% |
| Infrastructure | 10.0% | 5.3% |
| Natural resources | 5.0% | 5.0% |
| Traditional credit | 7.5% | 3.0% |
| Alternative credit | 5.0% | 7.2% |
| Diversifiers | 10.0% | 5.9% |
| Total | 100% | |

*Discount rate:* The discount rate used to measure the total pension liability was 6.75% for the Teachers' and City's Plans. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made at the current contribution rate and that all contributions (the plan member, the City and the State of Maine) would be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current participants. 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 liability.

*Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.* The following presents the City's proportionate share of the net pension liability for the Teachers' and City's Plans using the discount rate 6.75% as well as what the net pension liability would be if it were calculated using a discount rate of one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

| | | Teachers' Plan (5.75%, 6.75%, 7.75%) | | City's Plans (5.75%, 6.75%, 7.75%) |
|---|---|---|---|---|
| 1% Decrease | $ | 11,219,866 | $ | 83,619,578 |
| Current Rate | $ | 6,469,416 | $ | 39,788,600 |
| 1% Increase | $ | 2,510,016 | $ | 3,909,730 |

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued MainePERS financial report.

*Payables to the pension plan:* None as of June 30, 2021.

## F. Other postemployment benefits

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

The City contributes to three post-employment defined benefit plans, (1) the Maine Public Employees Retirement System State Employee and Teacher Group Term Life Plan (School Life Plan), (2) the Maine Public Employees Retirement System Participating Local District Life Plan (City Life Plan) and (3) the School Department's retiree health plan (School Plan). As of the year ended June 30, 2021, the City had the following balances reported in the government-wide financial statements:

| | Total OPEB Liability | Deferred Outflows of Resources | Deferred Inflows of Resources | OPEB (Gain) Expense |
|---|---|---|---|---|
| School Health Plan | $ 20,140,860 | $ 2,957,803 | $ 1,214,746 | $(1,691,073) |
| School Life Insurance Plan | - | - | - | 199,393 |
| City Life Insurance Plan | 3,102,943 | 1,125,986 | 2,321,331 | (595,808) |
| **Total** | **$ 23,243,803** | **$ 4,083,789** | **$ 3,536,078** | **$(2,087,488)** |

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

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

**Contributions** – Premium rates are determined by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims.

PLD OPEB Plan - The City is required to remit a premium of $0.48 per $1,000 of coverage per month during the post-employment retirement period. Contributions to the PLD OPEB plan from the City were $235,301 for the year ended June 30, 2021. Employees are not required to contribute to the PLD OPEB plan.

SET OPEB Plan - The State of Maine is required to remit the total dollar amount of each year's annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the City were $199,393 for the year ended June 30, 2021. Employers and employees are not required to contribute to the OPEB plan.

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

The net OPEB liability for each plan was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The City's proportion of the net OPEB liability was based on a projection of the City's long-term share of contributions to the OPEB plans relative to the projected contributions of all participating employers, actuarially determined.

PLD OPEB Plan – At June 30, 2021, the City reported a liability of $3,102,943 for its proportionate share of the net OPEB liability. At June 30, 2020, the City's proportion was 23.52%.

SET OPEB Plan – At June 30, 2021, the City reported no liability related to the plan. The State of Maine's proportionate share of the net OPEB liability associated with the City was $1,775,775 as of June 30, 2021. At June 30, 2020, the City's proportion was 0.00%.

For the year ended June 30, 2021, the City recognized OPEB gain of $595,808 for the PLD OPEB Plan. For the year ended June 30, 2021, the City recognized OPEB expense of $199,393 and also revenues of $199,393 for support provided by the State related to the SET OPEB plan. At June 30, 2021, the City reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB plan. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB plan from the following sources:

| | | Deferred outflows of resources | | Deferred inflows of resources |
|---|---|---|---|---|
| Difference between expected and actual experience | $ | 383,092 | $ | - |
| Changes of assumptions | | 322,930 | | 2,211,291 |
| Net difference between projected and actual earnings on pension plan investments | | - | | 77,486 |
| Changes in proportion and differences between the City's contributions and proportionate share of contributions | | 184,663 | | 32,554 |
| The City's contribution subsequent to the measurement date | | 235,301 | | - |
| | $ | 1,125,986 | $ | 2,321,331 |

$235,301 is reported as deferred outflows of resources related to the PLD OPEB plan resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ended June 30: | | |
|---|---|---|
| 2022 | $ | (400,328) |
| 2023 | | (353,254) |
| 2024 | | (124,237) |
| 2025 | | (242,052) |
| 2026 | | (310,778) |
| | $ | (1,430,649) |

**Actuarial Assumptions** – The total OPEB liability in the June 30, 2019 actuarial valuations was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | Teachers' Plan | City's Plans |
|---|---|---|
| Inflation | 2.75% | 2.75% |
| Salary increases | 2.75% to 14.50% | 2.75% |
| Investment rate of return | 6.75% | 6.75% |

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

The actuarial assumptions used in the June 30, 2020 valuations were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return |
|---|---|---|
| Public Equities | 70% | 6.0% |
| Real estate | 5% | 5.2% |
| Traditional credit | 15% | 3.0% |
| Fixed income | 10% | 2.3% |
| Total | 100% | |

*Discount Rate*: The rate used to measure the total OPEB liability for the PLD OPEB plan was 6.75% as of June 30, 2020.

The rate used to measure the total OPEB liability for the SET OPEB plan was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plans fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate.* The following presents the City's proportionate share of the net PLD OPEB plan liability calculated using the discount rate of 6.75%, as well as what the City's proportionate share of the net PLD OPEB plan liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

| | City's Plan (5.75%, 6.75%, 7.75%) | |
|---|---|---|
| 1% Decrease | $ | 4,179,086 |
| Current Rate | $ | 3,102,943 |
| 1% Increase | $ | 2,237,987 |

Sensitivity of the City's proportionate share of the net SET OPEB plan liability to the changes in the discount rate are not presented as the City does not have any liability related to this plan given that the SET OPEB plan is 100% funded by contributions from the State of Maine.

**OPEB Plan Fiduciary Net Position** – Detailed information about both the PLD and SET OPEB plan's fiduciary net positions are available in a separately issued MPERS financial report.

## G. Other postemployment benefits – health insurance

***General Information about the OPEB Plan***

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

**Benefits Provided** - MEABT provides healthcare insurance benefits for retirees and their dependents. The employee must have participated in the MEABT health plan for the 12 months prior to retirement and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits. The retiree is eligible for a State subsidy of 45% of the blended single premium for the retiree only. Under State laws, the blended premium is determined by blending rates for active members and retired members. The retiree pays 55% of the blended premium rate for coverage selected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree and or spouse.

*Employees Covered by Benefit Terms* – At June 30, 2019, the following employees were covered by the benefit terms:

| | |
|---|---|
| Inactive employees or beneficiaries currently receiving benefits | 592 |
| Inactive employees entitled to but not yet receiving benefits | - |
| Active employees | 1,180 |
| Total | 1,772 |

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

The City's total OPEB liability of $20,140,860 was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2019.

*Changes in Total OPEB Liability*

| | |
|---|---|
| Balance at June 30, 2020 | $ 21,276,168 |
| Changes for the year: | |
| Service cost | 179,714 |
| Interest | 736,404 |
| Changes of benefit terms | (2,039,424) |
| Differences between expected and actual experience | (904,050) |
| Changes in assumptions and other inputs | 1,730,813 |
| Benefit payments | (838,765) |
| Net changes | (1,135,308) |
| Balance at June 30, 2021 | $ 20,140,860 |

Change in assumptions reflects a change in the discount rate from 3.50% to 2.21%.

For the year ended June 30, 2021, the City recognized OPEB gain of $1,691,073. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred outflows of resources | Deferred inflows of resources |
|---|---|---|
| Difference between expected and actual experience | $ - | $ 774,900 |
| Changes of assumptions | 2,231,544 | 439,846 |
| The City's contribution subsequent to the measurement date | 726,259 | - |
| | $ 2,957,803 | $ 1,214,746 |

$726,259 is reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | |
|---|---|
| Year ended June 30: | |
| 2022 | $ 158,492 |
| 2023 | 158,492 |
| 2024 | 158,491 |
| 2025 | 305,105 |
| 2026 | 118,109 |
| | $ 898,689 |

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

| | |
|---|---|
| Inflation | 2.00% per year |
| Salary increases | 2.75% per year |
| Discount rate | 2.21% per annum |
| Healthcare cost trend rates – Pre-Medicare | 6.21% for 2021 grading over 20 years to 3.25% |
| Healthcare cost trend rates – Medicare | 0.00% for 2021 grading over 20 years to 3.25% |
| Retirees’ share of the benefit-related costs | 55% of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate |

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

*Discount Rate:* The rate used to measure the total OPEB liability was 2.21% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the City’s total OPEB liability calculated using the discount rate of 2.21%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.21%) or 1 percentage-point higher (3.21%) than the current rate:

| | 1% Decrease (1.21%) | Discount Rate (2.21%) | 1% Increase (3.21%) |
|---|---|---|---|
| Total OPEB liability | $ 23.749,065 | 20,140,860 | 17,248,954 |

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

| | 1% Decrease | Healthcare Cost Trend Rates | 1% Increase |
|---|---|---|---|
| Total OPEB liability | $ 17,033,187 | 20,140,860 | 24,091,852 |

## H. Construction and other significant commitments

***Construction commitments*** – The City has active construction projects as of June 30, 2021. At year end, the City's commitments with contractors are as follows:

| Projects | Spent-to-Date | Remaining Commitment |
|---|---|---|
| Public buildings and improvements | $ 24,941,630 | $ 14,930,630 |
| Sewer Projects | 36,475,869 | 59,352,403 |
| Jetport construction projects | 10,982,986 | 5,196,017 |
| Equipment | 819,975 | 69,475 |
| Total | $ 73,220,461 | $ 79,548,525 |

## I. Risk management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health insurance benefits; and natural disasters. Beginning in 1983, (1988 for employee health insurance benefits), the City decided to stop carrying commercial insurance for certain types of risk of loss because of its cost and began covering some claim settlements and judgments out of its general fund. The City currently reports all of its risk management activities in its general fund, enterprise funds and in the Statement of Net Position. The liability for claims and judgments of the general fund which are not currently due and payable are reported in the Statement of Net Position. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

With the exception of Federal claims, including 1983 civil rights claims, which have no limit, the City's risk retention for tort liability claims is limited by state statute. The uninsured risk retention per incident under the Maine Tort Claims Act is a maximum of $400,000. The City has purchased liability insurance for certain types of claims to mitigate its exposure. The Jetport, an enterprise fund, is insured under separate policies with commercial insurance carriers. There have been no significant reductions in commercial insurance coverages from the prior year and no settlements under insured claims have exceeded the available insurance coverage in any of the past three years.

The City participates in the Maine Municipal Association Group Risk Pool, a state chartered pool established exclusively for Maine municipalities. The pool provides certain property, liability, fidelity, and vehicle coverage. If the assets of the pool are at any time actuarially determined to be insufficient to enable the pool to discharge its legal obligations, other obligations, and actuarially sound reserves, the pool has the power to make up the deficiency by the levy of a prorated assessment. There have been no deficiencies during the past three years and management believes that no deficiency exists at June 30, 2021.

At June 30, 2021, the amount of these liabilities was $11,796,898. It is the City's best estimate based on available information. This table includes both governmental and proprietary funds. Changes in the liability since June 30, 2019 are as follows:

| | Workers' Compensation | Health Insurance | Liability | Unemployment | Total |
|---|---|---|---|---|---|
| Unpaid claims as of June 30, 2019 | $ 9,398,265 | $ 1,100,000 | $ 297,751 | $ - | $ 10,796,016 |
| Incurred claims | 1,008,650 | 15,083,229 | 306,983 | - | 16,398,862 |
| Payments | (1,941,426) | (17,497,714) | (266,777) | - | (19,705,917) |
| Changes in estimates and other adjustments | 952,094 | 2,439,485 | (86,511) | - | 3,305,068 |
| Unpaid claims as of June 30, 2020 | $ 9,417,583 | $ 1,125,000 | $ 251,445 | $ - | $ 10,794,028 |
| Incurred claims | (1,111,166) | 16,920,610 | 468,616 | - | 16,278,060 |
| Payments | 2,469,184 | (19,234,609) | (430,428) | - | (17,195,853) |
| Changes in estimates and other adjustments | (879,042) | 2,313,999 | 485,707 | - | 1,920,664 |
| Unpaid claims as of June 30, 2021 | $ 9,896,559 | $ 1,125,000 | $ 775,340 | $ - | $ 11,796,899 |

## J. Lease obligations

*Leasing arrangements where the City is Lessor.* The City has several operating leases covering the properties listed below. The total rental income was $16,541,967 for the year ended June 30, 2021. The future minimum lease payments are as follows:

| For the years ending June 30: | Operating Leases |
|---|---|
| 2022 | $ 6,158,011 |
| 2023 | 5,957,383 |
| 2024 | 5,889,161 |
| 2025 | 1,435,272 |
| 2026 | 211,138 |
| Total future minimum lease payments | $ 19,650,965 |

The following is a schedule of the cost and carrying value of property leased or held for lease under operating leases, by major classification:

| | Cost | Carrying Value |
|---|---|---|
| Land: | | |
| Casco Bay Ferry Terminal | $ 511,024 | $ 511,024 |
| Fish Pier | 4,263,569 | 4,263,569 |
| International Ferry Terminal | 1,397,399 | 1,397,399 |
| Total land | $ 6,171,992 | $ 6,171,992 |
| Property, plant and equipment: | | |
| Casco Bay Ferry Terminal | $ 6,129,647 | $ 1,353,386 |
| Exposition Building | 3,149,209 | 894,430 |
| Fish Pier | 14,607,395 | 524,124 |
| Hadlock Field | 4,989,316 | 2,075,708 |
| International Ferry Terminal | 3,044,555 | - |
| Jetport | 100,978,304 | 56,748,408 |
| Total property, plant and equipment | $ 132,898,426 | $ 61,596,056 |
| | $ 139,070,418 | $ 67,768,048 |

## K. Long-term liabilities

Changes in long-term liabilities

Changes in the City's long-term liabilities for the governmental activities for the year ended June 30, 2021 are as follows:

| | Balance July 1, 2020 | Additions | Deletions | Balance June 30, 2021 | Due Within One Year |
|---|---|---|---|---|---|
| General obligation bonds | $ 249,692,786 | $ 25,034,952 | $ 38,377,903 | $ 236,349,835 | $ 24,980,572 |
| Premium on bonds | 12,515,550 | 3,964,480 | 1,712,872 | 14,767,159 | 2,052,359 |
| Notes from direct borrowings | 8,461,306 | 1,891,179 | 686,493 | 9,665,992 | 740,385 |
| Capital leases | 7,262,244 | - | 669,996 | 6,592,248 | 811,756 |
| Self-insurance | 8,553,464 | 16,278,060 | 15,308,707 | 9,522,817 | - |
| Compensated absences | 10,232,508 | 310,474 | - | 10,542,982 | 10,542,982 |
| Net pension liability | 32,925,260 | 11,153,693 | - | 44,078,952 | - |
| OPEB liability | 25,928,192 | - | 2,949,885 | 22,978,307 | - |
| | $ 355,571,310 | $ 58,632,838 | $ 59,705,856 | $ 354,498,292 | $ 39,128,054 |

The general fund is typically used to liquidate self-insurance, pension, OPEB and compensated absences liabilities in the governmental funds.

Changes in the City's long-term liabilities for the business-type activities for the year ended June 30, 2021 are as follows:

| | Balance July 1, 2020 | Additions | Deletions | Balance June 30, 2021 | Due Within One Year |
|---|---|---|---|---|---|
| General obligation bonds | $ 39,777,214 | $ 42,675,048 | $ 3,372,097 | $ 79,080,165 | $ 5,145,275 |
| Revenue bonds | 96,585,000 | - | 2,010,000 | 94,575,000 | 2,110,000 |
| Premium on bonds | 16,404,651 | 6,005,520 | 1,674,594 | 20,735,577 | 1,886,620 |
| Notes from direct borrowings | 46,384,716 | 9,276,000 | 3,250,295 | 52,410,422 | 3,404,447 |
| Net pension liability | 3,028,596 | - | 849,533 | 2,179,063 | - |
| OPEB liability | 291,607 | - | 26,112 | 265,495 | - |
| | $ 202,471,785 | $ 57,956,568 | $ 11,182,631 | $ 249,245,721 | $ 12,546,342 |

General obligation bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities, public improvements, infrastructure, equipment, economic development projects, the liquidation of self-insured claims, and pension benefit obligations. Bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. Notes payable and capital leases are also considered direct obligations and also pledge the full faith and credit of the City.

Bonds for capital improvements which were authorized but not issued at June 30, 2021 were $217,480,343.

