

City of Portland, Maine
Remote Joint City/School Finance Committee Meeting
Tuesday, March 28, 2023
5:00 PM, City Finance Committee Meeting
6:30 PM, Joint City/School Finance Committee Meeting
Remote via ZOOM

AGENDA

PUBLIC COMMENT INFORMATION

To submit written public comment on an agenda item for which public comment is being accepted, 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).

ZOOM MEETING INFORMATION

This meeting will take place remotely using Zoom.

This meeting will be held remotely pursuant to the Remote Meeting Policy adopted by the Portland City Council and as authorized under 1 M.R.S. 403-B because of the existence of an emergency or urgent issue that requires the committee to meet by remote methods. Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live, a recording will be available in the Agenda Center following the meeting. For agenda items where public comment is scheduled, 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:

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1. Introductions

2. Portland Public Library - Air Handler Failure (CITY ONLY ITEM)

The Committee will receive a brief update on various capital projects in progress at the Portland Public Library (PPL) including the recent failure of an air handler. The failure of one of three air handling units at PPL resulted in damage to and temporary closure of the children's section of the library. Funding sources being pursued for the damage repairs and replacement of the air handling units will be reviewed and discussed. Staff will also seek guidance about potential reallocation of ARPA funds from the Burbank Library ARPA project to address immediate fixes required at the main library. This is a discussion item only - no action will be taken at the current meeting.

3. FY24 City Budget Discussion - Open Union Contracts and Open Contract Items (CITY ONLY ITEM)

City staff will highlight several union contracts which are open for FY24 including a few unresolved items within existing contracts.

The Committee may go into executive session pursuant to 1 MRS 405(6)(D) and (E) to discuss with staff negotiators and corporation counsel potential changes to certain labor contracts, and the City's rights and duties under those contracts, between the City and Police Benevolent Association (PBA), Portland Police Superior Officers Association (SOA), City Employees' Benefit Association (CEBA), Pro-Tech and Labor and Trades. This is a discussion item only - no action will be taken at the current meeting.

***** BREAK UNTIL 6:30PM *****

4. Presentation of 6/30/22 Audit Results by External Auditors, Marcum LLP (JOINT ITEM)

The Joint City/School Finance Committee will receive a presentation on results of the audit of the City/Schools for the year ended 6/30/22. The auditors will review their findings from the fiscal year and management letter recommendations for future improvements. Committee members will have time to ask questions and responses will be provided at the current meeting (if readily available) or a future joint City/School meeting. This is a discussion item only - no action will be taken at the current meeting.

5. Portland Public Schools FY24 Superintendent's Proposed Budget Presentation (JOINT ITEM)

The interim co-Superintendents will present their recommended PPS budget for FY24. Members of the Portland Public Schools (PPS) Board of Education and PPS staff will also be present. This is the first of two Joint City/School meetings required by the City Charter - the second is scheduled for Thursday, April 6th. This is a discussion item only – no action will be taken at the current meeting.

6. Adjournment

Portland Public Library

Recent Capital Improvements and Air Handling Unit Failure

Presentation to Finance Committee - March 28, 2023





Portland Public Library

Component Unit of the City of Portland

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

Note: A **component unit** is a legally separate organization for which the City is financially accountable



Does PPL participate in the City CIP process?

Yes. The Portland Public Library (PPL) has a full time administrative staff including a facility maintenance position. The library is included in the City's capital improvement planning process and typically submits requests via their administrative and finance staff annually.



Recently Approved Library CIP Projects

The following is a list of Portland Public Library approved capital improvement plan projects over the last 10 years

Main Library

●	FY24 - Library Roof and Chiller	\$500,000
●	FY21 - Portland Room Fire Protection	\$100,000
●	FY21 - Skylight and Rubber Roof Repairs	\$100,000
●	FY20 - Lower Level Flooring / Carpeting	\$ 35,000
●	FY18 - VOIP Conversion (multiple branches)	\$ 35,000
●	FY16 - Library Roof Section	\$ 25,000

Other Library Branches

●	FY17 - Peaks Island Library	\$250,000
●	FY14 - Burbank Branch Improvements	\$130,000

Note: FY17 Peaks Island Library project also included significant private donations

Air Handler Unit #3 Failure



- In early March 2023 the City was notified by PPL administration that one of their six air handling units at the main library had failed.
- Water from the failure damaged roughly one-third of the Children's library area, as well as four offices: one on the first floor, and three on the lower level. Books, shelving, carpeting, ceiling tile, ductwork insulation, computer equipment, lighting were damaged.
- City Legal staff is currently working to determine if insurance will cover any of portion of the pending expenses.

Next Steps & Potential Funding Sources

Next Steps

City and Library staff are working together to identify funding sources for the immediate repairs required. An immediate expense of \$23k is required to order a replacement coil within broken air handling unit number three.

Library staff will work on an updated five year CIP submission to reflect desired timing and priority on their air handling unit replacement.

City and Library staff will work together to identify potential funding sources for air handling unit replacements (approximately \$2.45M in total costs to replace all six air handling units).