As of June 30, 2021, general obligation bonds, capital leases and notes payable reported in the Statement of Net Position consisted of the following:

| Bond issue | Date of Issue | Final Maturity | Amount Issued | Interest Rate | General City | Enterprise Funds | Balance at June 30, 2021 |
|---|---|---|---|---|---|---|---|
| General obligation bonds: | | | | | | | |
| Multi-modal taxable pension bond | 07/19/01 | 6/1/2026 | $ 111,800,000 | variable | $ 76,500,000 | $ - | $ 76,500,000 |
| Refunding and various purposes | 03/01/10 | 9/1/2030 | 18,912,000 | 3.98 | 1,835,000 | - | 1,835,000 |
| Refunding and various purposes | 12/01/10 | 9/1/2031 | 13,900,000 | 3.12 | 660,000 | - | 660,000 |
| Refunding | 09/01/11 | 8/1/2022 | 19,940,000 | 3.83 | 898,969 | 1,521,031 | 2,420,000 |
| Various purposes | 01/25/12 | 2/1/2027 | 11,494,000 | 2.06 | 4,003,000 | 132,000 | 4,135,000 |
| Various purposes | 02/01/13 | 2/1/2033 | 15,418,000 | var | 7,045,400 | 744,600 | 7,790,000 |
| Refunding and various purposes | 02/01/14 | 11/1/2033 | 20,118,000 | var | 9,051,598 | 1,878,402 | 10,930,000 |
| Refunding and various purposes | 02/03/15 | 11/1/2034 | 20,431,000 | var | 9,873,938 | 1,581,062 | 11,455,000 |
| Refunding and various purposes | 03/02/16 | 4/1/2036 | 33,385,000 | var | 16,685,682 | 5,104,318 | 21,790,000 |
| Various purposes | 03/15/17 | 4/1/2037 | 14,514,000 | var | 7,826,860 | 2,823,140 | 10,650,000 |
| School construction | 08/17/17 | 8/1/2037 | 24,600,000 | var | 20,910,000 | - | 20,910,000 |
| Various purposes | 03/22/18 | 4/1/2038 | 22,640,000 | var | 13,458,726 | 5,296,274 | 18,755,000 |
| Various purposes | 05/15/19 | 4/1/2039 | 19,745,000 | var | 12,643,063 | 4,246,937 | 16,890,000 |
| Various purposes | 03/26/20 | 10/1/2040 | 43,000,000 | var | 29,922,648 | 13,077,352 | 43,000,000 |
| Various purposes | 06/08/21 | 4/1/2051 | 67,710,000 | var | 25,034,952 | 42,675,048 | 67,710,000 |
| Total general obligation bonds | | | $ 457,607,000 | | $ 236,349,835 | $ 79,080,165 | $ 315,430,000 |
| Notes from direct borrowings | | | | | | | |
| Maine Municipal Bond Bank: | | | | | | | |
| Combined sewer overflow | 06/15/09 | 4/1/2029 | $ 11,135,000 | 1.00 | $ - | $ 4,454,000 | $ 4,454,000 |
| Combined sewer overflow | 06/15/09 | 4/1/2029 | 1,912,762 | 0.00 | - | 765,105 | 765,105 |
| Combined sewer overflow | 11/23/10 | 10/1/2030 | 11,100,000 | 1.00 | - | 5,550,000 | 5,550,000 |
| Combined sewer overflow | 05/02/11 | 4/1/2031 | 7,286,467 | 1.00 | - | 3,643,234 | 3,643,234 |
| Combined sewer overflow | 12/18/11 | 10/1/2031 | 7,245,000 | 1.00 | - | 3,984,750 | 3,984,750 |
| Combined sewer overflow | 04/15/13 | 4/1/2033 | 14,300,000 | 0.50 | - | 8,580,000 | 8,580,000 |
| Combined sewer overflow | 12/01/15 | 12/1/2045 | 6,800,000 | 1.00 | - | 5,666,667 | 5,666,667 |
| Combined sewer overflow | 07/01/18 | 7/1/2048 | 11,240,000 | 1.00 | - | 10,490,666 | 10,490,666 |
| Combined sewer overflow | 03/09/21 | 7/1/2046 | 9,276,000 | 1.00 | - | 9,276,000 | 9,276,000 |
| School improvements | 04/30/21 | 7/1/2031 | 1,323,824 | 1.00 | 1,891,179 | - | 1,891,179 |
| Total Maine Municipal Bond Bank | | | $ 81,619,053 | | $ 1,891,179 | $ 52,410,422 | $ 54,301,601 |
| Notes payable: | | | | | | | |
| HUD 108 Loan | | | | | $ 7,050,000 | $ - | $ 7,050,000 |
| Maine Dept. of Transportation | | | | | 724,813 | - | 724,813 |
| Total notes payable | | | | | $ 7,774,813 | $ - | $ 7,774,813 |
| Total notes from direct borrowings | | | | | $ 9,665,992 | $ 52,410,422 | $ 62,076,413 |
| Capital leases | | | | | | | |
| LED street lighting - phase I | | | | | 2,903,946 | - | 2,903,946 |
| LED street lighting - phase II | | | | | 3,550,301 | - | 3,550,301 |
| School computer equipment | | | | | 138,000 | - | 138,000 |
| Total capital leases | | | | | $ 6,592,247 | $ - | $ 6,592,247 |
| Total | | | | | $ 252,608,074 | $ 131,490,587 | $ 384,098,660 |
| Less current portion | | | | | (26,532,713) | (8,549,722) | (35,082,435) |
| Total long-term | | | | | $ 226,075,361 | $ 122,940,865 | $ 349,016,225 |

The debt service requirements for the City's general obligation bonds, capital leases and notes payable are as of June 30, 2021 are as follows:

| Year Ending | General City | | Enterprise Funds | | Totals | | |
|---|---|---|---|---|---|---|---|
| June 30 | Principal | Interest | Principal | Interest | Principal | Interest | Grand Total |
| 2022 | $ 24,980,572 | $ 12,877,037 | $ 8,549,722 | $ 3,087,783 | $ 33,530,295 | $ 15,964,820 | $ 49,495,115 |
| 2023 | 26,637,382 | 11,361,942 | 8,543,071 | 3,159,330 | 35,180,453 | 14,521,272 | 49,701,724 |
| 2024 | 28,439,472 | 9,673,223 | 8,080,980 | 2,912,870 | 36,520,453 | 12,586,093 | 49,106,546 |
| 2025 | 30,542,002 | 7,762,411 | 7,673,451 | 2,692,653 | 38,215,453 | 10,455,064 | 48,670,517 |
| 2026 | 32,834,391 | 5,645,675 | 7,626,062 | 2,483,378 | 40,460,453 | 8,129,053 | 48,589,505 |
| 2027-2031 | 49,101,386 | 11,855,654 | 33,717,837 | 9,377,613 | 82,819,223 | 21,233,267 | 104,052,490 |
| 2032-2036 | 30,984,676 | 4,240,890 | 21,611,823 | 5,614,617 | 52,596,499 | 9,855,507 | 62,452,006 |
| 2037-2041 | 13,475,376 | 907,821 | 16,376,491 | 3,468,720 | 29,851,867 | 4,376,542 | 34,228,408 |
| 2042-2046 | 629,330 | 179,925 | 11,352,537 | 2,072,874 | 11,981,867 | 2,252,799 | 14,234,665 |
| 2047-2051 | 616,426 | 73,713 | 7,958,614 | 794,203 | 8,575,040 | 867,915 | 9,442,955 |
| Grand totals | $ 238,241,014 | $ 64,578,290 | $ 131,490,587 | $ 35,664,041 | $ 369,731,601 | $ 100,242,331 | $ 469,973,931 |

| Year Ending | Capital Leases | | | Notes Payable | | |
|---|---|---|---|---|---|---|
| June 30 | Principal | Interest | Total | Principal | Interest | Total |
| 2022 | $ 811,756 | $ 153,405 | $ 965,161 | $ 740,385 | $ 118,993 | $ 859,378 |
| 2023 | 830,284 | 134,876 | 965,160 | 794,453 | 104,979 | 899,431 |
| 2024 | 849,271 | 115,889 | 965,161 | 798,703 | 90,598 | 889,301 |
| 2025 | 822,729 | 96,432 | 919,161 | 853,145 | 75,415 | 928,559 |
| 2026 | 842,668 | 76,492 | 919,161 | 1,107,786 | 57,731 | 1,165,518 |
| 2027-2030 | 2,435,540 | 110,354 | 2,545,894 | 3,480,342 | 59,576 | 3,539,918 |
| | $ 6,592,247 | $ 687,449 | $ 7,279,696 | $ 7,774,813 | $ 507,291 | $ 8,282,104 |

Revenue bonds

The Jetport issues revenue bonds for the purpose of enlarging and improving its operations. The Jetport has also issued refunding bonds when there has been an economic gain. The refundings are structured as legal defeasances of the old debt and such debt has been removed the Jetport's books.

Revenue bonds payable for the year ended June 30, 2021:

| | Stated Interest Rate Range | Face Value Outstanding June 30, 2021 |
|---|---|---|
| General Airport Revenue Refunding Bonds, Series 2013<br>$26,265,000 original principal, matures July 1, 2032 | 2.00%-5.00% | $ 18,155,000 |
| General Airport Revenue Refunding Bonds, Series 2016<br>$20,695,000 original principal, matures January 1, 2038 | 4.00%-5.00% | 18,220,000 |
| General Airport Revenue Refunding Bonds, Series 2019<br>$58,450,000 original principal, matures January 1, 2040 | 3.00%-5.00% | 58,200,000 |
| | | $ 94,575,000 |

The debt service requirements for the outstanding revenue bonds at June 30, 2021 are as follows:

| Year ended June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2022 | $ 2,110,000 | $ 4,251,400 | $ 6,361,400 |
| 2023 | 2,220,000 | 4,147,100 | 6,367,100 |
| 2024 | 2,325,000 | 4,037,450 | 6,362,450 |
| 2025 | 3,800,000 | 3,922,650 | 7,722,650 |
| 2026 | 3,985,000 | 3,764,325 | 7,749,325 |
| 2027-2031 | 24,045,000 | 15,926,500 | 39,971,500 |
| 2032-2036 | 28,500,000 | 9,338,800 | 37,838,800 |
| 2037-2040 | 27,590,000 | 3,107,450 | 30,697,450 |
| Totals | $ 94,575,000 | $ 48,495,675 | $ 143,070,675 |

Section 705 of the *General Certificate of Terms of Issuance of General Airport Revenue Bonds Portland International Jetport* for each issue requires a minimum debt service coverage ratio of 125%. The actual debt service coverage ratio for 2021 is 248%, which is above the requirement by 123 percentage points.

Debt limit

The statutes of the State of Maine limit the City's long-term debt outstanding to 15% of the State's assessed valuation of the City. At June 30, 2021, $369,731,601 (22.11%) of debt applicable to the statutory limit of $1,672,395,000 was outstanding.

Pension bonds

On July 17, 2001, the City issued $111.8 million in multi-modal, taxable, variable rate general obligation bonds to refinance debt owed to Maine Public Employees Retirement System (MainePERS) and entered into an interest rate swap in order to pay fixed rates over the life of the debt. The City pays fixed rates from 4.9% to 8.9%. On July 17, 2001 the bonds were priced at 3.85% and are reset weekly at the USD-LIBOR-BBA rate plus 0.4%. Principal payments are due each June 1st and interest is due monthly on the first day of each month.

Overlapping debt

The City is liable for its proportionate share of any defaulted debt issued by entities of which it is a member. The overlapping bonded debt applicable to the City as of June 30, 2021 is as follows:

| Entity | Percentage | Share of Bonded Debt Amount |
|---|---|---|
| Cumberland County | 20.98% | $ 7,001,491 |
| Portland Water District (sewer debt) | 100.00% | 21,311,170 |
| Portland Water District (water debt) | 31.08% | 17,019,009 |
| | | $ 45,331,670 |

## L. Fund balance

*Minimum fund balance policy and stabilization arrangement.* The City has established a policy providing for the unassigned fund balance of the City's general fund. The goal of the policy is to achieve and maintain an unassigned general fund balance equal to 12.5% of expenditures. Additionally, the policy calls for establishing reserves for any audited increase in unassigned general fund balance from one year to the next. This reserve is in accordance with Title 30-A of the Maine Revised Statutes requirements related to establishing reserves, and is equal to 25% of the increase. The account is to be applied in periods of financial emergency to assist in continuing its normal operation without increasing the tax rate. Balances in the tax rate stabilization reserve are included in the calculation of the 12.5% goal. In years where there is no increase in unassigned fund balance; there is no increase to the reserve.

<u>Restatement of fund balance – nonmajor governmental funds and net position – fiduciary activities</u>
During the fiscal year ending June 30, 2021 the City reclassified amounts previously reported in fiduciary funds as governmental funds and amounts previously reported as governmental funds as fiduciary funds and, consequently, a restatement of net position of governmental activities, a restatement of fund balances in nonmajor governmental funds, and a restatement of assets and liabilities in fiduciary funds as of June 30, 2020.

A summary of the effect of the reclassification of fiduciary funds and governmental funds is:

| Net Position | Governmental Activities Net Position | Nonmajor Governmental Fund Balance | Fiduciary Funds Fund Balance |
|---|---|---|---|
| As previously reported, June 30, 2020 | $ 191,920,746 | $ 57,509,406 | $ - |
| Reclassification of special revenue funds as general fund | - | (711,901) | - |
| Reclassification of governmental funds as fiduciary funds | ( 975,737) | ( 975,737) | 975,737 |
| Net position, June 30, 2020, as restated | $ 190,945,009 | $ 55,821,768 | $ 975,737 |

## M. Interfund receivables, payables, and transfers

Interfund balances and transfers by fund at and for the year ended June 30, 2021 are as follows:

| | Interfund Receivable | Interfund Payable | Transfers In | Transfers Out |
|---|---|---|---|---|
| General fund | $ 12,577,692 | $ - | $ 826,441 | $ 12,939,527 |
| Debt service | - | - | 5,973,404 | - |
| Capital projects fund | - | - | 5,829,960 | - |
| Nonmajor governmental funds | - | 12,577,692 | 777,594 | 467,871 |
| Sewer | - | - | 862,363 | - |
| Stormwater | - | - | - | 862,363 |
| | $ 12,577,692 | $ 12,577,692 | $ 14,269,761 | $ 14,269,761 |

The outstanding balances between funds result mainly from short-term cash flow needs that are funded by the general fund. Transfers are used to move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due and move unrestricted revenues from various funds to finance various programs that the City must account for in other funds in accordance with budgetary authorizations.

**N. Discretely presented component units and jointly governed organizations**

Portland Public Library

The Library maintains its cash accounts at various institutions. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At various times throughout the year the Library's cash balance exceeded FDIC insurance. Cash held within investment accounts is guaranteed by Securities Investor Protection Corporation (SIPC) up to $250,000. At June 30, 2021, none of the Library's deposits were uninsured and uncollateralized.

Capital assets for the Library are as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Capital assets, not being depreciated: | | | | |
| Land | $ 162,500 | $ - | $ - | $ 162,500 |
| Total capital assets, not being depreciated | $ 162,500 | $ - | $ - | $ 162,500 |
| Property and Equipment | | | | |
| Buildings and Improvements | $ 4,717,027 | $ 5,310 | $ - | $ 4,722,337 |
| Machinery and Equipment | 1,553,942 | 52,645 | - | 1,606,587 |
| Total capital assets, being depreciated | 6,270,969 | 57,955 | - | 6,328,924 |
| Less accumulated depreciation | | | | |
| Buildings and Improvements | (1,309,016) | (178,924) | - | (1,487,940) |
| Machinery and Equipment | (1,382,074) | (41,090) | - | (1,423,164) |
| Total accumulated depreciation | (2,691,090) | (220,014) | - | (2,911,104) |
| Total capital assets being depreciated, net | 3,579,879 | (162,059) | - | 3,417,820 |
| Component unit capital assets, net | $ 3,742,379 | $ (162,059) | $ - | $ 3,580,320 |

The Library's investments consist of the following:

| | | Maturities (years) | | |
|---|---|---|---|---|
| Investment types: | Fair Value | Not Applicable | < 1 | 1 - 5 |
| Library: | | | | |
| Cash Equivalents | $ 255,544 | $ 255,544 | $ - | $ - |
| Certificates of Deposit | 998,871 | - | 998,871 | - |
| Common Stock | 1,107,725 | 1,107,725 | - | - |
| ETF Funds | 6,166,046 | 6,166,046 | - | - |
| | $ 8,528,186 | $ 7,529,315 | $ 998,871 | $ - |

Notes payable for the Library consisted of the following as of June 30, 2021:

| | | |
|---|---|---|
| Camden National Bank | | |
| Term note dated June 8, 2018, during the first 120 months the interest rate is fixed at 4.75%, followed by 120 months with the interest at the Wall Street Journal Prime Rate. This note matures in June 2038, and is secured by real estate. | $ | 725,263 |
| Less current portion | | (28,078) |
| | $ | 697,185 |

The expected debt service requirements are as follows:

Library Debt Maturities

| June 30, | | |
|---|---|---|
| 2022 | $ | 28,078 |
| 2023 | | 29,460 |
| 2024 | | 30,824 |
| 2025 | | 32,428 |
| 2026 | | 34,025 |
| Thereafter | | 570,448 |
| | $ | 725,263 |

The Library is exempt from income taxes as an organization described in Internal Revenue Code Section 501(a).

Portland Fish Exchange

Exchange cash accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At June 30, 2021, none of the Exchange's deposits were uninsured and uncollateralized.

Capital assets for the Exchange are as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Capital assets | | | | |
| Equipment | $ 1,708,122 | $ 83,405 | $ - | $ 1,791,527 |
| Leasehold Improvments | 1,038,207 | 23,543 | - | 1,061,750 |
| Total capital assets | $ 2,746,329 | $ 106,948 | $ - | $ 2,853,277 |
| Less: accumulated depreciation | | | | |
| Equipment | (1,592,083) | (37,244) | - | (1,629,327) |
| Leasehold Improvments | (957,713) | (33,233) | - | (990,946) |
| Total accumulated depreciation | (2,549,796) | (70,477) | - | (2,620,273) |
| Total capital assets, net | $ 196,533 | $ 36,471 | $ - | $ 233,004 |

The Exchange's investments consist of the following:

| | | Maturities (years) | | |
|---|---|---|---|---|
| Investment types: | Fair Value | Not Applicable | < 1 | 1 - 5 |
| Portland Fish Exchange: | | | | |
| Cash Equivalents | $ 238,772 | $ 238,772 | $ - | $ - |
| | $ 238,772 | $ 238,772 | $ - | $ - |

The Exchange leases office, warehouse, pier, and parking facilities from the City of Portland, and pays rent for 23 parking spaces at $25 per month each. Expected annual lease expense under non-cancelable leases is as follows:

| Years ending April 30, | |
|---|---|
| 2022 | $ 32,500 |
| 2023 | 32,500 |
| 2024 | 32,500 |
| 2025 | 32,500 |
| 2026 | 33,333 |
| 2027-2031 | 142,917 |
| Total lease payments | $ 306,250 |

The Exchange is exempt from income taxes as an organization described in Internal Revenue Code Section 501(a).

Greater Portland Transit District

The City's member assessment for the year ended June 30, 2021 was $2,877,058.

ecomaine

During the year June 30, 2021, the City paid ecomaine $900,063 in tipping fees and assessments for solid waste disposal services. Selected balance sheet information for ecomaine for the year ended June 30, 2021 based on the most recent information available, includes total assets of $70,308,100, total liabilities of $21,406,572, and unrestricted net position of $18,438,342. The liabilities include an accrual for landfill closure and post closure care of $15,619,054. ecomaine funds this liability in the form of a cash reserve.

## O. Contingencies

A substantial portion of the City's long-term care services are reimbursed by third-party payers at rates subject to redetermination based on the filing of an annual cost report and audit of those reports. Anticipated final settlements due from or to third parties are recorded in the year in which the related services are performed. Any adjustments resulting from third-party examination are recognized in the year in which the results of examinations become known. Amounts related to the City's long-term care facility are recorded in the general fund.

The City participates in a number of federally assisted grant programs, including U.S. Department of Education programs, National School Lunch, Airport Development Aid, and Community Development Block Grants. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

There are various claims and suits pending against the City which arise in the normal course of the City's activities. In the opinion of the City management, the ultimate disposition will not materially affect the financial condition of the City.

## P. Tax abatements

The City has entered into several Credit Enhancement Agreements (CEAs) with individual organizations as permitted within its twelve Tax Increment Financing (TIF) District development programs, established under the State of Maine Title 30-A M.R.S. §§ 5221-5235. The CEAs outline conditions for the reimbursement of a percentage of the tax revenues generated through the increased values of certain parcels within each district. The agreements and payments are intended to promote economic development through real estate development and public infrastructure improvements. Based on compliance with the terms of the agreement, and the calculation methods established in the CEAs, the City returns to the organization a portion of the taxes paid.

For the fiscal year ended June 30, 2021, the City's property tax revenues were reduced by $5,189,754. This amount was distributed among dedicated project accounts for each of the City's TIF's. The City remitted a total of $992,107 in Credit Enhancement payments, as follows:

| TIF District | Term | Purpose | CEA Entity | Year ended June 30, 2021 Taxes Captured | Year ended June 30, 2021 Amounts Paid |
|---|---|---|---|---|---|
| Waterfront | 2003 - 2032 | Marine Uses | | $ 1,269,778 | $ - |
| | 2012 - 2031 | Offices | Pierce Atwood LLP | 212,384 | 212,384 |
| Bayside | 2009 - 2023 | Total TIF | | 1,199,382 | - |
| | 2009 - 2023 | Offices/Public Infrastruct. | Atlantic Bayside Trust LLC | 325,000 | 321,750 |
| Avesta/Pearl Place | 2008 - 2037 | Affordable Housing | Avesta Pearl Street One LP | 21,499 | 21,284 |
| 409 Cumberland Avenue | 2014 - 2035 | Affordable Housing | Avesta 409 Cumberland LP | 75,646 | 37,823 |
| 134 Washington Avenue | 2015 - 2034 | Affordable Housing | Avesta Washington Ave LP | 10,767 | 10,767 |
| Thompson's Point TOD | 2015 - 2044 | Transit-oriented dev. | Forefront Partners I, LP | 125,760 | 94,320 |
| Power Pay/Portland Public Market | 2011 - 2040 | Office Development | Portland Public Market, LLC | 51,246 | - |
| Downtown TOD | 2016 - 2045 | Transit-oriented dev. | Creative Portland | 1,529,207 | - |
| 17 Carleton Street | 2016 - 2037 | Affordable Housing | Avesta Carleton, LP | 32,146 | 32,146 |
| McAuley Place | 2010 - 2039 | Senior Housing | Motherhouse Associates | 67,200 | 66,528 |
| | | | DC Baxter Woods | 32,518 | 32,193 |
| Immucell | 2018 - 2029 | Assist w Expansion | ImmuCell Corporation | 60,132 | 60,132 |
| 58 Boyd Street | 2020 - 2048 | Affordable Housing | 58 Boyd Street, LP | 40,502 | 40,502 |
| 977 Brighton Avenue | 2020 - 2049 | Affordable Housing | Avesta 977 Brighton, LP | 5,444 | 5,444 |
| 100 Parris St/aka 178 Kennebec St | 2020 - 2049 | Affordable Housing | 100 Parris Street, LP | 56,834 | 56,834 |
| Deering Place | 2019 - 2048 | Affordable Housing | Avesta Deering Place, LP | 55,982 | - |
| 66 State Street | 2021 - 2050 | Affordable Housing | DC 66 State LLC | 18,327 | - |
| | | | | $ 5,189,754 | $ 992,107 |

## Q. New pronouncements

For the fiscal year ended June 30, 2021, the City implemented GASB Statement 98, *The Annual Comprehensive Financial Report*.