Potential Funding Sources

- Recently approved FY24 CIP funding of \$500,000 (PPL Library Chiller and Roof Repairs)
- Recently approved ARPA funding of \$35,000 (part of \$90,000 of Reimbursement of COVID Related Expenditures)
- Portland Public Library operating budget savings
- Congressionally Directed Spending Request of \$900,000
- Future PPL CIP requests



Questions & Answers

MEMORANDUM

TO: Councilor Anton and the Members of the City Council
FROM: Danielle P. West-Chuhta, Corporation Counsel's Office *DPW-C*
DATE: September 26, 2008
RE: Portland Public Library

I have been asked to research the status of the ownership of The Portland Public Library's property. Based on my review of the applicable laws, deeds and City Council Orders the City of Portland owns the library property. Although there seems to be no technical legal document giving the library the right to use the property (i.e. a lease, etc.), such use has been repeatedly confirmed by the City Council's acceptance and expenditure of funds to construct the library building for the purposes of housing the library, and is authorized under the Private and Special Laws outlined below.

The following is a synopsis of the applicable statutes, deeds and documents supporting these conclusions:

Private and Special Laws

- The State Legislature enacted Chapter 174 of the Private and Special Laws and authorized the incorporation of the "Portland Institute and Public Library" for the "purpose of establishing and maintaining a library and an institute of natural history, science and art, in the city of Portland," and provided that the City "may also furnish rooms for its [Library] accommodations." P. & S.L. 1867, ch. 174, §1.
- Thereafter, the Legislature empowered the "Portland Athenaeum" and the "Portland Institute and Public Library" to consolidate. P. & S.L. 1876, ch. 198, §1. The Legislature also granted the City of Portland the right to "at any time take the property and rights of said consolidated corporation, to be used and maintained for the purpose of a free public library, under such regulations needful and proper for the management, preservation and protection of the material of such a library as said city may from time to time establish, and whenever the said city shall determine to take the same it shall be held only to pay and discharge any existing debts and liabilities of said corporation." *Id.* at §5.
- In 1889, the Legislature changed the name of the library to "The Portland Public Library" and indicated that all of the "powers, immunities, franchises and affairs" of the library would be vested in and exercised by "The Trustees of the Portland Public Library." P. & S.L. 1889, ch. 287, §1.

At that time, the Legislature also directed that “the corporate property [of the Portland Institute and Public Library] shall be used and improved for a free public library for the inhabitants of the city of Portland, and shall be forever exempt from liability to be taken by the city from the management, direction and control of said board of trustees.” Id. at §1.

The Board of Trustees was specifically given the power to “adopt by-laws for the regulation of their business; and for the use, protection and preservation of the property of the corporation, and of all collections of books . . .” Id. at §4.

- In 1925, the Legislature authorized an increase in the amount that the library may take and hold to “one million dollars.” P. & S.L. 1925, ch. 20
- In 1965, the Legislature chose to allow the library “to take and hold real and personal estate and donations, grants, devises or bequests to any amount.” P. & S.L. 1965, ch. 61.
- Finally, in May 2005, the Legislature amended P&SL (1867) chapter 174, § 3, to allow the City of Portland “to appropriate and pay annually toward the expenses of establishing and maintaining” the library.

Deeds and City Council Orders

- On November 29, 1976, the City entered into an option agreement with the Trustees of the Universal Mortgage and Realty Trust with regard to the library site at the corner of Elm and Congress Streets. The option gave the City the right to purchase the property for \$275,000.
- On July 18, 1977, pursuant to City Council Orders #468 and 469, the City authorized the City Manager to exercise the option to purchase the property on Elm Street owned by the Trustee of Universal Mortgage & Realty Trust for the sum of \$275,000, and the property owned by the Portland Renewal Authority located on Congress and Elm Streets for \$120,000.

Both transfers occurred in August 1977. See Deeds from Portland Renewal Authority to the City of Portland and from Trustees of Universal Mortgage & Realty Trust to the City of Portland.

- In May 1977, pursuant to City Council Order #315, the City authorized the City Manager to enter into a contract with Salter Corporation for construction of the new library building to be located on Congress and Elm Streets.

- On June 20, 1977, pursuant to City Council Order #398, the City ordered that "\$3,369,000 total funds to be allocated to the City of Portland under the Federal Public Works Program" for the construction of the library.

The City also approved, pursuant to City Council Order #398, an additional sum of \$901,400.00 be appropriated for the construction of the public library to be funded by inclusion with the 1978 Capital Improvement Program.

- On September 19, 1977, pursuant to City Council Order # 559, the City accepted a grant from the U.S. Economic Development Administration for the construction of the library, and a design contract was entered into by Council Order #560.
- Finally, on September 8, 1993, City Council Order #79 was passed authorizing the City to purchase property located at 377 Stevens Avenue for the construction of the Burbank Branch Library.

By-Laws of the PPL

As noted above, the "powers, immunities, franchises and affairs" of the Library are vested in and exercised by the Trustees of the Library. See P. & S.L. 1889, ch. 287, §1; see also Amended and Restated Bylaws of the Portland Public Library, § 4.1, at p. 2. Therefore, despite the City's ownership of the property, it seems apparent that the responsibility for the day-to-day operation of the library rests with the Board of Trustees.

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022



City of Portland, Maine

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

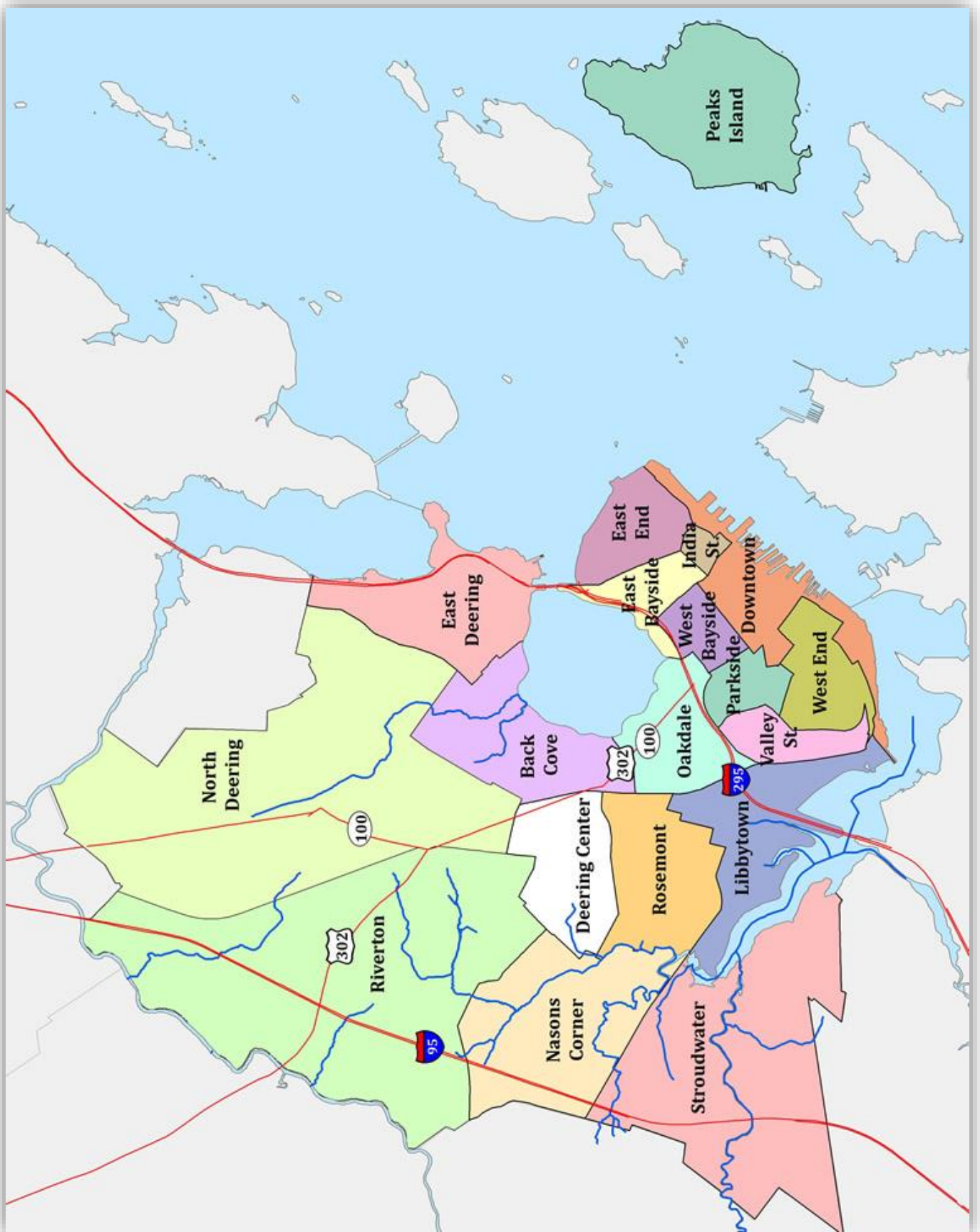
CITY OF PORTLAND, MAINE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022



Prepared by the City of Portland, Maine
Finance Department



CITY OF PORTLAND, MAINE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
JUNE 30, 2022

TABLE OF CONTENTS

Introductory Section (Unaudited)	
Letter of Transmittal	1
GFOA Certificate of Achievement	14
Table of Organization	15
Principal Executive Officers	16
Financial Section	
Independent Auditor's Report	17
Management's Discussion and Analysis	21
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	39
Statement of Activities	40
Fund Financial Statements	
Balance Sheet – Governmental Funds	41
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	43
Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balances - Budget and Actual (Budget Basis) – General Fund	45
Statement of Net Position – Proprietary Funds	48
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	49
Statement of Cash Flows – Proprietary Funds	50
Statement of Fiduciary Net Position – Fiduciary Funds	51
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	52
Notes to Financial Statements	53
Required Supplementary Information	
Schedule of the Proportionate Share of the Net Pension Liability	97
Schedule of Pension Contributions	98
Schedule of the City's Proportionate Share of the Net OPEB Liability – Group Term Life Insurance	99
Schedule of OPEB Contributions – Group Term Life Insurance	100
Schedule of Changes in the City's Total OPEB Liability and Related Ratios – Health Insurance	101
Notes to the Required Supplementary Information	102

**CITY OF PORTLAND, MAINE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
JUNE 30, 2022**

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

Combining and Individual Fund Financial Schedules

Combining Balance Sheet – Nonmajor Governmental Funds	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds	107
School Department Status Reports:	
Revenue Status Report Summary	110
Expenditure Status Report Summary	111
Fund Balance Status Report	112
Schedule of Revenues, Expenditures and Encumbrances – Budget and Actual (Budget Basis)	
Proprietary Funds:	
Jetport Enterprise Fund	114
Sewer Enterprise Fund	115
Stormwater Enterprise Fund	116
Fish Pier Authority Enterprise Fund	117

Statistical Section (Unaudited)

Financial Trends:	
Net Position by Component	120
Changes in Net Position	121
Fund Balances – Governmental Funds	123
Changes in Fund Balances – Governmental Funds	124
Program Revenues by Function/Program	125
Revenue Capacity:	
Tax Revenues by Source – Governmental Funds	126
State Aid Revenues by Source	127
Assessed Value and Estimated Actual Value of Taxable Property	128
Direct and Overlapping Property Tax Rates	129
Principal Property Taxpayers	130
Property Tax Levies and Collections	131
Debt Capacity:	
Ratios of Outstanding Debt by Type	132
Ratios of Outstanding General Obligation Bonded Debt	133
Direct and Overlapping Governmental Activities Debt	134
Legal Debt Margin Information	135