The Government Accounting Standards Board (GASB) has issued Statement No. 87, *Leases*, effective for the City beginning with its fiscal year ending June 30, 2022. This statement establishes new reporting and disclosure requirements, including the recording of various operating leases in the financial statements. The City is currently evaluating the impact of the implementation of GASB No. 87 on its financial statements.

## R. Subsequent events

The City has evaluated subsequent events through March 18, 2022, the date the financial statements were available to be issued and determined that any subsequent events that would require recognition of disclosure have been considered in the preparation of these financial statements.

# Required Supplementary Information

This page is intentionally blank.

Required Supplementary Information

## CITY OF PORTLAND, MAINE
## SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
## LAST TEN FISCAL YEARS

### Teachers' Pension Plan

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| City's proportion of the net pension liability (asset) | 0.3963% | 0.2362% | 0.2884% | 0.2569% | 0.2995% | 0.3388% | 0.3928% | 0.3755% | N/A | N/A |
| City's proportionate share of the net pension liability (asset) | $ 6,469,416 | $ 3,462,296 | $ 3,892,333 | $ 3,731,522 | $ 5,291,061 | $ 4,574,241 | $ 4,243,093 | $ 5,969,409 | N/A | N/A |
| State of Maine's proportionate share of the net pension liability (asset) | 59,299,504 | 67,623,918 | 58,269,905 | 61,598,424 | 77,010,164 | 58,599,731 | 47,511,544 | 112,160,829 | N/A | N/A |
| Total | $ 65,768,920 | $ 71,086,214 | $ 62,162,238 | $ 65,329,946 | $ 82,301,225 | $ 63,173,972 | $ 51,754,637 | $ 118,130,238 | $ - | $ - |
| City's covered payroll | $ 60,309,184 | $ 56,467,425 | $ 56,462,638 | $ 54,522,466 | $ 54,696,814 | $ 53,169,981 | $ 53,769,823 | $ 48,514,298 | $ 48,192,931 | $ 49,800,635 |
| City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 10.73% | 6.13% | 6.89% | 6.84% | 9.67% | 8.60% | 7.89% | 12.30% | N/A | N/A |
| Plan fiduciary net position as a percentage of the total pension liability | 81.03% | 82.73% | 82.90% | 80.78% | 79.05% | 81.18% | 83.91% | 76.85% | N/A | N/A |

### City's Pension Plan

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| City's proportion of the net pension liability (asset) | 10.014% | 10.630% | 10.606% | 10.559% | 10.639% | 10.6507% | 10.7408% | 10.9373% | N/A | N/A |
| City's proportionate share of the net pension liability (asset) | $ 39,788,600 | $ 32,491,560 | $ 29,027,538 | $ 43,230,270 | $ 56,526,175 | $ 33,980,669 | $ 16,528,117 | $ 33,715,175 | N/A | N/A |
| City's covered payroll | $ 63,035,930 | $ 62,567,067 | $ 60,019,218 | $ 57,820,081 | $ 55,875,164 | $ 54,218,853 | $ 54,432,870 | $ 51,652,925 | $ 50,822,691 | $ 49,284,523 |
| City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 63.12% | 51.93% | 48.36% | 74.77% | 101.17% | 62.67% | 30.36% | 65.27% | N/A | N/A |
| Plan fiduciary net position as a percentage of the total pension liability | 88.35% | 90.62% | 91.14% | 86.43% | 81.61% | 88.27% | 94.10% | 87.50% | N/A | N/A |

Note: See Independent Auditors' Report

Required Supplementary Information

**CITY OF PORTLAND, MAINE**
**SCHEDULE OF PENSION CONTRIBUTIONS**
**LAST TEN FISCAL YEARS**

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Teachers' Pension Plan** | | | | | | | | | | |
| Contractually required contribution | $ 2,498,575 | $ 2,508,856 | $ 2,242,083 | $ 2,241,571 | $ 1,832,322 | $ 1,838,029 | $ 1,409,110 | $ 1,424,898 | $ - | $ - |
| Contributions in relation to contractually required contributions | (2,498,575) | (2,508,856) | (2,242,083) | (2,241,571) | (1,832,322) | (1,838,029) | (1,409,110) | (1,424,898) | - | - |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| City's covered payroll | $60,061,900 | $60,309,184 | $56,467,425 | $56,462,638 | $54,522,466 | $54,696,814 | $53,169,981 | $53,769,823 | $48,514,298 | $48,192,931 |
| Contributions as a percentage of covered payroll | 4.16% | 4.16% | 3.97% | 3.97% | 3.36% | 3.36% | 2.65% | 2.65% | 0.00% | 0.00% |
| **City's Pension Plan** | | | | | | | | | | |
| Contractually required contribution | $ 6,528,816 | $ 6,583,496 | $ 6,381,746 | $ 5,888,219 | $ 5,409,928 | $ 4,989,123 | $ 4,697,703 | $ 4,030,154 | $ 3,519,186 | $ 2,913,708 |
| Contributions in relation to contractually required contributions | (6,528,816) | (6,583,496) | (6,381,746) | (5,888,219) | (5,409,928) | (4,989,123) | (4,697,703) | (4,030,154) | (3,519,186) | (2,913,708) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| City's covered payroll | $63,035,930 | $64,323,405 | $62,567,067 | $60,019,218 | $57,820,081 | $55,875,164 | $54,218,853 | $54,432,870 | $51,652,925 | $50,822,691 |
| Contributions as a percentage of covered payroll | 10.36% | 10.23% | 10.20% | 9.81% | 9.36% | 8.93% | 8.66% | 7.40% | 6.81% | 5.73% |

Note: See Independent Auditors' Report

**Required Supplementary Information**

**CITY OF PORTLAND, MAINE**
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**
**GROUP TERM LIFE INSURANCE**
**LAST TEN FISCAL YEARS ***

| | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|
| PLD OPEB Plan | | | | |
| City's proportion of the net OPEB liability | 23.52% | 23.10% | 22.60% | 22.89% |
| City's proportionate share of the net OPEB liability | $ 3,102,943 | $ 4,943,631 | $ 4,565,571 | $ 3,828,267 |
| City's covered-employee payroll | 44,774,250 | 42,738,333 | 39,057,837 | 37,246,788 |
| City's proportionate share of net OPEB liability as a percentage of its covered-employee payroll | 6.93% | 11.57% | 11.69% | 10.28% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 55.40% | 43.18% | 43.92% | 47.42% |
| SET OPEB Plan | | | | |
| City's proportion of the net OPEB liability | 0.00% | 0.00% | 0.00% | 0.00% |
| City's proportionate share of the net OPEB liability | $ - | $ - | $ - | $ - |
| State's proportionate share of the net OPEB liability associated with the City | 1,775,775 | 1,778,581 | 1,808,365 | 1,690,308 |
| Total | $ 1,775,775 | $ 1,778,581 | $ 1,808,365 | $ 1,690,308 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 49.22% | 43.18% | 43.92% | 47.42% |

** Only four years of information available. Amounts presented for each fiscal year were determined as of the end of the previous fiscal year.*

Note: See Independent Auditors' Report

Required Supplementary Information

## CITY OF PORTLAND, MAINE
## SCHEDULE OF OPEB CONTRIBUTIONS
## GROUP TERM LIFE INSURANCE
## LAST TEN FISCAL YEARS *

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| PLD OPEB Plan | | | | | |
| Contractually required contribution | $ 235,301 | $ 89,549 | $ 86,538 | $ 81,607 | $ 78,341 |
| Contributions in relation to the contractually required contribution | (235,301) | (89,549) | (86,538) | (81,607) | (78,341) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - |
| City's covered-employee payroll | $ 42,130,434 | $ 44,774,250 | $ 42,738,333 | $ 39,057,837 | $ 37,246,788 |
| Contributions as a percentage of covered-employee payroll | 0.56% | 0.20% | 0.20% | 0.21% | 0.21% |

** Only five years of information available.*

Note: See Independent Auditors' Report

## CITY OF PORTLAND, MAINE

## SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

### HEALTH INSURANCE
### LAST TEN FISCAL YEARS *

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| **Total OPEB Liability** | | | |
| Service cost | $ 179,714 | $ 150,579 | $ 161,924 |
| Interest | 736,404 | 765,729 | 735,824 |
| Changes of benefit terms | (2,039,424) | - | - |
| Differences between expected and actual experience | (904,050) | - | - |
| Changes of assumptions or other inputs | 1,730,813 | 1,121,986 | (879,691) |
| Benefit payments | (838,765) | (788,187) | (760,945) |
| Net change in total OPEB liability | $ (1,135,308) | $ 1,250,107 | $ (742,888) |
| | | | |
| Total OPEB liability - beginning | 21,276,168 | 20,026,061 | 20,768,949 |
| Total OPEB liability - ending | $ 20,140,860 | $ 21,276,168 | $ 20,026,061 |
| | | | |
| Covered employee-payroll | $ 70,900,115 | $ 55,878,130 | $ 54,382,608 |
| | | | |
| Total OPEB liability as a percentage of covered-employee payroll | 28.41% | 38.08% | 36.82% |

** Only three years of information available.*

Note: See Independent Auditors' Report

**Changes of benefit terms (Pension) –** Both the Teachers' and City's Pension plan had no changes in benefit terms since the previous valuation.

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

| | **2018** | **2017** | **2016** | **2015** | **2014** | **2013** |
|---|---|---|---|---|---|---|
| Discount rate – PLD | 6.875% | 6.750% | 6.875% | 7.125% | 7.250% | 7.250% |
| Discount rate – SET | 6.875% | 6.750% | 6.875% | 7.125% | 7.125% | 7.250% |
| Inflation rate | 2.75% | 2.75% | 2.75% | 3.50% | 3.50% | 3.50% |
| Salary increases – PLD | 2.75-9.00% | 2.75-9.00% | 2.75-9.00% | 3.50-9.50% | 3.50-9.50% | 3.50-9.50% |
| Salary increases – SET | 2.75-14.50% | 2.75-14.50% | 2.75-14.50% | 3.50-13.50% | 3.50-13.50% | 3.50-13.50% |
| Cost of living increases – PLD | 1.91% | 1.91% | 2.20% | 2.55% | 3.12% | 3.12% |
| Cost of living increases – SET | 2.20% | 2.20% | 2.20% | 2.55% | 2.55% | 2.55% |

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

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

**Changes of Benefit Terms (OPEB – Group Term Life Insurance)** - None

**Changes of Assumptions (OPEB – Group Term Life Insurance)** – Changes of assumption and other inputs reflect the changes in the discount rate each period. The following are the discount rates used in each period:

| **Fiscal Year** | **Discount Rate** |
|---|---|
| 2021 | 6.75% |
| 2020 | 4.98% |
| 2019 | 5.13% |
| 2018 | 5.41% |

**Changes of Benefit Terms (OPEB – Health Insurance) -** None

**Changes of Assumptions (OPEB – Health Insurance)** – Changes of assumption and other inputs reflect the changes in the discount rate each period. The following are the discount rates used in each period:

| Fiscal Year | Discount Rate |
|---|---|
| 2021 | 2.21% |
| 2020 | 3.50% |
| 2019 | 3.87% |
| 2018 | 3.58% |

This page is intentionally blank.

# Combining and Individual Fund Financial Statements

This page is intentionally blank.

## NONMAJOR GOVERNMENTAL FUNDS
## SPECIAL REVENUE FUNDS

Special revenue funds are used to account for proceeds of specific revenue sources that are restricted or committed to expenditures for particular purposes.

*Community Development Block Grants (CDBG)*

Received from the U.S. Department of Housing and Community Development; these funds are used to promote housing, work and shop, mobility and accessibility, safe neighborhoods, and basic needs.

*City Loan Program*

This fund is used to account for various housing and rehabilitation loans. In addition to providing loans and grants the funds are used for affordable housing development, rental assistance, and housing information and resources. The funding sources include CDBG, the Home Investment Partnership Program (HOME), and City contributions.

*School Food Service Program*

The City's School Department's Food service program provides meals to students. The program is funded through local contributions and federal and state grants.

*Education Programs*

Educational grants from federal, state and local sources are accounted for in this fund.

*Other Grants and Special Revenues*

All other special revenue funds of the City are combined and accounted for in this fund.

## PERMANENT FUNDS

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.

*Perpetual Care*

To account for funds provided by private donors to finance the perpetual care of cemeteries. The principal amounts of gifts remain intact. Investment earnings are used for the care and maintenance of the cemeteries.

*Endowment Funds*

To account for endowments provided by private donors to establish various trusts. Principal and income may be expended as is stipulated by the various trust instruments.

**CITY OF PORTLAND, MAINE**
**COMBINING BALANCE SHEET**
**NONMAJOR GOVERNMENTAL FUNDS**
**June 30, 2021**

| | Special Revenues | | | | | | Permanent Funds | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Community Development Block Grants | City Loan Program | School Food Service Program | Education Programs | Other Grants and Special Revenues | Total | Perpetual Care | Endowment Funds | Total | Total Nonmajor Governmental Funds |
| **ASSETS** | | | | | | | | | | |
| Cash and cash equivalents | $ - | $ 1,861,773 | $ 323,452 | $ - | $ 29,399,242 | $ 31,584,466 | $ 712,627 | $ 757,816 | $ 1,470,444 | $ 33,054,910 |
| Investments | - | - | - | - | 32,796 | 32,796 | 13,290,168 | 14,032,906 | 27,323,074 | 27,355,869 |
| Accounts receivable, net | - | 1,280 | - | 21,280 | 12,630 | 35,190 | - | - | - | 35,190 |
| Loans receivable | - | 1,400,232 | - | - | - | 1,400,232 | - | - | - | 1,400,232 |
| Allowance for uncollectible loans | - | (73,975) | - | - | - | (73,975) | - | - | - | (73,975) |
| Due from other governments | 1,198,898 | 14,683 | 416,470 | 13,373,466 | 4,432,628 | 19,436,145 | - | - | - | 19,436,145 |
| Inventories | - | - | 131,173 | - | - | 131,173 | - | - | - | 131,173 |
| Total assets | $ 1,198,898 | $ 3,203,993 | $ 871,095 | $ 13,394,747 | $ 33,877,295 | $ 52,546,027 | $ 14,002,795 | $ 14,790,722 | $ 28,793,517 | $ 81,339,544 |
| **LIABILITIES** | | | | | | | | | | |
| Accounts payable | $ 213,001 | $ - | $ 67,926 | $ 269,970 | $ 1,257,037 | $ 1,807,934 | $ - | $ - | $ - | $ 1,807,934 |
| Accrued liabilities | 24,933 | 169 | 51,058 | 1,485,256 | 3,000,929 | 4,562,345 | - | - | - | 4,562,345 |
| Interfunds payable | 960,963 | - | - | 11,616,729 | - | 12,577,692 | - | - | - | 12,577,692 |
| Unearned revenue | - | - | - | - | 496,674 | 496,674 | - | - | - | 496,674 |
| Total liabilities | $ 1,198,898 | $ 169 | $ 118,984 | $ 13,371,955 | $ 4,754,640 | $ 19,444,645 | $ - | $ - | $ - | $ 19,444,645 |
| **FUND BALANCES** | | | | | | | | | | |
| Nonspendable: | | | | | | | | | | |
| Inventories and prepaid expenses | $ - | $ - | $ 131,173 | $ - | $ - | $ 131,173 | $ - | $ - | $ - | $ 131,173 |
| Permanent funds | - | - | - | - | - | - | - | 7,464,463 | 7,464,463 | 7,464,463 |
| Restricted: | | | | | | | | | | |
| Capital projects | - | - | - | - | 299,408 | 299,408 | - | - | - | 299,408 |
| Other grants and special revenue | - | 1,877,567 | 620,938 | 22,792 | 25,896,222 | 28,417,519 | - | - | - | 28,417,519 |
| Permanent funds | - | - | - | - | - | - | 14,002,795 | 7,326,259 | 21,329,054 | 21,329,054 |
| Committed: | | | | | | | | | | |
| Capital improvement | - | - | - | - | 2,444,124 | 2,444,124 | - | - | - | 2,444,124 |
| Loan programs | - | 1,326,257 | - | - | - | 1,326,257 | - | - | - | 1,326,257 |
| Assigned: | | | | | | | | | | |
| Casco Bay Island Transit District | - | - | - | - | 482,901 | 482,901 | - | - | - | 482,901 |
| Total fund balances | $ - | $ 3,203,824 | $ 752,111 | $ 22,792 | $ 29,122,655 | $ 33,101,382 | $ 14,002,795 | $ 14,790,722 | $ 28,793,517 | $ 61,894,900 |
| Total liabilities and fund balances | $ 1,198,898 | $ 3,203,993 | $ 871,095 | $ 13,394,747 | $ 33,877,295 | $ 52,546,027 | $ 14,002,795 | $ 14,790,722 | $ 28,793,517 | $ 81,339,544 |

**CITY OF PORTLAND, MAINE**
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**NONMAJOR GOVERNMENTAL FUNDS**
**For the Year Ended June 30, 2021**

| | Special Revenues | | | | | | Permanent Funds | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Community Development Block Grants | City Loan Program | School Food Service Program | Education Programs | Other Grants and Special Revenues | Total | Perpetual Care | Endowment Funds | Total | Total Nonmajor Governmental Funds |
| **REVENUES** | | | | | | | | | | |
| General property taxes | $ - | $ - | $ 70,341 | $ - | $ 5,844,167 | $ 5,914,508 | $ - | $ - | $ - | $ 5,914,508 |
| Licenses and permits | - | - | - | - | 655,389 | 655,389 | - | - | - | 655,389 |
| Uses of money and property | - | 3,925 | - | - | 34,484 | 38,410 | 2,686,854 | 2,850,079 | 5,536,933 | 5,575,343 |
| Intergovernmental | 3,191,193 | 1,408,027 | 2,299,319 | 21,162,900 | 11,282,551 | 39,343,989 | - | - | - | 39,343,989 |
| Current services | - | 286,235 | 104,367 | 57,799 | 3,674,892 | 4,123,294 | 138,074 | 4,373 | 142,447 | 4,265,741 |
| Total revenue | $ 3,191,193 | $ 1,698,187 | $ 2,474,027 | $ 21,220,699 | $ 21,491,484 | $ 50,075,590 | $ 2,824,928 | $ 2,854,452 | $ 5,679,380 | $ 55,754,970 |
| **EXPENDITURES** | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | $ 2,258,201 | $ 1,829,270 | $ - | $ - | $ 6,274,646 | $ 10,362,117 | $ 28,772 | $ 351,275 | $ 380,047 | $ 10,742,164 |
| Public safety | 150,000 | - | - | - | 847,016 | 997,016 | - | - | - | 997,016 |
| Public works | 12,409 | - | - | - | 1,425,760 | 1,438,169 | - | - | - | 1,438,169 |
| Health and social services | 123,419 | 130,444 | - | - | 6,978,023 | 7,231,885 | - | - | - | 7,231,885 |
| Education | - | - | 2,897,474 | 22,814,297 | - | 25,711,771 | - | - | - | 25,711,771 |
| Debt Service | - | - | - | - | 315,635 | 315,635 | - | - | - | 315,635 |
| Capital outlay | 647,164 | - | - | - | 2,908,032 | 3,555,196 | - | - | - | 3,555,196 |
| Total expenditures | $ 3,191,193 | $ 1,959,713 | $ 2,897,474 | $ 22,814,297 | $ 18,749,112 | $ 49,611,789 | $ 28,772 | $ 351,275 | $ 380,047 | $ 49,991,836 |
| Excess (deficiency) of revenues over (under) expenditures | - | (261,526) | (423,447) | (1,593,598) | 2,742,373 | 463,802 | 2,796,156 | 2,503,176 | 5,299,333 | 5,763,134 |
| **OTHER FINANCING SOURCES (USES)** | | | | | | | | | | |
| Transfers in | $ - | $ 147,279 | $ - | $ 95,315 | $ 535,000 | $ 777,594 | $ - | $ - | $ - | $ 777,594 |
| Transfers out | - | - | - | (33,911) | (147,279) | (181,190) | (251,681) | (35,000) | (286,681) | (467,871) |
| Sale of city property | - | - | - | 275 | - | 275 | - | - | - | 275 |
| Total other financing sources (uses) | $ - | $ 147,279 | $ - | $ 61,678 | $ 387,721 | $ 596,678 | $ (251,681) | $ (35,000) | $ (286,681) | $ 309,997 |
| Net change in fund balances | $ - | $ (114,247) | $ (423,447) | $ (1,531,919) | $ 3,130,094 | $ 1,060,480 | $ 2,544,475 | $ 2,468,176 | $ 5,012,652 | $ 6,073,132 |
| Fund balances - beginning, restated | - | 3,318,072 | 1,175,558 | 1,554,711 | 25,992,562 | 32,040,902 | 11,458,320 | 12,322,546 | 23,780,866 | 55,821,768 |
| Fund balances - ending | $ - | $ 3,203,824 | $ 752,111 | $ 22,792 | $ 29,122,655 | $ 33,101,382 | $ 14,002,795 | $ 14,790,722 | $ 28,793,517 | $ 61,894,900 |

This page is intentionally blank.