**CITY OF PORTLAND, MAINE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
JUNE 30, 2022**

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

Pledged Revenue Coverage	136
Demographic and Economic Information:	
Demographic Statistics	137
Principal Non-Governmental Employers	138
Operating Information:	
Full-time Equivalent City Government Employees by Function/Program	139
Operating Indicators by Function/Program	140
Capital Asset Statistics by Function/Program	141
Schedule of Enplanement Data – Portland International Jetport	142

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Introduction



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March 3, 2023

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

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements.

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 separate columns in the government-wide financial statements only. The notes to financial statements provide additional information on component units.

Portland's Local Economy 2022

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, IT, 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 FY2022 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 over 68,000 (*U.S. Census ACS 5-year*), Portland is the hub of a Metropolitan Statistical Area of about 540,000 people. A city of growing diversity, students in the Portland Public Schools come from homes where about 63 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 educational 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 38, also less than the national median age of 38.8.

Pandemic Impact on Unemployment. The unemployment rate in the City of Portland pre pandemic (Feb. 2020) was lower than the State and the U.S. Portland was 2.4% as compared with Maine at 3.4% and the U.S. at 3.8%. Portland's unemployment rate jumped to 7.1% in June 2020. Increases were evident at the state and national levels as well with Maine at 5.1% and the U.S at 11.2%. In comparison, the unemployment rate in Portland decreased from 3.8% in 2021 to 2.9% in 2022, which is still higher than the pre-pandemic level. This rate in Portland is lower than the State (3.2%) and the U.S. (3.3%).

Pandemic Impact - New Residents

As noted last year, over the past five years or more, 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 from within the U.S. has increased. Anecdotally, people seemed to be coming particularly from urban areas such as Boston, New York and San Francisco as the remote work trend continues. Residential properties have continued to sell faster and at higher rates, further contributing to a reduction in the availability of affording housing.

Downtown

Portland's downtown greatly contributes to the City's reputation as a vibrant center for innovation, arts and culture, dining, shopping, and entertainment. Young professionals and retirees are choosing 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. The Old Port and the Arts District are the two districts that comprise the heart of the downtown.

During the pandemic, retailers experienced substantially reduced revenues, pivoting to online sales, when possible, to make the best of a difficult situation. Most retailers reopened and have been operating at full capacity. There are vacant storefronts in downtown Portland which the City hasn't seen in many years but they are slowly filling up with new shops and restaurants. As noted in the 2022 MEREDA Index, "The downtown Portland market sadly lost several restaurants and retailers, but it felt like just as a space would go vacant, someone was there to scoop it up. Tenants who have been trying for years to get into the Old Port now had the opportunity. Also, as Covid drove people out of bigger cities into Southern Maine, their ideas for new restaurants, boutiques, and specialty stores came along too. Thankfully, it seems that neither online shopping, food delivery services, not Covid can kill the bricks and mortar stores and restaurants we all love."

Food and Drink Sector

Over the years, Portland's food sector continued to grow and bring the City extraordinary accolades. Bon Appetit named Portland the 2018 Restaurant City of the Year. Recognized as hosting a culinary boom, 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. 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 was an integral part of the food sector's growth in Portland. In 2022 Portland's foodie reputation continued to grow with several semifinalists in the 2022 James Beard Restaurant and Chef Awards.

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 about 30 breweries and distilleries in the City and 150 in Maine. Two of the largest 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 was significantly impacted by the pandemic. While numerous restaurants and bars closed, surprisingly, the restaurant market rebounded dramatically in 2021 and 2022 with the food and beverage culture considered big drivers. This rebound is partially attributed to an increase in use of take-out delivery services such as Doordash.

Creative Economy

Sustaining the arts community and promoting the cultural life of Portland are key economic development initiatives. Creative Portland is the City's non-profit arts agency, supporting 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 pivotal for workforce recruitment and retention. Portland boasts 75% participation (three quarters of its residents attend at least one performing arts event per year, higher than most US cities) in public attendance in the arts according to a US census report in 2018, published by the National Endowment for the Arts. Arts expenditures in the nonprofit sector alone represented \$75 million in a 2017 report published by the Americans for the Arts, \$1.6 billion in economic activity overall statewide in arts and culture production in 2017. In 2023, Creative Portland will facilitate the American Economic Prosperity (AEP) 6 study which includes two surveys: an audience survey and a nonprofit cultural organization survey.

Portland has over 150 arts and cultural organizations that contribute to the lifestyle and artful living, citing this City as among the "top 10 places to live" in US News and World Report 2021. Creative Portland supports the cultural life of the City with projects, programs and resources including an artist relief fund, a robust new website, a Monthly Arts Update newsletter, a new cultural tourism tool, the Creative Portland app, to increase access to the arts, First Friday Art Walk, an annual arts & culture summit, a fiscal sponsorship program, CP Gallery annual art

exhibition, a community open house called Monday Morning Drop By, and public art installations on creative bus shelters. In 2021, a national streetsblog competition awarded Portland's Ebenezer Akakpo with "Best Bus Stop in the USA" for his steel-cut powder-coated design at 519 Congress Street.

Portland's cultural anchors, higher education institutions, and other nonprofits are in the midst of large capital campaigns including a 100 million campaign at Portland Museum of Art for campus expansion to accommodate new exhibition space, office space, dining, and community workspace. Maine College of Art & Design (MECA&D), as well as University of Southern Maine are also raising funds for campus expansion for student residencies as well as a new USM performing arts center on Bedford Ave. Maine Public is mounting a campaign for a new facility and presence on Commercial Street, and St Lawrence Arts is planning a renovation and new build on Munjoy Hill to create a state-of-the-art performing arts center. In addition, Maine Historical Society, Mechanics Hall, and Portland Stage are also mounting campaigns for facade improvement and/or rebranding. All of these initiatives indicate a desire to attract new audiences and workforce to celebrate the cultural life of Portland.

Tourism

Over 15.6 million people visited Maine in 2021, a 29.1% increase from 2020. These visitors generated over \$7.8 billion in spending, according to the Maine Office of Tourism. The 2021 Economic Impact and Visitor Tracking Study completed by Downs & St. Germain Research for the period December 1, 2020 through November 30, 2021, indicates that the greater Portland and Casco Bay region attracted 2.46 million visitors who spent \$1.16 billion in the area supporting 13,500 jobs in the region.

Pandemic Impact:

Visits to Maine have rebounded from the decreases seen during the pandemic. These numbers can be attributed to visits from travelers that could drive here and perceptions that Portland and Maine were safe destinations given the degree of open space. As with many job sectors, the lodging and hospitality industry has struggled with a shortage of workers to fill jobs that support this industry, making it difficult to operate at pre-pandemic levels. The worker shortage has been an issue throughout the country.

Hotel Development

Portland continues to see investment in hotel projects by developers attracted to the strong tourism economy. Located next to City Hall, 385 Congress Street plans to construct a 156 guest-room full-service hotel with 9 condominiums, while 477 Congress plans to renovate a historic building into a 186 guest-room hotel. Currently under construction is the 48 guest-room Longfellow Hotel located at 754 Congress Street. New last year are the Aloft Hotel at 379 Commercial Street with 157 guestrooms, and the 135 guest-room Canopy Hotel at 1 Center Street.

Along with regional and nationally owned hotels as Aloft (157 rooms), AC Hotel (180), Embassy Suites (119), Hampton Inn Downtown (122), La Quinta (100), Press Hotel (110), Ramada Inn (119), Residence Inn by Marriott Waterfront (179), and Westin Portland Harborview (289) are twelve locally owned franchises of name-brand hotels such as Copy Hotel (135), Cambria Hotel (102), Clarion Hotel (149), Courtyard by Marriott (131), Fireside Inn & Suites (196), Hilton Garden Inn Airport (124), Hilton Garden Inn Waterfront (120), Holiday Inn by the Bay (239),

Hyatt Place (130), Inn at Diamond Cove (4), Portland Harbor Hotel (100), and Portland Regency Hotel (95). Boutique hotels that also support the local food, shopping and nightlife include The Francis (15), Blind Tiger Guest House (9), and Best Bower (6).

Pandemic Impact: Maine's hospitality and tourism market is one of the state's largest economic sectors with Portland at its center. Hotel development and ownership continues to be a successful bet as Maine's tourism industry leads the nation in recovery according to the U.S. Travel Association which found tourism up 25% in the first five months of 2022 over the same period in 2019. Portland's average daily rate (ADR) (the metric that measures the average rental revenue earned for an occupied room per day) is \$354 per night or the fourth highest in a recent survey of 30 hotel markets on the east coast. Staffing levels however continue to be a struggle as many hospitality businesses cannot find enough workers to fill vacancies.

Education

In September, the University of Southern Maine (USM) launched the third and final year of the Great University Campaign, the largest and most comprehensive fundraising initiative in its history. With \$39 million raised to date, the University is progressing towards its \$46 million campaign goal that will provide scholarships and student support, \$25 million for a new Center for the Arts, and \$5 million to complete the McGoldrick Center for Career & Student Success. The McGoldrick Center (scheduled to open in the summer of 2023) would create a vibrant campus hub for dining, socializing, events, and other activities within a green, energy-efficient building centered on student and employer engagement in Portland. The Center for the Arts venue, a signature piece of USM's Portland campus transformation, would feature flexible space for visual art exhibits and performing arts events within the 200-seat recital hall and provide a new home for USM's School of Music, moving both academic and performance programs from the Gorham campus to Portland.

In September, the University of New England (UNE) received Planning Board approval to construct the Harold and Bibby Alfond Center for Health Sciences at the Portland campus located at 780 Stevens Avenue. This four-story, \$80 million project would allow UNE to bring the College of Osteopathic Medicine (Maine's only medical school) and the Institute for Interprofessional Education and Practice into a brand new, state-of-the-art facility to increase its medical school class size and educate more urgently needed doctors.

In early November 2020, the Roux Institute, Northeastern University's newest regional campus, opened its doors at 100 Fore Street in Portland. This is the initial campus with plans for a permanent campus by 2024 at 1 Bean Pot Way. The future development of a mixed-use campus for the Roux Institute, includes academic buildings, office, lab, and incubator space, retail, hotel, and housing as well as publicly accessible open space. The Roux Institute would bring together graduate-level students and employer partners from Greater Portland for co-op positions with employers.