## SCHOOL DEPARTMENT

The following three summaries present additional detailed information about the City's School Department (the Department). The reports were prepared from the Department's financial management system and are presented on the department's budgetary basis of accounting.

# CITY OF PORTLAND, MAINE
## SCHOOL DEPARTMENT
## REVENUE STATUS REPORT SUMMARY
### (Includes General, Adult Education and Food Services Funds)
### For the Year Ended June 30, 2021

| | Budget | Budget Basis Actual | Variance with Final Budget |
|---|---|---|---|
| **Municipal revenue sources:** | | | |
| General property taxes for: | | | |
| General fund | $ 92,551,184 | $ 92,551,184 | $ - |
| Food service | 70,341 | 70,341 | - |
| Adult education | 1,717,219 | 1,717,219 | - |
| Total Municipal revenue sources | $ 94,338,744 | $ 94,338,744 | $ - |
| **School department revenue sources:** | | | |
| Intergovernmental revenues - | | | |
| Federal for: | | | |
| General fund | $ 1,125,000 | $ 221,135 | $ (903,865) |
| Food service | 2,935,325 | 2,260,506 | (674,819) |
| | $ 4,060,325 | $ 2,481,641 | $ (1,578,684) |
| State for: | | | |
| General fund | $ 19,122,308 | $ 18,738,316 | $ (383,992) |
| Food service | 51,885 | 38,812 | (13,073) |
| Adult education | 609,742 | 610,773 | 1,031 |
| | $ 19,783,935 | $ 19,387,902 | $ (396,033) |
| Local revenues - | | | |
| General fund: | | | |
| Tuition | $ 250,000 | $ 255,968 | $ 5,968 |
| Miscellaneous | 170,500 | 93,295 | (77,205) |
| Fund balance appropriation | 323,963 | - | (323,963) |
| Food service: | | | |
| Miscellaneous | 415,877 | 104,367 | (311,510) |
| Fund balance appropriation | 310,000 | - | (310,000) |
| Adult education | | | |
| Tuition | 60,000 | 65,732 | 5,732 |
| Miscellaneous | 130,000 | 19,427 | (110,573) |
| Fund balance appropriation | 19,333 | - | (19,333) |
| | $ 1,679,673 | $ 538,789 | $ (1,140,884) |
| Total school department revenue sources | 25,523,933 | 22,408,332 | (3,115,601) |
| **Total revenues** | $ 119,862,677 | $ 116,747,076 | $ (3,115,601) |

**CITY OF PORTLAND, MAINE**
**SCHOOL DEPARTMENT**
**EXPENDITURE STATUS REPORT SUMMARY**
**(Includes General, Adult Education and Food Services Funds)**
**For the Year Ended June 30, 2021**

| | Budget | Budget Basis Actual | Variance with Final Budget |
|---|---|---|---|
| **General operations:** | | | |
| **Salaries and wages -** | | | |
| Regular salaries | $ 64,189,178 | $ 63,933,740 | $ 255,438 |
| Temporary salaries | 1,534,058 | 1,775,995 | (241,937) |
| Overtime and additional work | 262,068 | 128,345 | 133,723 |
| Stipends and differentials | 2,343,302 | 2,144,144 | 199,158 |
| **Total salaries and wages** | $ 68,328,606 | $ 67,982,224 | $ 346,382 |
| **Employee benefits** | $ 20,700,272 | $ 20,393,336 | $ 306,936 |
| **Contracted services -** | | | |
| Professional and technical services | $ 1,474,096 | $ 1,532,262 | $ (58,166) |
| Employee training and development | 389,202 | 282,230 | 106,972 |
| Architectural and engineering services | 20,000 | 24,960 | (4,960) |
| Security services | 144,752 | 16,247 | 128,505 |
| Special education | 288,700 | 381,269 | (92,569) |
| Legal | 140,000 | 245,766 | (105,766) |
| **Total contracted services** | $ 2,456,750 | $ 2,482,734 | $ (25,984) |
| **Other expenditures -** | | | |
| Books and Periodicals | $ 449,888 | $ 493,283 | $ (43,395) |
| Communications | 264,465 | 270,483 | (6,018) |
| Debt service | 8,768,300 | 8,360,674 | 407,626 |
| Dues and fees | 221,171 | 214,607 | 6,564 |
| Equipment | 124,822 | 186,314 | (61,492) |
| Insurance | 425,303 | 417,359 | 7,944 |
| Miscellaneous | 803,535 | 163,674 | 639,861 |
| Rentals and leases | 432,265 | 389,969 | 42,296 |
| Repairs and maintenance | 2,452,717 | 2,508,695 | (55,978) |
| Supplies | 2,225,143 | 1,906,666 | 318,477 |
| Transportation services | 248,732 | 122,275 | 126,457 |
| Travel | 215,285 | 75,819 | 139,466 |
| Tuition | 841,876 | 875,123 | (33,247) |
| Utilities | 2,225,365 | 1,962,402 | 262,963 |
| **Total other expenditures** | $ 19,698,867 | $ 17,947,343 | $ 1,751,524 |
| **Total general operations** | $ 111,184,495 | $ 108,805,636 | $ 2,378,859 |
| **Total adult education** | $ 2,536,294 | $ 2,228,102 | $ 308,192 |
| **Total food service** | $ 3,783,428 | $ 2,897,474 | $ 885,954 |
| **Total expenditures** | $ 117,504,217 | $ 113,931,213 | $ 3,573,004 |

**CITY OF PORTLAND, MAINE**
**SCHOOL DEPARTMENT**
**FUND BALANCE STATUS REPORT**
**For the Year Ended June 30, 2021**

| | GENERAL ED | ADULT ED | FOOD SERVICE | TOTAL FUNDS |
|---|---|---|---|---|
| **Fund balances, beginning of year:** | | | | |
| Nonspendable | $ - | $ - | $ 131,173 | $ 131,173 |
| Restricted for career and technical education | 140,540 | - | - | 140,540 |
| Restricted for subsequent years expenditure | - | - | 1,044,385 | 1,044,385 |
| Committed for capital expenditures | 3,084,960 | - | - | 3,084,960 |
| Committed for subsequent years expenditure | 500,000 | 19,333 | - | 519,333 |
| Assigned | - | 132,536 | - | 132,536 |
| Unassigned | 4,211,931 | - | - | 4,211,931 |
| Total fund balance, beginning of year | 7,937,431 | 151,869 | 1,175,559 | 9,264,858 |
| Revenues and other financing sources less expenditures and other financing uses | 3,054,261 | 185,049 | (423,447) | 2,815,864 |
| Transfers out | (2,084,960) | - | - | (2,084,960) |
| Fund balance, end of year | $ 8,906,732 | $ 336,918 | $ 752,112 | $ 9,995,762 |
| **Fund balances, end of year:** | | | | |
| Nonspendable | $ 25,000 | $ - | $ 131,173 | $ 156,173 |
| Restricted for career and technical education | 343,909 | - | - | 343,909 |
| Restricted for subsequent years expenditure | - | - | 620,938 | 620,938 |
| Committed for capital expenditures | 1,000,000 | - | - | 1,000,000 |
| Committed for subsequent years expenditure | 500,000 | 20,000 | - | 520,000 |
| Assigned | - | 316,918 | - | 316,918 |
| Unassigned | 7,037,823 | - | - | 7,037,823 |
| Total fund balance, end of year | $ 8,906,732 | $ 336,918 | $ 752,112 | $ 9,995,762 |

**Reconciliation of Revenue and Expenditure Status Reports to Change in Fund Balance:**

| | GENERAL ED | ADULT ED | FOOD SERVICE | TOTAL FUNDS |
|---|---|---|---|---|
| Revenue Status Report, Schedule B-1 | $ 111,859,897 | $ 2,413,152 | $ 2,474,027 | $ 116,747,076 |
| Expenditure Status Report, Schedule B-2 | (108,805,636) | (2,228,102) | (2,897,474) | (113,931,213) |
| Net change in fund balance | $ 3,054,261 | $ 185,049 | $ (423,447) | $ 2,815,864 |

## PROPRIETARY FUNDS

### Enterprise Funds

These funds are used to report the activities for which a fee is charged to external users for goods and services.

*Jetport Enterprise Fund*

The Jetport Enterprise Fund is used to account for the operation of the local airport, which serves primarily the southern portion of the state.

*Sewer Enterprise Fund*

The Sewer Enterprise Fund which is responsible for maintaining and repairing the sewer system. The Portland Water District (not a City department) owns and operates the filtration plant for which the Sewer Enterprise Fund pays a monthly fee. The City owns the sewer lines.

*Stormwater Enterprise Fund*

The Stormwater Enterprise Fund which is responsible for maintaining and repairing the stormwater drainage system.

*Fish Pier Authority Enterprise Fund (blended component unit)*

The Authority provides management services for the City’s fish pier. The operations consist primarily of lease revenue and maintenance expense.

**CITY OF PORTLAND, MAINE**
**SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES**
**BUDGET AND ACTUAL (BUDGET BASIS)**
**PROPRIETARY FUNDS**
**JETPORT ENTERPRISE FUND**
**For the Year Ended June 30, 2021**

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|---|---|---|---|
| | **Original** | **Final** | **(Budget Basis)** | **Final Budget** |
| **Revenues** | | | | |
| Charges for services | $ 15,888,648 | $ 15,888,648 | $ 15,663,078 | $ (225,570) |
| Intergovernmental revenue | 116,660 | 116,660 | 9,722,029 | 9,605,369 |
| Interest and other revenue | 161,600 | 161,600 | 39,276 | (122,324) |
| Total revenues | $ 16,166,908 | $ 16,166,908 | $ 25,424,383 | $ 9,257,475 |
| **Expenditures and encumbrances** | | | | |
| Personnel services | $ 6,054,184 | $ 6,054,184 | $ 5,229,088 | $ 825,096 |
| Administrative services | 866,611 | 853,660 | 685,016 | 168,645 |
| Contractual services | 4,810,423 | 4,880,280 | 3,810,909 | 1,069,372 |
| Maintenance and repairs | 1,285,775 | 1,365,223 | 1,021,951 | 343,272 |
| Rentals | 19,208 | 22,811 | 24,874 | (2,063) |
| Insurance | 182,485 | 182,485 | 151,330 | 31,155 |
| Supplies and materials | 921,528 | 905,621 | 409,345 | 496,275 |
| Utilities | 1,298,831 | 1,314,086 | 1,041,284 | 272,802 |
| Contributions | 1,861,955 | 1,861,955 | 1,735,982 | 125,973 |
| Capital outlay | 2,649,259 | 2,961,624 | 2,075,961 | 885,663 |
| Debt service | 4,124,495 | 4,124,495 | 4,122,745 | 1,750 |
| Total expenditures and encumbrances | $ 24,074,754 | $ 24,526,424 | $ 20,308,485 | $ 4,217,939 |
| Excess (deficiency) of revenues over (under) expenditures and encumbrances | $ (7,907,846) | $ (8,359,516) | $ 5,115,898 | $ 13,475,414 |

Reconciliation from budgetary basis to GAAP basis:

| | Revenues | Expenditures | Other Financing Sources (Uses) |
|---|---|---|---|
| Statement of Revenues, Expenses, and Changes in Net Position, Statement 7 | $ 15,817,399 | $ 27,341,118 | $ 7,048,297 |
| Capital contributions and reimbursements | - | - | (7,048,297) |
| Unbudgeted revenues and reimbursements | 9,606,983 | 13,663 | - |
| Change in workers compensation liability | - | (9,774) | - |
| Change in accumulated absence liability | - | (16,154) | - |
| Capital expenditures expensed over useful life | - | 125,431 | - |
| Bond issuance costs expensed with debt maturities | - | (164,725) | - |
| Depreciation charges not budgeted | - | (9,440,144) | - |
| Pension charges not budgeted | - | 422,243 | - |
| OPEB charges not budgeted | - | 64,503 | - |
| Debt service paid by passenger facility charges | - | (2,411,535) | - |
| Accrued interest on bonds | - | 1,358,460 | - |
| Bond principal payments | - | 2,010,000 | - |
| FY20 encumbrances | - | 1,015,400 | - |
| Statement of Revenues, Expenditures, and Encumbrances - Budget and Actual (Budget Basis), Schedule C-1 | $ 25,424,383 | $ 20,308,485 | $ - |

**CITY OF PORTLAND, MAINE**
**SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES**
**BUDGET AND ACTUAL (BUDGET BASIS)**
**PROPRIETARY FUNDS**
**SEWER ENTERPRISE FUND**
**For the Year Ended June 30, 2021**

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|---|---|---|---|
| | Original | Final | (Budget Basis) | Final Budget |
| **Revenues** | | | | |
| Charges for services | $ 26,056,812 | $ 26,056,812 | $ 26,040,137 | $ (16,675) |
| Interest and other revenue | 658,429 | 658,429 | 449,538 | (208,891) |
| Total revenues | $ 26,715,241 | $ 26,715,241 | $ 26,489,675 | $ (225,566) |
| **Expenditures and encumbrances** | | | | |
| Personnel services | $ 3,301,092 | $ 3,361,004 | $ 3,022,649 | $ 338,355 |
| Administrative services | 13,767,194 | 13,766,194 | 13,775,447 | (9,253) |
| Contractual services | 971,957 | 1,133,590 | 1,470,524 | (336,934) |
| Maintenance and repairs | 278,460 | 368,066 | 364,544 | 3,522 |
| Rentals | 98,154 | 98,154 | 120,748 | (22,594) |
| Insurance | 790 | 790 | 7,912 | (7,122) |
| Supplies and materials | 255,860 | 256,860 | 238,036 | 18,824 |
| Utilities | 92,910 | 92,910 | 107,949 | (15,039) |
| Capital outlay | 64,255 | 125,792 | 147,611 | (21,819) |
| Debt service | 7,878,246 | 7,878,246 | 7,598,617 | 279,629 |
| Total expenditures and encumbrances | $ 26,708,918 | $ 27,081,606 | $ 26,854,036 | $ 227,570 |
| Excess (deficiency) of revenues over (under) expenditures and encumbrances | $ 6,323 | $ (366,365) | $ (364,361) | $ 2,004 |

Reconciliation from budgetary basis to GAAP basis:

| | Revenues | Expenditures | Other Financing Sources (Uses) |
|---|---|---|---|
| Statement of Revenues, Expenses, and Changes in Net Position, Statement 7 | $ 26,085,631 | $ 23,244,047 | $ 862,363 |
| Capital contributions and reimbursements | - | (709,632) | - |
| Reimbursements budgeted as revenues | 404,045 | 404,045 | - |
| Change in workers compensation liability | - | (133,976) | - |
| Changes in accumulated absences liability | - | 2,672 | - |
| Transfers in | - | - | (862,363) |
| Depreciation charges not budgeted | - | (2,975,793) | - |
| Pension charges not budgeted | - | 583,111 | - |
| OPEB charges not budgeted | - | (143,590) | - |
| Accrued interest on bonds | - | 327,979 | - |
| Bond principal payments | - | 5,997,001 | - |
| FY20 encumbrances | - | 258,171 | - |
| Statement of Revenues, Expenditures, and Encumbrances - Budget and Actual (Budget Basis), Schedule C-2 | $ 26,489,675 | $ 26,854,036 | $ - |

**CITY OF PORTLAND, MAINE**
**SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES**
**BUDGET AND ACTUAL (BUDGET BASIS)**
**PROPRIETARY FUNDS**
**STORMWATER ENTERPRISE FUND**
**For the Year Ended June 30, 2021**

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|---|---|---|---|
| | Original | Final | (Budget Basis) | Final Budget |
| **Revenues** | | | | |
| Charges for services | $ 6,651,893 | $ 6,651,893 | $ 6,768,581 | $ 116,688 |
| Interest and other revenue | 109,535 | 109,535 | 29,190 | (80,345) |
| Total revenues | $ 6,761,428 | $ 6,761,428 | $ 6,797,771 | $ 36,343 |
| **Expenditures and encumbrances** | | | | |
| Personnel services | $ 1,342,911 | $ 1,342,911 | $ 1,217,540 | $ 125,371 |
| Administrative services | 153,915 | 153,915 | 136,689 | 17,226 |
| Contractual services | 484,440 | 568,318 | 569,554 | (1,235) |
| Maintenance and repairs | 61,500 | 61,500 | 77,682 | (16,182) |
| Rentals | 50,617 | 50,617 | 64,786 | (14,169) |
| Supplies and materials | 130,340 | 130,340 | 121,723 | 8,617 |
| Debt service | 747,149 | 747,149 | 747,048 | 101 |
| Total expenditures and encumbrances | $ 2,972,872 | $ 3,056,750 | $ 2,935,022 | $ 121,729 |
| Excess (deficiency) of revenues over (under) expenditures and encumbrances | $ 3,788,556 | $ 3,704,678 | $ 3,862,749 | $ 158,072 |

Reconciliation from budgetary basis to GAAP basis:

| | Revenues | Expenditures | Other Financing Sources (Uses) |
|---|---|---|---|
| Statement of Revenues, Expenses, and Changes in Net Position, Statement 7 | $ 6,797,771 | $ 2,187,049 | $ (862,363) |
| Capital contributions and reimbursements | - | 169,285 | 862,363 |
| Bond principal payments | - | 430,482 | - |
| FY21 encumbrances | - | 148,205 | - |
| Statement of Revenues, Expenditures, and Encumbrances - Budget and Actual (Budget Basis), Schedule C-3 | $ 6,797,771 | $ 2,935,022 | $ - |

# CITY OF PORTLAND, MAINE
## SCHEDULE OF REVENUES, EXPENDITURES AND ENCUMBRANCES
## BUDGET AND ACTUAL (BUDGET BASIS)
## PROPRIETARY FUNDS
## FISH PIER AUTHORITY ENTERPRISE FUND
### For the Year Ended June 30, 2021

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|---|---|---|---|
| | Original | Final | (Budget Basis) | Final Budget |
| **Revenues** | | | | |
| Charges for services | $ 581,304 | $ 581,304 | $ 586,464 | $ 5,160 |
| Total revenues | $ 581,304 | $ 581,304 | $ 586,464 | $ 5,160 |
| **Expenditures and encumbrances** | | | | |
| Personnel services | $ 86,452 | $ 86,452 | $ 77,744 | $ 8,708 |
| Administrative services | 14,594 | 14,594 | 13,303 | 1,291 |
| Contractual services | 42,476 | 42,476 | 30,776 | 11,700 |
| Maintenance and repairs | 225,000 | 272,662 | 275,139 | (2,477) |
| Insurance | 14,195 | 14,195 | 11,250 | 2,945 |
| Supplies and materials | 13,500 | 13,500 | 12,233 | 1,267 |
| Utilities | 15,000 | 15,000 | 12,274 | 2,726 |
| Debt service | 11,999 | 11,999 | 11,998 | 1 |
| Total expenditures and encumbrances | $ 423,216 | $ 470,878 | $ 444,717 | $ 26,162 |
| Excess (deficiency) of revenues over (under) expenditures and encumbrances | $ 158,088 | $ 110,426 | $ 141,748 | $ 31,322 |

Reconciliation from budgetary basis to GAAP basis:

| | Revenues | Expenditures | Other Financing Sources (Uses) |
|---|---|---|---|
| Statement of Revenues, Expenses, and Changes in Net Position, Statement 7 | $ 586,464 | $ 712,852 | $ - |
| Depreciation charges not budgeted | - | (108,166) | - |
| Payments to fish pier enterprises not budgeted | - | (180,000) | - |
| Accrued interest on bonds | - | 891 | - |
| Bond principal payments | - | 9,341 | - |
| FY21 encumbrances | - | 9,800 | - |
| Statement of Revenues, Expenditures, and Encumbrances - Budget and Actual (Budget Basis), Schedule C-4 | $ 586,464 | $ 444,717 | $ - |

This page is intentionally blank.

# Statistical Section

This page is intentionally blank.

## STATISTICAL SECTION

The following statistical information is included in this report to provide context for understanding what the information presented in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. Statistical information is organized by the following categories.

| Contents | Table |
|---|---|
| Financial Trends<br>These schedules contain trend information to help the reader understand how the City's financial performance and fiscal health have changed over time. | 1 – 5 |
| Revenue Capacity<br>These schedules contain information to help the reader assess the City's most significant local revenue sources. | 6 – 11 |
| Debt Capacity<br>These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future. | 12 – 16 |
| Demographic and Economic Information<br>These schedules help the reader understand the environment within which the City's financial activities take place. | 17 – 18 |
| Operating Information<br>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 19 – 22 |

TABLE 1

**CITY OF PORTLAND, MAINE**
**NET POSITION BY COMPONENT**
**Last Ten Fiscal Years**
**(accrual basis of accounting)**

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Governmental activities:** | | | | | | | | | | |
| Net investment in capital assets | $210,406,853 | $209,958,314 | $213,431,308 | $213,831,324 | $223,788,618 | $224,948,267 | $ 233,196,369 | $ 237,205,418 | $ 238,088,203 | $ 240,512,369 |
| Restricted | 57,092,209 | 51,927,936 | 47,947,723 | 49,064,968 | 42,644,515 | 39,368,157 | 40,209,041 | 29,578,447 | 28,617,473 | 40,568,515 |
| Unrestricted | (49,118,396) | (69,965,504) | (85,281,268) | (97,011,732) | (103,886,481) | (109,303,315) | (112,695,120) | (86,631,180) | (84,586,033) | (101,782,479) |
| Total governmental activities net position | $218,380,667 | $191,920,746 | $176,097,762 | $165,884,559 | $162,546,652 | $155,013,109 | $ 160,710,290 | $ 180,152,685 | $ 182,119,643 | $ 179,298,405 |
| **Business-type activities:** | | | | | | | | | | |
| Net investment in capital assets | $162,843,416 | $160,924,754 | $152,611,242 | $158,757,212 | $138,539,898 | $136,613,213 | $ 127,782,688 | $ 131,899,572 | $ 142,520,123 | $ 134,401,030 |
| Restricted | 4,362,603 | 4,369,461 | 4,846,915 | 4,548,619 | 4,816,398 | 4,257,530 | 18,073,670 | 18,536,237 | 18,354,631 | 27,397,885 |
| Unrestricted | 70,889,162 | 60,538,228 | 53,456,102 | 33,360,275 | 45,941,144 | 39,021,544 | 27,979,524 | 26,398,687 | 17,612,910 | 15,841,788 |
| Total business-type activities net position | $238,095,181 | $225,832,442 | $210,914,259 | $196,666,106 | $189,297,440 | $179,892,287 | $ 173,835,882 | $ 176,834,496 | $ 178,487,664 | $ 177,640,703 |
| **Primary government:** | | | | | | | | | | |
| Net investment in capital assets | $373,250,269 | $370,883,068 | $366,042,550 | $372,588,536 | $362,328,516 | $361,561,480 | $ 360,979,057 | $ 369,104,990 | $ 380,608,326 | $ 374,913,399 |
| Restricted | 61,454,812 | 56,297,397 | 52,794,638 | 53,613,587 | 47,460,914 | 43,625,687 | 58,282,711 | 48,114,684 | 46,972,104 | 67,966,399 |
| Unrestricted | 21,770,766 | (9,427,277) | (31,825,166) | (63,651,457) | (57,945,337) | (70,281,765) | (84,715,596) | (60,232,493) | (66,973,123) | (85,940,691) |
| Total primary government net position | $456,475,848 | $417,753,188 | $387,012,022 | $362,550,666 | $351,844,092 | $334,905,402 | $ 334,546,172 | $ 356,987,181 | $ 360,607,307 | $ 356,939,108 |

TABLE 2

**CITY OF PORTLAND, MAINE**
**CHANGES IN NET POSITION**
**Last Ten Fiscal Years**
**(accrual basis of accounting)**

| | | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Expenses -** | | | | | | | | | | | |
| **Governmental activities:** | | | | | | | | | | | |
| General government | | $ 55,948,114 | $ 56,952,015 | $ 51,163,972 | $ 55,746,220 | $ 51,925,746 | $ 49,848,640 | $ 41,015,763 | $ 39,343,296 | $ 38,191,117 | $ 33,309,315 |
| Public safety | | 47,550,594 | 47,591,429 | 37,333,363 | 45,004,227 | 43,285,442 | 45,134,716 | 38,622,239 | 38,717,490 | 40,867,186 | 37,094,156 |
| Public works | | 22,403,199 | 24,857,618 | 23,855,022 | 27,320,151 | 24,008,668 | 21,880,552 | 23,685,030 | 26,123,759 | 22,744,855 | 22,076,438 |
| Health and social services | | 48,806,859 | 40,659,060 | 40,314,114 | 35,465,596 | 37,010,433 | 41,781,999 | 39,448,342 | 41,053,636 | 41,201,671 | 38,959,633 |
| Public library | | 3,833,477 | 4,994,754 | 4,114,694 | 4,074,451 | 4,183,970 | 4,271,668 | 3,950,248 | 3,828,782 | 3,730,635 | 3,658,070 |
| Education | | 138,941,921 | 126,940,108 | 121,306,772 | 116,464,243 | 112,847,778 | 118,484,605 | 102,703,782 | 112,288,031 | 108,353,354 | 105,974,129 |
| Transportation | | 2,877,058 | 2,787,772 | 2,709,916 | 2,639,635 | 2,650,579 | 2,098,934 | 2,657,424 | 2,628,118 | 2,439,138 | 2,489,016 |
| Interest on long-term debt | | 10,883,492 | 11,545,737 | 12,619,719 | 12,628,237 | 11,168,869 | 12,731,147 | 12,867,857 | 13,324,928 | 12,888,359 | 12,367,091 |
| Total governmental activities expenses | | $ 331,244,713 | $ 316,328,494 | $ 293,417,571 | $ 299,342,759 | $ 287,081,484 | $ 296,232,261 | $ 264,950,685 | $ 277,308,040 | $ 270,416,315 | 255,927,848 |
| **Business-type activities:** | | | | | | | | | | | |
| Jetport | | $ 27,341,118 | $ 33,054,950 | $ 30,885,991 | $ 31,972,053 | $ 29,999,030 | $ 30,021,862 | $ 29,888,359 | $ 29,661,187 | $ 30,520,852 | $ 25,670,417 |
| Sewer | | 23,244,047 | 22,250,505 | 22,473,454 | 20,233,053 | 19,408,128 | 18,820,984 | 19,425,958 | 18,559,070 | 18,897,135 | 17,484,320 |
| Stormwater | a | 2,187,049 | 1,985,155 | 2,009,341 | 1,936,513 | 1,865,468 | 2,116,535 | - | - | - | - |
| Fish Pier Authority | | 712,852 | 580,472 | 369,991 | 435,200 | 557,538 | 548,448 | 370,882 | 384,558 | 435,661 | 326,420 |
| Recreational facilities | b | - | - | - | - | - | - | - | - | 1,960,483 | 1,785,842 |
| Portland Development Corporation | | 542,898 | 297,825 | 457,575 | 254,289 | 153,078 | 81,438 | 194,149 | 279,093 | 358,225 | 469,873 |
| Total business-type activities | | $ 54,027,964 | $ 58,168,907 | $ 56,196,352 | $ 54,831,107 | $ 51,983,242 | $ 51,589,267 | $ 49,879,348 | $ 48,883,908 | $ 52,172,356 | $ 45,736,872 |
| Total primary government expenses | | $ 385,272,677 | $ 374,497,401 | $ 349,613,923 | $ 354,173,865 | $ 339,064,726 | $ 347,821,528 | $ 314,830,033 | $ 326,191,948 | $ 322,588,671 | $ 301,664,720 |
| **Program Revenues -** | | | | | | | | | | | |
| **Governmental activities:** | | | | | | | | | | | |
| Charges for services: | | | | | | | | | | | |
| General government | | $ 32,949,197 | $ 35,681,428 | $ 35,356,319 | $ 31,669,775 | $ 30,003,979 | $ 29,988,960 | $ 26,658,429 | $ 28,578,030 | $ 24,096,710 | $ 18,874,424 |
| Public safety | | 5,180,928 | 5,325,997 | 5,529,210 | 5,109,846 | 4,748,690 | 4,352,514 | 5,061,823 | 4,361,998 | 4,384,254 | 4,053,962 |
| Public Works | | 3,915,219 | 3,460,790 | 2,382,328 | 2,381,985 | 3,670,173 | 3,907,652 | 3,160,345 | 2,995,876 | 2,721,420 | 3,770,781 |
| Health and social services | | 18,455,243 | 21,211,458 | 20,598,129 | 17,774,559 | 18,389,325 | 18,687,273 | 17,724,143 | 17,258,649 | 18,984,363 | 18,555,023 |
| Education | | 592,990 | 1,035,036 | 1,061,015 | 5,585,873 | 3,958,709 | 1,743,722 | 3,586,994 | 2,857,544 | 3,386,013 | 4,087,382 |
| Operating grants and contributions | | 81,229,742 | 55,699,242 | 51,030,301 | 46,981,484 | 47,891,046 | 53,741,407 | 51,023,899 | 57,082,006 | 59,947,968 | 58,906,897 |
| Capital grants and contributions | | 1,740,447 | 893,115 | 5,992,383 | 5,367,465 | 876,491 | - | - | - | - | - |
| Total governmental activities program revenues | | $ 144,063,765 | $ 123,307,065 | $ 121,949,687 | $ 114,870,987 | $ 109,538,413 | $ 112,421,528 | $ 107,215,633 | $ 113,134,103 | $ 113,520,728 | $ 108,248,469 |

(continued)

**TABLE 2. cont'd**

| | | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Business-type activities:** | | | | | | | | | | | |
| Charges for services: | | | | | | | | | | | |
| Jetport | | $ 15,663,078 | $ 20,853,531 | $ 25,992,471 | $ 22,896,385 | $ 21,934,310 | $ 21,363,450 | $ 20,766,077 | $ 19,064,429 | $ 17,939,788 | $ 17,343,193 |
| Sewer | | 26,032,418 | 25,479,411 | 25,441,748 | 24,524,790 | 22,647,515 | 23,357,118 | 22,889,426 | 21,995,546 | 22,470,548 | 21,283,123 |
| Stormwater | a | 6,768,581 | 6,280,034 | 6,680,010 | 6,523,083 | 6,469,578 | 3,297,088 | - | - | - | - |
| Fish Pier Authority | | 586,464 | 627,739 | 574,599 | 535,030 | 536,830 | 513,492 | 489,551 | 494,521 | 469,289 | 412,094 |
| Recreational facilities | b | - | - | - | - | - | - | - | 1,604,588 | 1,591,628 | 1,470,736 |
| Portland Development Corporation | | 3,500 | 5,180 | 26,988 | 8,633 | 10,274 | 3,695 | 5,070 | 9,678 | 72,791 | 85,642 |
| Operating grants and contributions | c | 336,175 | 2,372,594 | 363,697 | 210,892 | 626,344 | 92,500 | - | 116,848 | - | - |
| Capital grants and contributions | | 7,048,297 | 16,403,253 | 10,187,064 | 7,153,745 | 8,865,023 | 8,711,170 | 5,204,224 | 12,222,465 | 13,933,355 | 24,121,462 |
| Total business-type activities program revenues | | $ 56,438,513 | $ 72,021,742 | $ 69,266,578 | $ 61,852,557 | $ 61,089,875 | $ 57,338,513 | $ 49,354,348 | $ 55,508,075 | $ 56,477,399 | $ 64,716,250 |
| Total primary government program revenues | | $ 200,475,582 | $ 195,328,807 | $ 191,216,264 | $ 176,723,544 | $ 170,628,288 | $ 169,760,041 | $ 156,569,981 | $ 168,642,178 | $ 169,998,127 | $ 172,964,719 |
| **Net (Expense)/Revenue -** | | | | | | | | | | | |
| Governmental activities | | $(187,180,948) | $(193,021,429) | $(171,467,884) | $(184,471,772) | $(177,543,071) | $(183,810,733) | $(157,735,052) | $(164,173,937) | $(156,895,587) | $(147,679,379) |
| Business-type activities | | 2,410,549 | 13,852,835 | 13,070,225 | 7,021,450 | 9,106,633 | 5,749,246 | (525,000) | 6,624,167 | 4,305,043 | 18,979,378 |
| Total primary government net expense | | $(184,770,399) | $(179,168,592) | $(158,397,657) | $(177,450,321) | $(168,436,438) | $(178,061,487) | $(158,260,052) | $(157,549,770) | $(152,590,544) | $(128,700,001) |
| **General Revenues and Other Changes in net position -** | | | | | | | | | | | |
| **Governmental activities:** | | | | | | | | | | | |
| Property taxes | | $ 188,484,756 | $ 186,212,797 | $ 177,705,822 | $ 169,542,249 | $ 163,675,359 | $ 159,677,365 | $ 152,397,290 | $ 141,621,832 | $ 136,320,324 | $ 132,196,346 |
| Excise taxes | | 12,120,475 | 10,437,629 | 12,218,990 | 12,463,662 | 11,910,247 | 11,308,231 | 10,377,614 | 9,787,482 | 9,190,158 | 8,949,510 |
| Unrestricted grants and contributions | | 13,657,773 | 10,820,716 | 8,583,957 | 8,127,703 | 7,026,347 | 6,670,186 | 6,827,126 | 8,074,576 | 8,247,641 | 7,450,701 |
| Unrestricted investment earnings | | 353,603 | 1,373,269 | 1,727,383 | 2,356,341 | 2,472,008 | 435,154 | 257,840 | 255,376 | 560,421 | 681,842 |
| Miscellaneous | | - | - | - | - | - | - | - | 15,819 | 75,468 | 281,436 |
| Transfers | | - | - | - | - | (7,347) | 22,616 | - | - | - | 22,705 |
| Total governmental activities | | $ 214,616,607 | $ 208,844,412 | $ 200,236,152 | $ 192,489,954 | $ 185,076,614 | $ 178,113,552 | $ 169,859,870 | $ 159,755,085 | $ 154,394,012 | $ 149,582,540 |
| **Business-type activities:** | | | | | | | | | | | |
| Unrestricted investment earnings | | $ 242,166 | $ 1,065,345 | $ 1,177,925 | $ 662,695 | $ 291,167 | 329,775 | 293,380 | $ 144,129 | $ 40,790 | $ 28,420 |
| Operating subsidies | | 9,610,024 | - | - | - | - | - | - | - | - | - |
| Transfers | | - | - | - | - | 7,347 | (22,616) | - | - | - | (22,705) |
| Total business-type activities | | $ 9,852,189 | $ 1,065,345 | $ 1,177,925 | $ 662,695 | $ 298,514 | $ 307,159 | $ 293,380 | $ 144,129 | $ 40,790 | $ 5,715 |
| Total primary government | | $ 224,468,796 | $ 209,909,757 | $ 201,414,077 | $ 193,152,648 | $ 185,375,128 | $ 178,420,711 | $ 170,153,250 | $ 159,899,214 | $ 154,434,802 | $ 149,588,255 |
| **Change in net position -** | | | | | | | | | | | |
| Governmental activities | | $ 27,435,658 | $ 15,822,983 | $ 28,768,267 | $ 8,018,182 | $ 7,533,543 | $ (5,697,181) | $ 12,124,818 | $ (4,418,852) | $ (2,501,575) | $ 1,903,161 |
| Business-type activities | | 12,262,740 | 14,918,182 | 14,248,153 | 7,684,145 | 9,405,147 | 6,056,405 | (231,620) | 6,768,296 | 4,345,833 | 18,985,093 |
| Total primary government | | $ 39,698,397 | $ 30,741,163 | $ 43,016,419 | $ 15,702,327 | $ 16,938,690 | $ 359,224 | $ 11,893,198 | $ 2,349,444 | $ 1,844,258 | $ 20,888,254 |

Notes:

a - The Stormwater fund was created in 2016 to track specific activities previously included in the Sewer fund.

b - The golf courses and the ice arena were merged with facilities maintenance and are shown in general government starting in 2014.

c- Grant receipts have been reclassified and reported as gross amounts received beginning in 2017 compared to reporting net of program expenses in 2016 and prior years.