Maine College of Art received \$357,000 in funding during 2022 to expand on-line education and to hire additional staff, boost infrastructure needs, and fully integrate E-Learning with the campus. Enrollment has increased from a low of less than 330 in the last recession to nearly 500 in 2022 and was up in the fall of 2021 by 15 percent. This at a time when other higher education institutions

saw their numbers drop by 3.2 percent, on top of a 3.4 percent decline the previous year, according to the National Student Clearinghouse Research Center.

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 has consolidated hospital operations at its new Fore River campus and redevelopment has begun on its former State Street building. Construction on the Fore River campus was completed in 2022, wrapping up a \$74.7 million project.

Pandemic Impact: Along with all of Maine's hospitals, the two hospitals in Portland have suffered financial losses since the pandemic hit Maine. This is primarily due to the suspension of elective and preventative care, in order to prevent the spread of the virus and to care for patients with the COVID-19 virus. Now with patient volumes increasing as elective care and surgeries are offered again and CARES Act funding is provided to hospitals, financial challenges for hospitals have improved. The Mills administration announced on October 20, 2022, that the Maine Department of Health and Human Services would be providing an additional \$25 million in Covid-19 recovery funds to Maine hospitals. These funds will help with the recovery from the pandemic but also to address ongoing workforce recruitment and retainment challenges.

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.

Greater Portland METRO is the primary provider of bus service in Portland, and a critical piece of Portland's sustainable transportation strategy, providing service city-wide and beyond Portland's limits to commuters, tourists, and students. Though ridership went down in the midst of the pandemic, numbers have slowly risen, and METRO, in collaboration with the City of Portland, continues to strategize on creative ways to build a robust public transportation system.

Portland Bikeshare launched in summer 2022, providing a cost-effective, accessible, healthy mode of transportation for residents and visitors alike. One of the City of Portland's many transportation initiatives, and several years in the making, the City selected Tandem Mobility to launch the program, which is poised to expand in 2023.

The Portland International Jetport, located just 10 minutes from downtown, is Maine's largest airport and one of the fastest growing airports 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.

The Jetport has seen a strong recovery in passenger volumes throughout 2022, which is commensurate with the continued high air travel demand for leisure destinations such as Maine. "The number of seats for sale out of the Jetport in 2022 is down just 2% from 2019 pre-pandemic levels," noted Airport Director Paul Bradbury. Additionally, he mentioned, "The Jetport handled near record passenger volumes throughout the 2022 summer travel season with June 2022 hitting a record for that month of 209,334 total inbound and outbound passengers. Calendar year 2022 is projected to be the fourth busiest year in the Jetport's history serving more than 1.8 million travelers. The Jetport provides a robust connection to the nation's air transportation system with non-stop service to 16 seasonal and 10 year-round cities with up to 84 daily flights."

Ownership of the International Marine Terminal (IMT) was officially transferred to the Maine Port Authority in 2022. 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 a November 13, 2021, article in the Portland Press Herald, at least 36,700 shipping containers were expected to cross the docks at the IMT, which is five times the number of containers that came through the port in 2013 when Eimskip opened its headquarters in Portland. The number of containers coming through Portland has increased by 23 percent a year on average since Maine started investing tens of millions of dollars to modernize and expand the terminal more than a decade ago. The volume of containers moving through the port has more than doubled since 2017.

Construction on the new Maine International Cold Storage Facility began in August 2022. The 120,000 square foot cold storage facility to support Maine and Portland's growing food production industry will cost about \$40 million and should be fully operational with 16 employees in early 2024. In March 2022, a land swap between the City of Portland and the State of Maine was completed. The land swap resulted in the State taking ownership of the IMT while the City took 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 intends to 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 were substantially completed in August 2022. In March of 2022, the ferry service received a \$3.6 million federal grant to help build a replacement for the aged Maquoit II ferry.

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 first full season post COVID, the Port of Portland hosted 81 cruise ships that carried 122,992 passengers including 37,300 crew members. The largest of these vessels, Norwegian Breakaway carried over 4,750 passengers and crew and docked at the City's mega berth.

Portland once again hosted 6 Coast Guard vessels, the State of Maine training vessel, 36 small cruise ships (passengers under 1000) and 45 large cruise ships. We had 6 Maiden Voyages including our first Viking ship, an expedition ship which is a cruising model Portland had yet to see. A total of 4 small cruise ships canceled due to weather, while 3 large cruise ships requested berthing due to weather resulting in \$65,300 in additional revenue. Passenger fees totaled \$1,677,420. Cruise season 2023 is looking robust as well.

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, half a million people rode the Downeaster. This set a record with almost an eight percent increase from the previous year. Due to the Governor of Maine's "Stay Safer at Home" Executive Order, the AMTRAK Downeaster temporarily suspended all passenger rail service on 4/29/20 through 6/15/20 which impacted ridership and revenues. The Downeaster is back to a full schedule and has seen ridership rates bounce back to near 2019 levels.

Housing

Portland, like many other communities across the state and country, is dealing with issues around housing affordability and availability. The pandemic slowed construction/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 made new housing prices higher. However, Portland continues to make progress on its housing goals.

In 2022, 345 new housing units have been approved by the Planning Board as of this September, with over two hundred more currently in review. From conception through review, construction and a new home being occupied, a new housing project often takes multiple years to be ready for occupancy. Currently over 1,475 dwellings are under construction, 465 of which are dedicated affordable housing, representing the fruition of approvals over time. With over two thousand new homes approved since 2018, we can anticipate more to be completed and available to current and future residents of Portland in the years to come.