TABLE 3

**CITY OF PORTLAND, MAINE**
**FUND BALANCES, GOVERNMENTAL FUNDS**
**Last Ten Fiscal Years**
**(modified accrual basis of accounting)**

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Fund:** | | | | | | | | | | |
| Nonspendable: | | | | | | | | | | |
| Inventories and prepaid expenditures | $ 974,325 | $ 995,527 | $ 669,375 | $ 730,048 | $ 693,089 | $ 705,986 | $ 682,725 | $ 593,892 | $ 590,760 | $ 705,753 |
| Restricted: | | | | | | | | | | |
| Career and technical education | 343,909 | 140,540 | - | - | - | - | - | - | - | - |
| Committed: | | | | | | | | | | |
| Debt service | - | - | - | - | - | - | - | - | - | - |
| Economic development activities | 338,837 | 338,837 | 338,837 | 338,837 | 338,837 | 338,837 | 338,837 | 338,837 | 338,837 | 338,837 |
| Educational facilities | - | - | - | - | - | - | - | - | 445,332 | 341,102 |
| Encumbrances | - | - | - | - | - | - | - | - | - | - |
| Capital Improvement | 2,588,146 | 7,406,380 | 3,906,380 | 4,906,380 | 2,906,380 | 5,406,380 | 821,420 | 821,420 | 821,420 | 821,420 |
| Revaluation | 330,001 | 330,001 | 1,008,333 | 1,055,000 | - | - | - | - | - | - |
| Self insurance programs | 1,028,500 | 1,028,500 | 1,250,000 | 500,000 | - | - | - | - | - | - |
| Recodification | 95,000 | - | - | - | - | - | - | - | - | - |
| Subsequent years expenditure | 520,000 | 519,333 | 769,823 | 1,700,000 | 750,000 | 750,000 | 915,000 | 985,000 | 927,329 | 671,490 |
| Assigned: | | | | | | | | | | |
| Barron Center resident benefits | 104,186 | 100,689 | 101,379 | 113,308 | 139,287 | 189,294 | 189,294 | 189,294 | 139,735 | 149,270 |
| Capital improvement | 8,000,000 | - | - | - | - | - | - | - | - | - |
| Debt Service | - | 5,516,451 | 3,500,000 | - | - | - | - | - | - | - |
| Casco Bay Island Transit District | - | - | - | - | 483,298 | - | - | - | 845,877 | - |
| Medicaid settlements | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Self insurance programs | 14,950,000 | 11,950,000 | 9,950,000 | 8,700,000 | 9,200,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,500,000 | 5,500,000 |
| Unassigned | 57,566,129 | 51,663,166 | 48,813,809 | 43,421,079 | 41,416,520 | 36,599,104 | 33,642,720 | 34,414,158 | 33,107,652 | 29,711,223 |
| Total general fund | $ 87,139,033 | $ 80,289,424 | $70,607,936 | $61,764,652 | $56,227,412 | $ 49,289,601 | $ 41,889,996 | $ 42,642,601 | $ 43,016,942 | $ 38,539,095 |
| **All Other Governmental Funds:** | | | | | | | | | | |
| Nonspendable: | | | | | | | | | | |
| Inventories and prepaid expenses | $ 131,173 | $ 131,173 | $ 58,216 | $ 50,539 | $ 107,280 | $ 75,183 | $ 56,563 | $ 53,342 | $ 24,026 | $ 48,170 |
| Loans | - | - | - | - | - | 1,606,195 | 1,701,763 | 2,233,729 | 2,354,077 | 2,314,719 |
| Permanent funds | 7,464,463 | 7,497,690 | 7,265,697 | 7,014,801 | 5,902,521 | 5,966,149 | 5,966,149 | 5,493,535 | 4,865,126 | 4,649,355 |
| Restricted: | | | | | | | | | | |
| Capital projects | 24,046,834 | 27,628,774 | 22,355,396 | 25,711,375 | 11,854,228 | 21,853,450 | 19,560,550 | 18,529,294 | 16,304,876 | 12,985,449 |
| Debt service | - | - | - | - | 3,714,828 | 93,877 | 824,513 | - | 180,904 | 491,887 |
| Other grants and special revenue | 28,167,519 | 28,015,898 | 24,030,944 | 25,968,880 | 20,851,393 | 19,440,974 | 19,965,542 | 10,363,387 | 11,399,294 | 11,055,218 |
| Permanent funds | 21,329,054 | 16,283,176 | 16,592,866 | 16,030,748 | 15,783,321 | 13,791,974 | 13,452,847 | 13,721,525 | 12,172,149 | 11,386,606 |
| Committed: | | | | | | | | | | |
| Capital projects | 2,444,124 | 2,400,803 | 2,243,551 | 968,000 | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | 730,313 | 620,517 | 313,083 | 62,510 | 108,680 |
| Loan Programs | 1,326,257 | 1,391,923 | 1,448,137 | 1,414,320 | 3,412,490 | 1,820,954 | 1,905,253 | 1,706,009 | 1,542,623 | 1,510,771 |
| Subsequent years expenditure | 250,000 | 1,285,737 | 1,082,208 | 211,481 | - | - | - | - | - | - |
| Assigned: | | | | | | | | | | |
| Debt service | 14,141,612 | 8,165,967 | 7,397,988 | 5,314,050 | 810,713 | 3,001,580 | 2,584,262 | 2,163,542 | 1,940,549 | 1,545,249 |
| Casco Bay Island Transit District | 482,901 | 246,374 | 639,176 | 281,788 | - | - | - | - | - | - |
| Total all other governmental funds | $ 99,783,938 | $ 93,047,514 | $83,114,178 | $82,965,981 | $62,436,774 | $ 68,380,649 | $ 66,637,959 | $ 54,577,446 | $ 50,846,134 | $ 46,096,103 |

TABLE 4

**CITY OF PORTLAND, MAINE**
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**
**Last Ten Fiscal Years**
**(modified accrual basis of accounting)**

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | | | | | |
| General property and other taxes (see Table 6) | $ 201,853,446 | $ 195,586,073 | $ 190,189,660 | $ 181,989,467 | $ 175,436,566 | $ 171,156,022 | $ 162,895,289 | $ 154,790,476 | $ 151,096,056 | $ 145,907,540 |
| Licenses and permits | 8,007,668 | 9,808,670 | 6,821,147 | 6,971,371 | 6,265,078 | 5,965,189 | 3,623,926 | 4,311,167 | 4,438,158 | 3,423,927 |
| Fines, forfeits and penalties | 1,979,783 | 2,171,442 | 2,054,657 | 2,117,618 | 2,064,108 | 2,214,154 | 2,376,871 | 1,994,553 | 2,157,389 | 2,212,750 |
| Uses of money and property | 12,925,812 | 11,853,068 | 14,442,945 | 12,189,392 | 11,756,765 | 9,575,480 | 8,561,806 | 9,442,805 | 8,132,414 | 7,008,406 |
| Intergovernmental | 95,534,678 | 66,771,034 | 59,763,034 | 55,447,429 | 55,793,883 | 60,411,593 | 57,851,025 | 63,542,894 | 68,022,545 | 67,154,538 |
| Current services | 38,533,915 | 44,254,797 | 43,335,635 | 43,344,258 | 42,784,609 | 38,824,618 | 41,045,068 | 39,551,344 | 38,617,500 | 37,135,528 |
| Capital contributions | 795,227 | 226,200 | 688,073 | - | - | - | - | - | - | - |
| Other | - | - | - | 375,776 | 372,323 | 2,535,834 | 841,903 | 1,086,357 | 498,494 | 196,849 |
| Total revenues | $ 359,630,529 | $ 330,671,284 | $ 317,295,152 | $ 302,435,312 | $ 294,473,333 | $ 290,682,890 | $ 277,195,888 | $ 274,719,596 | $ 272,962,556 | $ 263,039,538 |
| **Expenditures:** | | | | | | | | | | |
| General government | $ 31,956,589 | $ 33,057,747 | $ 33,312,949 | $ 34,756,670 | $ 31,572,657 | $ 29,316,137 | $ 27,231,445 | $ 24,838,400 | $ 22,827,017 | $ 21,426,646 |
| Public safety | 32,964,939 | 33,460,089 | 32,829,254 | 32,430,690 | 30,300,548 | 30,164,209 | 29,628,085 | 28,829,061 | 30,027,793 | 28,082,077 |
| Public works | 12,399,214 | 13,814,945 | 14,124,530 | 13,251,743 | 14,574,709 | 13,543,768 | 16,935,831 | 16,869,865 | 15,732,010 | 15,132,650 |
| Health and social services | 41,974,988 | 33,474,808 | 29,881,580 | 28,649,960 | 30,462,743 | 33,214,328 | 34,752,569 | 35,427,385 | 36,039,086 | 33,574,780 |
| Public library | 3,442,123 | 4,642,792 | 3,758,384 | 3,715,481 | 3,825,000 | 3,681,713 | 3,591,915 | 3,470,449 | 3,372,302 | 3,299,737 |
| Education | 135,159,210 | 123,014,434 | 119,288,252 | 113,745,036 | 109,109,888 | 110,151,993 | 106,799,749 | 107,676,003 | 104,998,421 | 102,595,788 |
| Pension and employee insurance | 27,075,996 | 25,038,935 | 24,935,004 | 26,120,142 | 22,830,134 | 25,528,341 | 21,629,277 | 19,647,417 | 18,465,744 | 17,984,982 |
| Other | 11,817,335 | 11,215,085 | 10,881,813 | 10,518,674 | 10,121,764 | 8,675,265 | 8,008,161 | 7,787,139 | 8,437,468 | 8,055,410 |
| Debt service - | | | | | | | | | | |
| Principal | 21,751,652 | 20,696,977 | 19,164,207 | 15,993,174 | 15,663,710 | 13,887,149 | 19,059,072 | 12,837,501 | 11,402,368 | 11,827,400 |
| Interest | 12,781,229 | 12,826,768 | 13,882,730 | 13,303,034 | 12,099,503 | 13,270,229 | 13,532,228 | 13,253,239 | 13,064,394 | 12,520,653 |
| Capital outlay | 27,733,022 | 34,029,721 | 33,664,219 | 37,976,060 | 24,728,435 | 22,022,110 | 12,411,154 | 19,643,349 | 14,531,247 | 18,890,124 |
| Total expenditures | $ 359,056,298 | $ 345,272,299 | $ 335,722,922 | $ 330,460,664 | $ 305,289,090 | $ 303,455,242 | $ 293,579,486 | $ 290,279,808 | $ 278,897,850 | $ 273,390,247 |
| Excess (deficiency) of revenues over (under) expenditures | $ 574,231 | $ (14,601,014) | $ (19,115,842) | $ (28,025,352) | $ (10,815,757) | $ (12,772,352) | $ (16,383,598) | $ (15,560,212) | $ (5,935,294) | $ (10,350,709) |
| **Other Financing Sources (Uses):** | | | | | | | | | | |
| Proceeds from borrowing | $ 13,716,179 | $ 33,800,000 | $ 16,626,383 | $ 44,338,246 | $ 11,720,898 | $ 21,844,599 | $ 22,131,646 | $ 18,917,183 | $ 15,201,433 | $ 11,410,946 |
| Proceeds from refunding | - | - | - | - | - | 6,475,940 | 5,645,000 | - | - | 9,161,535 |
| Payments on refunded bonds | - | - | - | - | - | (6,428,498) | - | - | - | (8,744,039) |
| Proceeds from capital leases | - | - | 4,184,393 | 4,844,370 | 96,045 | - | - | - | - | - |
| Sale of city property | 271,360 | 415,839 | 5,155,534 | 4,909,185 | - | - | - | - | - | - |
| Transfers in | 13,407,398 | 3,450,231 | 3,272,429 | 1,106,676 | 42,448,992 | 55,360,782 | 40,913,980 | 47,215,507 | 42,015,267 | 26,540,361 |
| Transfers out | (13,407,398) | (3,450,231) | (3,272,429) | (1,106,676) | (42,456,339) | (55,338,166) | (40,913,980) | (47,215,507) | (42,015,267) | (26,540,361) |
| Total other financing sources (uses) | $ 13,987,539 | $ 34,215,839 | $ 25,966,310 | $ 54,091,801 | $ 11,809,595 | $ 21,914,657 | $ 27,776,646 | $ 18,917,183 | $ 15,201,433 | $ 11,828,442 |
| Net change in fund balances | $ 14,561,770 | $ 19,614,823 | $ 6,850,465 | $ 26,066,448 | $ 993,839 | $ 9,142,305 | $ 11,393,048 | $ 3,356,971 | $ 9,266,139 | $ 1,477,733 |
| Debt service as a percentage of noncapital expenditures | 10.52% | 10.77% | 11.02% | 9.70% | 9.75% | 9.56% | 11.54% | 9.64% | 9.06% | 9.56% |

TABLE 5

**CITY OF PORTLAND, MAINE**
**PROGRAM REVENUES BY FUNCTION/PROGRAM**
**Last Ten Fiscal Years**
**(accrual basis of accounting)**

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Function/Program** | | | | | | | | | | |
| **Governmental activities:** | | | | | | | | | | |
| General government | $ 38,587,743 | $ 39,348,209 | $ 43,468,502 | $ 40,039,744 | $ 31,803,536 | $ 33,535,158 | $ 29,075,907 | $ 31,669,489 | $ 29,752,175 | $ 24,639,455 |
| Public safety | 6,999,867 | 6,543,502 | 6,556,225 | 6,518,784 | 5,603,708 | 5,069,581 | 7,209,128 | 7,572,317 | 8,012,051 | 6,908,924 |
| Public works | 6,528,201 | 4,820,501 | 3,909,217 | 3,323,645 | 5,510,107 | 4,639,080 | 4,265,863 | 3,631,380 | 4,776,655 | 4,602,534 |
| Health and social services | 41,514,508 | 34,028,172 | 30,767,794 | 26,593,803 | 30,394,643 | 30,635,556 | 29,938,229 | 33,623,268 | 34,806,028 | 32,731,905 |
| Education | 50,433,445 | 38,566,680 | 37,247,949 | 38,395,012 | 36,226,419 | 38,542,153 | 36,726,506 | 36,637,649 | 36,173,819 | 39,365,651 |
| Subtotal governmental activities | $ 144,063,764 | $ 123,307,064 | $ 121,949,687 | $ 114,870,987 | $ 109,538,413 | $ 112,421,528 | $ 107,215,633 | $ 113,134,103 | $ 113,520,728 | $ 108,248,469 |
| **Business-type activities:** | | | | | | | | | | |
| Jetport | $ 22,823,379 | $ 39,347,197 | $ 36,298,130 | $ 30,048,355 | $ 30,774,745 | 30,056,894 | $ 25,967,901 | $ 24,993,618 | $ 29,465,473 | $ 31,400,082 |
| Sewer | 26,032,418 | 25,479,411 | 25,441,748 | 24,526,565 | 22,672,103 | 23,374,844 | 22,891,826 | 22,269,640 | 22,065,670 | 22,689,604 |
| Stormwater a | 6,768,581 | 6,280,034 | 6,680,010 | 6,523,083 | 6,469,578 | 3,297,088 | - | - | - | - |
| Fish Pier Authority | 586,464 | 627,739 | 574,599 | 535,030 | 536,830 | 513,492 | 489,551 | 517,893 | 755,317 | 502,294 |
| Recreational facilities b | - | - | - | - | - | - | - | - | 2,646,937 | 1,591,628 |
| Portland Development Corporation | 227,669 | 287,361 | 272,090 | 219,525 | 636,618 | 96,195 | 5,070 | 137,776 | 574,678 | 293,791 |
| Subtotal business-type activities | $ 56,438,512 | $ 72,021,743 | $ 69,266,578 | $ 61,852,557 | $ 61,089,875 | $ 57,338,513 | $ 49,354,348 | $ 47,918,927 | $ 55,508,075 | $ 56,477,399 |
| Total primary government | $ 200,502,276 | $ 195,328,807 | $ 191,216,264 | $ 176,723,544 | $ 170,628,288 | $ 169,760,041 | $ 156,569,981 | $ 161,053,030 | $ 169,028,803 | $ 164,725,868 |

a - The Stormwater fund was created in 2016 to track specific activities previously included in the Sewer fund.
b - The golf courses and the ice arena were merged with facilities maintenance and are shown in general government beginning in 2014.

**TABLE 6**

**CITY OF PORTLAND, MAINE**
**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**
**Last Ten Fiscal Years**

| Fiscal Year | Property Tax | Excise Tax | Total |
|---|---|---|---|
| 2012 | $ 136,717,382 | $ 9,190,158 | $ 145,907,540 |
| 2013 | 141,308,574 | 9,787,482 | 151,096,056 |
| 2014 | 144,914,793 | 9,875,683 | 154,790,476 |
| 2015 | 152,517,675 | 10,377,614 | 162,895,289 |
| 2016 | 159,847,791 | 11,308,231 | 171,156,022 |
| 2017 | 163,526,318 | 11,910,247 | 175,436,566 |
| 2018 | 169,525,805 | 12,463,662 | 181,989,467 |
| 2019 | 177,970,670 | 12,218,990 | 190,189,660 |
| 2020 | 185,148,444 | 10,437,629 | 195,586,073 |
| 2021 | 189,732,971 | 12,120,475 | 201,853,446 |
| Change 2012 - 2021 | 38.78% | 31.89% | 38.34% |

**TABLE 7**

**CITY OF PORTLAND, MAINE**
**STATE AID REVENUES BY SOURCE**
**Last Ten Fiscal Years**

| Fiscal Year | State Revenue Sharing | School Aid (1) | Welfare Assistance | Other State Aid | Total State Aid |
|---|---|---|---|---|---|
| 2012 | $ 6,153,216 | $ 24,956,536 | $ 6,259,078 | $ 5,690,895 | $ 43,059,725 |
| 2013 | 6,276,939 | 23,877,565 | 6,179,971 | 4,348,946 | 40,683,421 |
| 2014 | 4,313,430 | 23,482,573 | 8,118,080 | 4,165,156 | 40,079,239 |
| 2015 | 4,072,747 | 22,276,858 | 3,436,532 | 3,243,157 | 33,029,294 |
| 2016 | 4,141,164 | 23,845,912 | 5,023,640 | 3,030,458 | 36,041,174 |
| 2017 | 3,967,199 | 22,245,305 | 5,141,619 | 3,059,147 | 34,413,271 |
| 2018 | 4,092,751 | 22,297,777 | 6,022,039 | 4,034,533 | 36,447,100 |
| 2019 | 4,239,920 | 25,049,840 | 6,280,692 | 4,344,037 | 39,914,488 |
| 2020 | 6,171,916 | 25,922,552 | 8,728,447 | 4,648,801 | 45,471,715 |
| 2021 | 8,408,319 | 40,550,801 | 13,090,099 | 5,249,454 | 67,298,673 |

(1) State School aid includes federal funds passed through the State Department of Education.

TABLE 8

## CITY OF PORTLAND, MAINE
## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
### Last Ten Fiscal Years

| | Property Value | | | | | | Total | Estimated | Assessor's |
|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | Commercial | Industrial | Residential (1) | Personal | Less Tax Exempt | Total Taxable Assessed Value | Direct Tax Rate | Actual Total Value (2) | Certified Ratio State Value |
| 2012 | $ 4,287,919,950 | $ 286,757,500 | $ 4,299,031,250 | $ 446,400,470 | $ 1,874,044,950 | $ 7,446,064,220 | 17.38 | $ 9,320,109,170 | 100% |
| 2013 | 4,357,453,520 | 272,694,790 | 4,332,720,570 | 431,286,630 | 1,904,272,930 | 7,489,882,580 | 17.90 | 9,394,155,510 | 100% |
| 2014 | 4,433,468,600 | 251,907,020 | 4,350,158,010 | 407,084,870 | 1,947,185,280 | 7,495,433,220 | 18.46 | 9,442,618,500 | 100% |
| 2015 | 4,546,684,360 | 245,759,940 | 4,411,198,330 | 405,872,110 | 2,009,952,080 | 7,599,562,660 | 19.04 | 9,609,514,740 | 100% |
| 2016 | 4,567,442,828 | 264,190,500 | 4,468,433,832 | 398,757,520 | 2,007,467,440 | 7,691,357,240 | 19.62 | 9,698,824,680 | 100% |
| 2017 | 4,261,980,960 | 507,260,390 | 4,445,271,660 | 542,679,010 | 2,065,616,800 | 7,691,575,220 | 20.08 | 9,757,192,020 | 100% |
| 2018 | 4,278,781,330 | 504,245,040 | 4,548,183,380 | 538,701,640 | 2,108,726,260 | 7,761,185,130 | 20.55 | 10,449,905,730 | 94% |
| 2019 | 4,384,883,300 | 507,178,360 | 4,577,807,170 | 500,970,950 | 2,121,246,230 | 7,849,593,550 | 21.34 | 11,203,190,760 | 89% |
| 2020 | 4,452,285,920 | 514,936,230 | 4,644,399,070 | 486,022,980 | 2,161,489,590 | 7,936,154,610 | 22.16 | 12,021,005,000 | 84% |
| 2021 | 4,504,969,425 | 558,162,948 | 4,666,435,050 | 512,840,260 | 2,205,372,205 | 8,037,035,478 | 22.15 | 13,301,828,160 | 77% |

(1) Excludes multi-unit apartment buildings, which are included in commercial.
(2) Estimated Actual Total Value includes all taxable plus tax exempt property, the total of which is divided by the certified ratio.