The housing being created across the city would not be happening without tools in place to encourage housing that fosters walkable, vibrant neighborhoods, and in many cases financial assistance toward those ends. Between 2018 and 2021, the City Council allocated \$5,868,513 in HOME and Housing Trust Funds towards the creation of 718 units of rental housing, 615 of which are reserved for low-income households. Responses to the 2022 Affordable Housing Development

Application, still in the review pipeline, include the renovation of 123 units of affordable housing in Riverton Park, and the creation of 278 new units of rental, homeownership and cooperative housing at all levels of affordability (including market rate, workforce housing, and low-income housing).

Examples of many of the exciting projects in-process in 2022 that will eventually create new homes and contribute to neighborhoods across the city:

- Riverton Dr. A rezoning of PHAs property on Riverton Drive to allow for more housing creation and the community and local business space.
- 385 Congress St/Herald Square. A Master Development Plan to redevelop an existing surface parking lot to include a phased, large-scale mixed-use project with a 152 room hotel, 297 dwelling units, structured parking, ground-floor retail space, and a plaza for public use at.
- 57 Douglass Street/Dougherty Commons. A City-owned land disposition initiative prioritized for housing creation, including mixed types of housing for different incomes and family sizes. 120 housing units total, 61 of which are dedicated affordable units.
- 54 York Street. - the adaptive reuse of the former Baxter Academy building to house 14 multifamily dwelling units and two ground-floor commercial spaces.
- 392 St. John Street - An infill project with nine new dwelling units and a small office space.
- 387 Deering Ave/Deering Avenue Residences - A 16-unit multifamily project comprising two multiplex buildings.

Major Initiatives

Recent development initiatives include several transformative projects, from housing to institutional expansions. From a new Cold Storage site and a new VA clinic in the City's changing western Waterfront, to the University of Southern Maine and the University of New England both receiving approvals for expansions as they seek to grow and invest in Portland, to the new Roux Institute proposal to create a campus here, major commercial and institutional investments in the City are underway. When Mercy Hospital consolidated its campus to the Fore River Parkway site, the State Street properties were rezoned and are in the process of being redeveloped to include hundreds of units of housing and a mix of other uses. Recent disposition of City property has also enabled several creative, high-density housing and commercial projects, including 52 Hanover Street and Douglass Commons among several others. 200 Federal Street is on track to be the tallest building in the state of Maine, contributing 263 new housing units to Portland's downtown.

The West Bayside neighborhood continues to transform from an industrial neighborhood of warehouses and aging apartment buildings to the home of restaurants, bars, small businesses, and the hot spot for new housing. With its proximity to the downtown, retailers, and entertainment the walkable neighborhood has seen the development of mid-market and luxury condominiums, along with mixed income rental, and housing for tenants 55 and older that has pumped more than \$133 million into the construction of five housing development projects. Eight commercial properties recently purchased for \$25 million ensures the continued investment in West Bayside.

Situated on the city block bounded by Congress Street, Myrtle Street, Cumberland Avenue, and Pearl Street, the development project at 385 Congress Street, to be called Herald Square, would create a 12-story 156 guest-room hotel with nine condominium units, a 110-unit condominium tower and a 193-unit condominium tower. The site would also include structured parking, a restaurant, and more than 12,000 square feet for seven retail units. The construction costs are estimated at between \$200 million and \$300 million.

IDEALS, a Maine non-profit corporation formed in 2018 with the intent of developing a graduate level institute targeting known talent gaps for digital and life-sciences companies in the greater Portland area, proposes the redevelopment of the 13-acre B&M Baked Beans site over a near (0-5 years), medium (10 years) and long (20 years +) term period. Construction during the near term includes the Roux Institute (Northeastern University's newest regional campus) academic building serving approximately 1,750 students along with 175 to 250 units of housing, and commercial space for retail, dining and a hotel. Expansion of the academic, residential and commercial spaces over the long term would eventually result in a campus serving up to 4,500 students, within 525 to 650 units of housing alongside 125,000 square feet of commercial space. Northeastern launched the Roux Institute with a \$100M investment by David and Barbara Roux and \$100M gift from the Harold Alfond Foundation.

When completed the Portland Foreside Redevelopment project at 58 Fore Street will consist of 60 businesses and 600 residential units. Within the 10-acre, eight-block lot, there will be a mix of housing (apartments and condominiums), office space, hotel lodging, restaurants, local and national retail, and outdoor spaces to promote communal gathering. The valuation of the project is estimated at \$440 million. Progress at the site includes the soon to be completed 77,000 square foot building home to Sun Life as well as other office, retail and restaurant space. At 115 Thames Street, the new restaurant Twelve, named one of the country's most anticipated restaurants by Vogue magazine is now open.

The Portland Technology Park is a business campus being developed by the City near Interstate 95, exit 47 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 its 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, and is listed with the Boulos Company, a Portland real estate broker. There has been some ongoing interest in Unit 1 but negotiations are in a very early stage

Plans

As of November 9, 2020, the Portland City Council adopted the 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 and its purpose is to create a new, unified development code to serve Portland for the 21st century. ReCode Phase I became effective as of December 1, 2020, and included new Accessory Dwelling Unit standards among other policy changes, as well as creating a more usable, coherent, modernized regulatory document. ReCode Portland Phase II is currently underway. An audit of the code to examine how the land use code holds up against the goals of Portland's Plan was completed this spring, with significant public outreach and engagement. 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 is currently underway. ReCode Phase II will include significant changes to housing policy, climate resiliency tools, and natural resource protections, such as the development of climate resiliency zoning tools and updating Portland's shoreland zoning regulations.