Source: City Tax Assessor

**TABLE 9**

**CITY OF PORTLAND, MAINE**
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**
**(per $1,000 of Assessed Value)**
**Last Ten Fiscal Years**

| | City Direct Rates | | | | Overlapping Rates | | |
|---|---|---|---|---|---|---|---|
| **Fiscal Year** | **Basic Rate** | **General Obligation Debt Service** | **Education** | **Total Direct** | **County Tax** | **Transit District** | **Total Property Tax Rates** |
| 2012 | $ 5.68 | $ 2.47 | $ 9.23 | $ 17.38 | $ 0.59 | $ 0.31 | $ 18.28 |
| 2013 | 5.80 | 2.52 | 9.58 | 17.90 | 0.60 | 0.32 | 18.82 |
| 2014 | 6.02 | 2.58 | 9.86 | 18.46 | 0.62 | 0.33 | 19.41 |
| 2015 | 6.24 | 2.68 | 10.12 | 19.04 | 0.64 | 0.32 | 20.00 |
| 2016 | 6.64 | 2.85 | 10.13 | 19.62 | 0.68 | 0.33 | 20.63 |
| 2017 | 6.96 | 2.79 | 10.33 | 20.08 | 0.70 | 0.33 | 21.11 |
| 2018 | 7.06 | 2.88 | 10.61 | 20.55 | 0.76 | 0.34 | 21.65 |
| 2019 | 7.06 | 3.14 | 11.14 | 21.34 | 0.80 | 0.34 | 22.48 |
| 2020 | 7.29 | 3.18 | 11.69 | 22.16 | 0.83 | 0.32 | 23.31 |
| 2021 | 7.18 | 3.28 | 11.69 | 22.15 | 0.87 | 0.29 | 23.31 |

Source: City Budget Office

TABLE 10

# CITY OF PORTLAND, MAINE
## PRINCIPAL PROPERTY TAXPAYERS
### Current Year and Nine Years Ago

| | 2021 | | | 2012 | | |
|---|---|---|---|---|---|---|
| **Taxpayer** | **Taxable Assessed Value** | **Rank** | **Percentage of Total City Taxable Assessed Value** | **Taxable Assessed Value** | **Rank** | **Percentage of Total City Taxable Assessed Value** |
| UNUM Group | $ 145,461,140 | 1 | 1.80% | $ 163,083,092 | 1 | 2.19% |
| Northern Utilities Inc / Unitil | 116,386,760 | 2 | 1.44% | 28,116,800 | 7 | 0.38% |
| CMP (Central Securities Corp) | 111,462,158 | 3 | 1.38% | 69,168,252 | 2 | 0.93% |
| North River IV LLC | 49,149,400 | 4 | 0.61% | | | |
| Brown JB & Sons | 47,581,670 | 5 | 0.59% | 29,577,136 | 6 | 0.40% |
| One City Center Associates LLC | 35,665,100 | 6 | 0.44% | 35,654,700 | 4 | 0.48% |
| Albany Road-Portland, LLC | 35,665,100 | 7 | 0.42% | | | |
| R B Portland Westin/Eastland Park Hotel | 30,770,300 | 8 | 0.38% | | | |
| PVA Limited Partnership | 30,335,600 | 9 | 0.38% | 30,335,600 | 5 | 0.41% |
| Atlantic Bayside | 24,999,500 | 10 | 0.31% | 24,999,500 | 8 | 0.34% |
| PREEF America REIT III | | | | 48,173,632 | 3 | 0.65% |
| Barber Foods Co., Inc. | | | | 22,693,310 | 10 | 0.31% |
| WH Nichols Co (Parker-Hannafin) | | | | 23,094,111 | 9 | 0.31% |
| Totals | $ 627,476,728 | | 7.75% | $ 474,896,133 | | 6.40% |

Source: City Tax Assessor

TABLE 11

# CITY OF PORTLAND, MAINE
## 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 | Total Collections to date | |
|---|---|---|---|---|---|---|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2012 | $ 136,114,054 | $ 133,768,662 | 98.28% | $ 2,264,253 | $ 136,032,915 | 99.94% |
| 2013 | 140,959,590 | 139,222,246 | 98.77% | 1,611,975 | 140,834,221 | 99.91% |
| 2014 | 145,486,359 | 143,467,886 | 98.61% | 1,829,256 | 145,297,142 | 99.87% |
| 2015 | 151,991,253 | 149,990,017 | 98.68% | 1,245,470 | 151,235,487 | 99.50% |
| 2016 | 158,672,700 | 156,929,908 | 98.90% | 1,015,158 | 157,945,066 | 99.54% |
| 2017 | 162,368,013 | 160,556,945 | 98.88% | 1,282,250 | 161,839,195 | 99.67% |
| 2018 | 168,029,657 | 166,647,798 | 99.18% | 1,173,846 | 167,821,644 | 99.88% |
| 2019 | 176,458,861 | 174,970,824 | 99.16% | 873,229 | 175,844,053 | 99.65% |
| 2020 | 184,991,777 | 178,585,817 | 96.54% | 4,952,921 | 183,538,738 | 99.21% |
| 2021 | 187,343,305 | 185,792,052 | 99.17% | - | 185,792,052 | 99.17% |

Source: City Finance Department

TABLE 12

# CITY OF PORTLAND, MAINE
## RATIOS OF OUTSTANDING DEBT BY TYPE
### Last Ten Fiscal Years

| | Governmental Activities | | | | Business-type Activities | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | General Obligation Bonds | Revenue Bonds | Notes Payable | Capital Leases | General Obligation Bonds | Revenue Bonds | Total Primary Government | Percentage of Personal Income | Per Capita |
| 2012 | $ 213,410,047 | $ - | $ 2,710,051 | $ 868,242 | $64,883,149 | $127,295,000 | $ 409,166,489 | 13.57% | $ 6,118 |
| 2013 | 216,728,620 | - | 2,538,984 | 466,064 | 75,775,721 | 126,570,166 | 422,079,555 | 14.06% | 6,260 |
| 2014 | 222,898,041 | - | 2,275,426 | 299,266 | 71,220,513 | 124,400,033 | 421,093,279 | 13.60% | 6,350 |
| 2015 | 222,600,570 | - | 10,691,009 | 141,974 | 68,415,020 | 122,495,055 | 424,343,628 | 12.87% | 6,365 |
| 2016 | 230,354,831 | - | 10,371,602 | 53,322 | 73,956,216 | 120,557,245 | 435,293,216 | 12.39% | 6,508 |
| 2017 | 225,829,990 | - | 9,999,072 | 76,869 | 71,906,778 | 120,145,226 | 427,957,935 | 21.60% | 6,393 |
| 2018 | 253,157,019 | - | 9,573,279 | 4,650,161 | 71,952,069 | 116,942,329 | 456,274,857 | 22.20% | 6,822 |
| 2019 | 249,801,944 | - | 9,094,075 | 8,101,726 | 32,499,312 | 113,305,117 | 412,802,174 | 11.35% | 6,234 |
| 2020 | 262,208,336 | - | 8,461,306 | 7,262,244 | 43,430,692 | 109,336,174 | 430,698,752 | 11.24% | 6,507 |
| 2021 | 251,116,994 | - | 9,665,992 | 6,592,248 | 88,219,674 | 106,171,068 | 461,765,976 | 11.63% | 6,976 |

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Personal income and population data can be found in the schedule of Demographic Statistics Table 17.

## CITY OF PORTLAND, MAINE
## RATIOS OF OUTSTANDING GENERAL OBLIGATION BONDED DEBT
### Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | Business-type Activities | Total | Percentage of Estimated Actual Taxable Value of Property | Per Capita |
|---|---|---|---|---|---|
| 2012 | $ 213,410,047 | $ 64,883,149 | $ 278,293,196 | 3.74% | 4,199 |
| 2013 | 216,728,620 | 75,775,721 | 292,504,341 | 3.91% | 4,418 |
| 2014 | 222,898,041 | 71,220,513 | 294,118,554 | 3.92% | 4,435 |
| 2015 | 222,600,570 | 68,415,020 | 291,015,590 | 3.83% | 4,365 |
| 2016 | 230,354,831 | 73,956,216 | 304,311,047 | 3.96% | 4,550 |
| 2017 | 225,829,990 | 71,906,778 | 297,736,768 | 3.87% | 4,448 |
| 2018 | 253,157,019 | 71,952,069 | 325,109,088 | 4.19% | 4,861 |
| 2019 | 249,801,944 | 32,499,312 | 282,301,257 | 3.60% | 4,263 |
| 2020 | 262,208,336 | 43,430,692 | 305,639,028 | 3.85% | 4,616 |
| 2021 | 251,116,994 | 88,219,674 | 339,336,668 | 4.22% | 4,960 |

Notes: See Table 8 Assessed Value and Estimated Actual Value of Taxable Property.
Population data can be found in the schedule of Demographic Statistics Table 17.

TABLE 14

## CITY OF PORTLAND, MAINE
## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
## June 30, 2021

| Jurisdiction | Total Debt Outstanding | | Percentage Applicable to Portland | Amount Applicable to Portland |
|---|---|---|---|---|
| Direct: | | | | |
| City of Portland | $ 267,375,234 | (1) | 100.00% | $ 267,375,234 |
| Overlapping: | | | | |
| Cumberland County | 33,370,194 | (2) | 20.98% | 7,001,491 |
| Portland Water District: | | | | |
| Water debt | 54,758,718 | (2) | 31.08% | 17,019,009 |
| Sewer debt | 21,311,170 | (3) | 100.00% | 21,311,170 |
| | $ 109,440,082 | | | $ 45,331,670 |
| | $ 376,815,316 | | | $ 312,706,904 |

(1) Excludes general obligation bonds reported in the enterprise funds.
(2) Based on the relationship between the City's state property valuation to the total state valuation of all members.
(3) Sewer portion of the Water District's sewer debt is based on specifically identified projects for the City's sewer department.

Source: Finance department of the respective entities

TABLE 15

**CITY OF PORTLAND, MAINE**
**LEGAL DEBT MARGIN INFORMATION**
**Last Ten Fiscal Years**
**(dollars in thousands)**

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| Assessed value per State Property Tax Division | $ 11,149,300 | $ 10,507,000 | $9,687,850 | $9,049,500 | $8,501,550 | $7,996,350 | $7,707,200 | $7,551,450 | $7,552,150 | $7,659,250 |
| Debt limit - 15% of assessed value | 1,672,395 | 1,576,050 | 1,453,178 | 1,357,425 | 1,275,233 | 1,199,453 | 1,156,080 | 1,132,718 | 1,132,823 | 1,148,888 |
| Less outstanding debt applicable to debt limit | 369,732 | 335,855 | 319,660 | 313,736 | 288,610 | 295,376 | 285,194 | 288,976 | 288,016 | 274,612 |
| Legal debt margin | $ 1,302,663 | $ 1,240,195 | $1,133,518 | $1,043,689 | $ 986,622 | $ 904,077 | $ 870,886 | $ 843,742 | $ 844,807 | $ 874,276 |
| Total outstanding debt applicable to the limit as a percentage of debt limit | 22.11% | 21.31% | 22.00% | 23.11% | 22.63% | 24.63% | 24.67% | 25.51% | 25.42% | 23.90% |
| The debt limit is restricted by State statute based on the assessed value per the State above and the percentages below. | | | | | | | | | | |
| Municipal purposes - 7.5% | | | | | | | | | | |
| Debt limit | $ 836,198 | $ 788,025 | $ 726,589 | $ 678,713 | $ 637,616 | $ 599,726 | $ 578,040 | $ 566,359 | $ 566,411 | $ 574,444 |
| Less outstanding debt applicable to debt limit | 227,491 | 231,432 | 188,207 | 190,424 | 187,056 | 190,271 | 182,198 | 180,533 | 177,292 | 174,002 |
| Debt margin for municipal purposes | $ 608,707 | $ 556,593 | $ 538,382 | $ 488,289 | $ 450,560 | $ 409,455 | $ 395,842 | $ 385,826 | $ 389,119 | $ 400,442 |
| Outstanding debt applicable to the limit as a percentage of debt limit for municipal purposes | 27.21% | 29.37% | 25.90% | 28.06% | 29.34% | 31.73% | 31.52% | 31.88% | 31.30% | 30.29% |
| School purposes - 10% | | | | | | | | | | |
| Debt limit | $ 1,114,930 | $ 1,050,700 | $ 968,785 | $ 904,950 | $ 850,155 | $ 799,635 | $ 770,720 | $ 755,145 | $ 755,215 | $ 765,925 |
| Less outstanding debt applicable to debt limit | 63,160 | 64,646 | 51,613 | 53,361 | 31,648 | 33,106 | 36,050 | 38,719 | 37,105 | 38,087 |
| Debt margin for school purposes | $ 1,051,770 | $ 986,054 | $ 917,172 | $ 851,589 | $ 818,507 | $ 766,529 | $ 734,670 | $ 716,426 | $ 718,110 | $ 727,838 |
| Outstanding debt applicable to the limit as a percentage of debt limit for school purposes | 5.66% | 6.15% | 5.33% | 5.90% | 3.72% | 4.14% | 4.68% | 5.13% | 4.91% | 4.97% |
| Storm and sanitary sewer purposes - 7.5% | | | | | | | | | | |
| Debt limit | $ 836,198 | $ 788,025 | $ 726,589 | $ 678,713 | $ 637,616 | $ 599,726 | $ 578,040 | $ 566,359 | $ 566,411 | $ 574,444 |
| Less outstanding debt applicable to debt limit | 79,080 | 39,777 | 30,205 | 69,951 | 69,907 | 71,999 | 66,946 | 69,725 | 73,619 | 62,523 |
| Debt margin for sewer purposes | $ 757,117 | $ 748,248 | $ 696,384 | $ 608,762 | $ 567,710 | $ 527,727 | $ 511,094 | $ 496,634 | $ 492,792 | $ 511,921 |
| Outstanding debt applicable to the limit as a percentage of debt limit for sewer purposes | 9.46% | 5.05% | 4.16% | 10.31% | 10.96% | 12.01% | 11.58% | 12.31% | 13.00% | 10.88% |
| Airport, water and other special district purposes - 3% | | | | | | | | | | |
| Debt limit | $ 334,479 | $ 315,210 | $ 290,636 | $ 271,485 | $ 255,047 | $ 239,891 | $ 231,216 | $ 226,544 | $ 226,565 | $ 229,778 |
| Less outstanding debt applicable to debt limit | - | - | - | - | - | - | - | - | - | - |
| Debt margin for special district purposes | $ 334,479 | $ 315,210 | $ 290,636 | $ 271,485 | $ 255,047 | $ 239,891 | $ 231,216 | $ 226,544 | $ 226,565 | $ 229,778 |
| Outstanding debt applicable to the limit as a percentage of debt limit for special districts | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Maximum total debt limit - 15% | $ 1,672,395 | $ 1,576,050 | $1,453,178 | $1,357,425 | $1,275,233 | $1,199,453 | $1,156,080 | $1,132,718 | $1,132,823 | $1,148,888 |

TABLE 16

# CITY OF PORTLAND, MAINE
## PLEDGED-REVENUE COVERAGE
### Last Ten Fiscal Years

| | Merrill Auditorium Revenue Bonds | | | | General Airport Revenue Bonds (Budget Basis of Accounting) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Scheduled(2) Debt Service | | | | | | Debt Service | | |
| Fiscal Year | Ticket Surcharge Revenue | Principal | Interest | Coverage | Revenues(3) | Maintenance and Operating Expenditures (1) | Net Revenues | Principal | Interest | Coverage |
| 2012 | $ 209,064 | $ 340,659 | $ 9,075 | 0.60 | $ 21,199,801 | $ 12,183,177 | $ 9,016,624 | $ 1,380,000 | $ 6,228,771 | 1.19 |
| 2013 | - | - | - | - | 25,304,708 | 15,768,752 | 9,535,956 | 1,435,000 | 6,175,145 | 1.25 |
| 2014 | - | - | - | - | 21,568,728 | 13,037,034 | 8,531,694 | 1,865,000 | 5,669,004 | 1.13 |
| 2015 | - | - | - | - | 24,241,199 | 14,364,580 | 9,876,619 | 1,615,000 | 5,919,773 | 1.31 |
| 2016 | - | - | - | - | 24,868,076 | 15,317,842 | 9,550,234 | 1,665,000 | 5,873,848 | 1.27 |
| 2017 | - | - | - | - | 25,786,664 | 15,930,917 | 9,855,746 | 1,720,000 | 5,496,485 | 1.37 |
| 2018 | - | - | - | - | 27,356,154 | 17,735,020 | 9,621,134 | 2,700,000 | 5,689,300 | 1.15 |
| 2019 | - | - | - | - | 31,142,866 | 16,564,361 | 14,578,505 | 3,065,000 | 5,568,475 | 2.23 |
| 2020 | - | - | - | - | 26,571,771 | 18,902,969 | 7,668,802 | 3,210,000 | 5,439,125 | 0.89 |
| 2021 | - | - | - | - | 27,639,209 | 14,740,350 | 12,898,860 | 2,010,000 | 4,524,280 | 1.97 |

Source: City Finance Department

(1) Excludes current encumbrances and debt service and capital outlay expenditures. Includes current year's payments on prior year's encumbrances.

(2) Debt paid in full 2012.

(3) Revenues include passenger surcharges not to exceed the amount of debt service funded by those revenues, which is a specified revenue for debt service coverage.

TABLE 17

# CITY OF PORTLAND, MAINE
## DEMOGRAPHIC STATISTICS (1)
### Last Ten Fiscal Years

| Fiscal Year | Population | Personal Income (000's) | Per Capita Personal Income | (2) Public School Enrollment | (3) Unemployment Rate |
|---|---|---|---|---|---|
| 2012 | 66,279 | $ 3,015,628 | 45,499 | 6,918 | 6.10 |
| 2013 | 66,214 | 3,002,937 | 45,352 | 6,986 | 5.80 |
| 2014 | 66,318 | 3,096,852 | 46,697 | 7,005 | 4.00 |
| 2015 | 66,666 | 3,295,967 | 49,440 | 6,987 | 3.80 |
| 2016 | 66,881 | 3,512,657 | 52,521 | 6,859 | 3.30 |
| 2017 | 66,937 | 3,675,778 | 54,914 | 6,739 | 2.50 |
| 2018 | 66,882 | 3,862,502 | 57,751 | 6,771 | 2.50 |
| 2019 | 66,215 | 3,636,395 | 54,918 | 6,765 | 2.70 |
| 2020 | 66,191 | 3,833,319 | 57,913 | 6,748 | 7.10 |
| 2021 | 68,408 | 4,104,480 | 60,000 | 6,495 | 5.10 |

Sources:
(1) U.S. Census Bureau (unless otherwise noted).
(2) School department's fall semester student enrollment.
(3) Maine Department of Labor for the Portland Metropolitan Service Area.

Note that the most recent published data for per capita personal income and population was used.

TABLE 18

**CITY OF PORTLAND, MAINE**
**PRINCIPAL NON-GOVERNMENTAL EMPLOYERS**
**Current Year and Nine Years Ago**

| | 2019[1] | | | 2012 | | |
|---|---|---|---|---|---|---|
| **Employer** | **Employees** | **Rank** | **Percentage of Total City Employment** | **Employees** | **Rank** | **Percentage of Total City Employment** |
| Maine Medical Center | 9,327 | 1 | 12.82% | 6,700 | 1 | 18.69% |
| UNUM Provident | 2,800 | 2 | 3.85% | 2,978 | 2 | 8.31% |
| Mercy Hospital | 1,308 | 3 | 1.80% | 1,763 | 3 | 4.92% |
| Martin Point Healthcare | 713 | 4 | 0.98% | 553 | 6 | 1.54% |
| Hannaford Bros. Co. | 464 | 5 | 0.64% | | | |
| University of New England | 461 | 6 | 0.63% | | | |
| Whole Foods | 443 | 7 | 0.61% | 315 | 9 | 0.88% |
| Consolidated Communications (formerly Fairpoint) | 400 | 8 | 0.55% | 824 | 4 | 2.30% |
| Spurwink | 380 | 9 | 0.52% | | | |
| Tyson Foods/Barber Foods | 300 | 10 | 0.41% | 640 | 5 | 1.78% |
| Parker-Hannifin (Nichols) | | | | 385 | 7 | 1.07% |
| TD Bank (BankNorth Group) | | | | 287 | 10 | 0.80% |
| Catholic Charities | | | | 335 | 8 | 0.93% |
| Total | 16,596 | | 22.81% | 14,780 | | 41.22% |

[1] Most recent information available.
Source: City Economic Development Division

TABLE 19

**CITY OF PORTLAND, MAINE**
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**
**Last Ten Fiscal Years**

| | Full-time Equivalent Employees as of June 30 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Function/Program** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** | **2015** | **2014** | **2013** | **2012** |
| General government | | | | | | | | | | |
| Management services | 87 | 76 | 77 | 78 | 68 | 48 | 43 | 42 | 49 | 48 |
| Finance and Technology | 40 | 41 | 42 | 42 | 41 | 41 | 43 | 42 | 41 | 41 |
| Parking control and garages | 29 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 28 | 30 |
| Planning and development | 17 | 24 | 24 | 24 | 22 | 35 | 35 | 32 | 32 | 34 |
| Public buildings | 22 | 25 | 39 | 38 | 39 | 36 | 39 | 41 | 42 | 42 |
| Public safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Officers | 155 | 156 | 156 | 161 | 158 | 162 | 162 | 159 | 162 | 162 |
| Civilians | 69 | 66 | 65 | 66 | 64 | 56 | 58 | 57 | 59 | 69 |
| Fire | | | | | | | | | | |
| Firefighters, EMTs and officers | 207 | 206 | 206 | 209 | 207 | 198 | 206 | 205 | 204 | 204 |
| Non firefighting staff | 7 | 10 | 10 | 10 | 13 | 16 | 16 | 16 | 6 | 6 |
| Public works | 122 | 132 | 131 | 129 | 125 | 149 | 153 | 152 | 152 | 147 |
| Health and social services | | | | | | | | | | |
| Public Health | 36 | 32 | 32 | 30 | 47 | 62 | 70 | 92 | 81 | 101 |
| Social Services | 95 | 94 | 88 | 80 | 78 | 91 | 79 | 76 | 67 | 57 |
| Skilled nursing facility | 238 | 247 | 244 | 264 | 261 | 267 | 266 | 264 | 263 | 261 |
| Recreation | 116 | 142 | 128 | 123 | 116 | 84 | 83 | 77 | 79 | 76 |
| Public library | 56 | 54 | 54 | 54 | 54 | 54 | 52 | 55 | 46 | 46 |
| Education | 1,166 | 1,250 | 1,227 | 1,203 | 1,213 | 1,181 | 1,171 | 1,163 | 1,174 | 1,178 |
| Sewer | | | | | | | | | | |
| Engineering | 5 | 13 | 13 | 12 | 12 | 13 | 13 | 13 | 13 | 14 |
| Maintenance and other | 29 | 20 | 20 | 18 | 19 | 19 | 28 | 25 | 25 | 22 |
| Stormwater | 9 | 10 | 10 | 13 | 11 | 11 | - | - | - | - |
| Transportation | | | | | | | | | | |
| Air rescue | 10 | 10 | 10 | 10 | 10 | 14 | 14 | 14 | 14 | 17 |
| Security | 5 | 5 | 5 | 5 | 5 | 10 | 11 | 14 | 9 | 14 |
| All other | 57 | 59 | 56 | 53 | 51 | 40 | 37 | 38 | 36 | 27 |
| Total | 2,577 | 2,701 | 2,667 | 2,652 | 2,643 | 2,616 | 2,609 | 2,607 | 2,582 | 2,596 |

- City Clerk Business Licensing, City Manager Housing Safety & Planning Inspections transferred to new Permitting & Inspections Department in FY17
- Parks transferred from Public Works Districting to Parks, Recreation & Facilities in FY17
- HHS Administration split from HHS divisions in FY17
- Cemetery & Forestry transferred from Public Works to Parks, Recreation & Facilities during FY16
- City Manager new Housing Safety Division in FY16
- Golf Course Restaurant transferred from the Barron Center to Recreation & Facilities Mgmt in FY15
- Public Health phase-out of city operated Homeless Healthcare Center during FY14
- Economic Development transferred from the City Manager's department in FY14
- Public Health's Portland Community Health Center begins separation from the City in FY13

Source: Municipal and School Department Budgets

**CITY OF PORTLAND, MAINE**
**OPERATING INDICATORS BY FUNCTION/PROGRAM**
**Last Ten Fiscal Years**

| Function/Program | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| Police | | | | | | | | | | |
| Physical arrests | 2,098 | 2,503 | 2,664 | 2,714 | 3,021 | 3,239 | 3,567 | 2,953 | 4,342 | 4,605 |
| Citations | 1,544 | 2,000 | 2,804 | 2,947 | 4,724 | 5,042 | 5,607 | 5,846 | 6,303 | 6,617 |
| Total calls for service | 66,857 | 75,223 | 78,541 | 78,765 | 74,876 | 81,460 | 83,861 | 84,438 | 83,885 | 75,106 |
| Fire | | | | | | | | | | |
| Emergency responses | 16,196 | 16,806 | 16,664 | 16,428 | 16,496 | 16,053 | 16,314 | 15,833 | 15,561 | 14,950 |
| Structural fires | 148 | 174 | 154 | 142 | 152 | 179 | 164 | 193 | 247 | 225 |
| Refuse collection | | | | | | | | | | |
| Refuse collected (tons) | 8,573 | 9,288 | 8,726 | 9,032 | 8,875 | 9,334 | 9,472 | 9,392 | 9,382 | 9,446 |
| Recyclables collected | 4,966 | 5,040 | 5,553 | 5,534 | 5,609 | 5,810 | 5,463 | 5,554 | 5,543 | 5,683 |
| Other Public Works | | | | | | | | | | |
| Requests for service - number of workorders | 6,773 | 6,034 | 8,199 | 7,914 | 6,896 | 5,217 | 2,861 | 3,309 | 3,276 | 3,437 |
| Traffic workorders - signals, lights and signs (a) | - | - | 790 | 1,306 | 1,209 | 1,143 | 1,206 | 1,378 | 1,364 | 752 |
| Vehicle maintenance workorders | 1,999 | 2,099 | 2,208 | 2,402 | 2,654 | 2,343 | 2,168 | 2,372 | 3,518 | 3,437 |
| Street sweeping - lane miles | 3,615 | 4,323 | 3,980 | 4,444 | 3,698 | 2,450 | 2,450 | 2,650 | 2,275 | 250 |
| Number of winter storms | 6 | 10 | 22 | 14 | 13 | 8 | 14 | 11 | 11 | 6 |
| Library | | | | | | | | | | |
| Volumes in collection | 394,292 | 385,531 | 374,393 | 376,000 | 376,000 | 369,868 | 363,376 | 360,000 | 365,000 | 358,982 |
| Total circulation | 526,827 | 688,262 | 862,264 | 811,000 | 826,000 | 828,676 | 869,563 | 882,278 | 940,034 | 940,947 |
| Reference questions | 14,517 | 21,256 | 38,862 | 36,832 | 57,187 | 80,149 | 80,254 | 70,835 | 67,599 | 72,009 |
| Attendance | 61,501 | 279,515 | 572,408 | 559,241 | 586,000 | 615,955 | 612,335 | 627,501 | 662,455 | 666,273 |
| Wastewater (cubic feet in 100's) | | | | | | | | | | |
| Average daily sewage treatment | 17,692 | 20,854 | 22,059 | 22,725 | 18,000 | 17,000 | 17,000 | 19,800 | 17,000 | 22,726 |
| Customer count (monthly average) | 17,405 | 17,151 | 17,146 | 17,162 | 16,600 | 17,033 | 17,060 | 16,922 | 16,892 | 16,818 |
| Permitting and inspections | | | | | | | | | | |
| Building permits new structures - residential | 40 | 50 | 33 | 41 | 32 | 24 | 33 | 30 | 31 | 31 |
| Building permits new structures - commercial | 34 | 26 | 31 | 32 | 25 | 19 | 7 | 13 | 15 | 10 |
| Building inspections | 5,433 | 4,864 | 4,787 | 3,644 | 3,767 | 3,808 | 3,353 | 3,259 | 2,593 | 2,904 |
| All other inspections | 2,171 | 3,150 | 3,229 | 4,029 | 5,326 | 5,150 | 2,040 | 2,467 | 2,256 | 1,344 |
| Food service inspections | 700 | 1,163 | 938 | 1,393 | 908 | 937 | 953 | 572 | 298 | 254 |
| Housing & general assistance inspections | 418 | 369 | 307 | 522 | 327 | 205 | 280 | 392 | 560 | 612 |
| Parking control | | | | | | | | | | |
| Parking violations | 92,751 | 79,445 | 99,409 | 107,341 | 106,921 | 117,874 | 119,851 | 123,079 | 130,122 | 136,092 |

(a) Tracking of separate traffic work orders was discontinued in FY20.

Source: Various City Departments

**CITY OF PORTLAND, MAINE**
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**
**Last Ten Fiscal Years**

| Function/Program | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Community policing centers | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Marked cruisers and other vehicles | 40 | 41 | 49 | 53 | 50 | 50 | 50 | 49 | 48 | 48 |
| Unmarked sedans | 39 | 38 | 36 | 28 | 33 | 39 | 39 | 39 | 39 | 38 |
| Fire | | | | | | | | | | |
| Fire stations | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 9 | 9 |
| Fire/rescue boats | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| District owned fire hydrants | 1,480 | 1,480 | 1,480 | 1,480 | 1,480 | 1,500 | 1,500 | 1,300 | 1,450 | 1,454 |
| Refuse collection | | | | | | | | | | |
| Collection trucks - packers | 14 | 14 | 14 | 12 | 14 | 14 | 14 | 14 | 14 | 14 |
| Collection trucks - recycle | 2 | - | 5 | 15 | 5 | 5 | 5 | 5 | 5 | 5 |
| Street sweepers | 8 | 8 | 8 | 9 | 10 | 9 | 8 | 8 | 7 | 7 |
| Other Public Works | | | | | | | | | | |
| Streets (lane miles) | 708 | 708 | 582 | 582 | 582 | 582 | 582 | 582 | 582 | 582 |
| Street lights (1) (2) | 7,500 | 7,500 | 7,110 | 775 | 775 | 615 | 615 | 615 | 605 | 6,756 |
| Traffic signalized intersections | 205 | 205 | 205 | 124 | 124 | 115 | 115 | 115 | 115 | 126 |
| Parks and recreation | | | | | | | | | | |
| Parks | 67 | 67 | 66 | 66 | 37 | 37 | 37 | 37 | 37 | 37 |
| City tree inventory | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 19,500 | 19,500 | 19,500 | 19,500 | 20,000 |
| Public golf courses | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Ice Arena | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Playgrounds | 30 | 30 | 30 | 30 | 30 | 27 | 27 | 27 | 27 | 27 |
| Ball fields | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Community centers | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 |
| Swimming pools | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Education (Public) | | | | | | | | | | |
| Schools | 17 | 17 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Classrooms | 473 | 473 | 479 | 465 | 462 | 462 | 448 | 445 | 454 | 458 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | 98 | 94 | 70 | 94 | 92 | 96 | 85 | 87 | 70 | 70 |
| Storm sewers (miles) | 165 | 194 | 201 | 193 | 138 | 129 | 108 | 107 | 108 | 108 |
| Combined sewer (miles) | 135 | 135 | 162 | 135 | 139 | 141 | 131 | 136 | 142 | 142 |
| Treatment capacity (000's gallons) | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| Licensed for (000's gallons) | 19,800 | 19,800 | 19,800 | 19,800 | 19,800 | 19,800 | 19,800 | 19,800 | 19,800 | 19,800 |

(1) Prior to 2013 this number included street lights not owned by the City.
(2) Beginning in 2019, ownership of street lights was transferred to the City from Central Maine Power following conversion to LED lights.
NA = information not available.
Source: Various City departments

**CITY OF PORTLAND, MAINE**
**PORTLAND INTERNATIONAL JETPORT**
**Schedule of Enplanement Data**
**Last Ten Fiscal Years**

| AIRLINE | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| Air Canada / Air Alliance | - | - | - | - | - | - | - | - | 4,095 | 5,838 |
| AirTran | - | - | - | - | - | - | - | - | 67,349 | 94,721 |
| Cape Air | 250 | 2,527 | - | - | - | - | - | - | - | - |
| Continental Airlines | | | | | | | | | | |
| Colgan / Continental Connection | - | - | - | - | - | - | - | - | 6,147 | 44,389 |
| Continental Express / ExpressJet | - | - | - | - | - | - | - | - | 55,418 | 33,056 |
| Trans State Airlines | - | - | - | - | - | - | - | - | 95 | 1,412 |
| Delta | 35,684 | 87,220 | 105,936 | 95,270 | 106,069 | 102,962 | 100,639 | 110,974 | 125,867 | 101,601 |
| Chautauqua | - | - | - | - | - | - | 9,167 | 24,446 | 3,176 | 17,151 |
| Comair | - | - | - | - | - | - | - | - | 344 | 6,209 |
| Compass | - | - | - | - | - | 74 | - | 4,815 | 9,048 | - |
| Endeavor Air | 43,224 | 94,819 | 119,525 | 103,954 | 62,479 | 56,689 | 55,025 | 17,115 | - | - |
| ExpressJet | - | - | - | 15,087 | 34,646 | 31,670 | 20,325 | 7,064 | 9,367 | - |
| Go Jet | - | 11,898 | 24,902 | 26,378 | 17,416 | 6,702 | 14,332 | 29,409 | 20,515 | 8,125 |
| Pinnacle | - | - | - | - | - | - | - | 20,620 | 43,615 | 60,356 |
| Shuttle America | 17,174 | 514 | - | 172 | 610 | 22,063 | 18,288 | 8,675 | 21,307 | 6,905 |
| Skywest Airlines | 1,618 | 4,733 | 21,150 | 7,067 | 1,546 | - | - | - | - | - |
| Elite Airways | 970 | 2,820 | 5,492 | 7,671 | 8,008 | 2,964 | - | - | - | - |
| Frontier Airlines | 29,136 | 58,909 | 71,552 | - | - | - | - | - | - | - |
| JetBlue | 1,674 | 21,947 | 52,935 | 88,193 | 92,826 | 98,298 | 99,730 | 102,522 | 99,925 | 104,272 |
| Shuttle America | - | - | 1,467 | - | - | - | - | - | - | - |
| Southwest | 93,576 | 123,247 | 154,945 | 150,167 | 148,624 | 130,567 | 127,060 | 116,939 | 25,411 | - |
| Sun Country Airlines | 1,756 | 135 | - | - | - | - | - | - | - | - |
| Twin Cities Air Service | - | - | - | - | - | - | - | - | 433 | 779 |
| U.S. Airways / American Airlines | 77,089 | 88,904 | 132,245 | 96,194 | 75,954 | 47,034 | 43,605 | 45,593 | 42,009 | 50,134 |
| Air Wisconsin | - | - | - | 19,742 | 40,538 | 54,615 | 59,737 | 49,131 | 54,497 | 65,584 |
| Chautauqua | - | - | - | - | - | - | - | 80 | - | - |
| Envoy | 16,583 | 19,929 | 35,706 | 7,302 | - | - | - | - | - | - |
| Mesa | - | - | - | - | - | - | 2,456 | 330 | - | - |
| Piedmont | 10,858 | 33,782 | 45,978 | 25,016 | 17,714 | 2,215 | - | - | 363 | 12,717 |
| PSA Express | 30,691 | 13,421 | 46,390 | 73,384 | 54,257 | 55,428 | 379 | 1,187 | 43 | - |
| Republic Airlines | 34,676 | 97,732 | 70,122 | 45,334 | 66,883 | 91,418 | 129,478 | 131,801 | 123,752 | 112,659 |
| Trans State Airlines | - | - | 3,750 | 9,739 | 3,046 | - | - | - | - | - |
| United Airlines | 5,866 | 37,892 | 78,237 | 35,330 | 7,974 | - | - | - | - | - |
| Air Wisconsin | 10,972 | 5,804 | 16,151 | 17,148 | - | - | - | - | 34,555 | - |
| Commute Air | 4,964 | 53,612 | 54,299 | 32,424 | 11,597 | - | - | - | - | - |
| ExpressJet | - | 20,647 | 29,135 | 36,820 | 79,365 | 65,903 | 34,175 | 59,303 | - | 32,895 |
| Go Jet | 5,121 | 735 | 3,436 | 4,221 | 9,456 | 26,657 | 30,519 | 20,472 | 26,803 | 18,619 |
| Mesa | 10,340 | 17,391 | 16,308 | 13,746 | 28,954 | 25,827 | 23,522 | 28,834 | 7,724 | 30,487 |
| Republic Airlines | 44,681 | 15,523 | 12,267 | 35,793 | 28,584 | 26,600 | 62,989 | 54,431 | 11,464 | - |
| Shuttle America | - | - | - | - | 3,368 | 25,441 | 8,473 | - | - | - |
| Skywest | 4,465 | 5,045 | 5,068 | 10,083 | - | - | - | - | - | - |
| Trans State Airlines | 172 | 552 | 488 | 13,448 | 12,999 | 3,123 | 2,885 | 9,407 | 25,219 | 16,256 |
| Subtotal | 481,540 | 819,738 | 1,107,484 | 969,683 | 912,913 | 876,250 | 842,784 | 843,148 | 818,541 | 824,165 |
| Charters and Unscheduled Flights | - | - | 417 | 966 | 1,424 | 148 | 730 | 1,156 | 963 | 1,045 |
| Local Total | 481,540 | 819,738 | 1,107,901 | 970,649 | 914,337 | 876,398 | 843,514 | 844,304 | 819,504 | 825,210 |
| Total for United States (000)'s | (a) | 368,238 | 935,356 | 897,541 | 856,287 | 830,079 | 800,087 | 760,847 | 738,616 | 731,130 |
| Local Market Share of US Total | (b) | 0.223% | 0.118% | 0.108% | 0.107% | 0.106% | 0.105% | 0.111% | 0.111% | 0.113% |

(a) Source - Jetport's fiscal year enplanement data
(b) Source - Federal Aviation Administration calendar year enplanement data

**City of Portland**
**Department of Finance**
**389 Congress Street**
**Portland, Maine 04101**