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. 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 \$18.6 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. As of June 30, 2022, 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:

- Annual tax-supported debt service not to exceed 12% of general fund expenditures.
- Annual tax-supported debt service not to exceed 1.5% of per capita income.
- Net debt per capita not to exceed \$5,000.
- Total outstanding debt should not exceed 5% of the State of Maine's equalized valuation of the City.

At June 30, 2022, the City was in full compliance with the debt management policy.

Changes to generally accepted accounting principles

For the fiscal year ended June 30, 2022, the City implemented several changes in accounting principles as required by the Government Accounting Standards Board (“GASB”). Those principles that had a significant impact on the City’s financial statements are GASB Statement 87, *Leases*; GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; GASB Statement 96, *Subscription-Based Information Technology Arrangements*; and GASB Statement 101, *Compensated Absences*.

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
Acting City Manager

Brendan T. O’Connell
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, 2021. This was the twenty-eighth 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

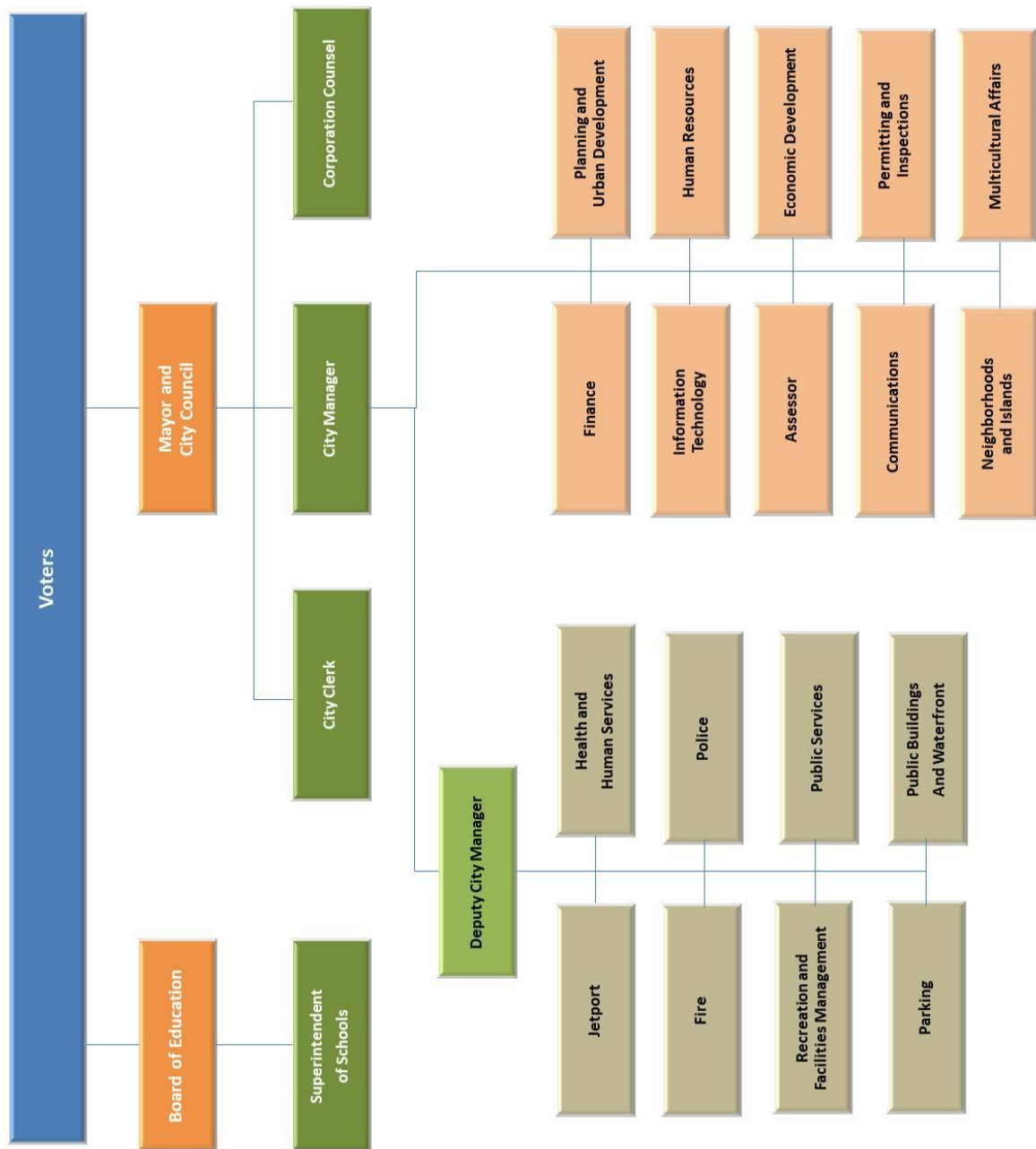
June 30, 2021

Christopher P. Morill

Executive Director/CEO

A 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, 2022



CITY OF PORTLAND, MAINE

Principal Executive Officers
As of June 30, 2022

City Council

Kate Snyder, Mayor

Anna Trevorrow, District 1
Victoria Pelletier, District 2
Tae Y. Chong, District 3
Andrew Zarro, District 4
Mark Dion, District 5

Pious Ali, At Large
April Fournier, At Large
Roberto Rodriguez, At Large

City Staff

Danielle West, Acting City Manager
Melissa Cowie, Acting City Clerk
Brendan T. O'Connell, Finance Director
Jen Thompson, Acting Corporation Counsel

Financial Section



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2022 (except for the Portland Fish Exchange which is as of and for the year ended April 30, 2022), and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion based on our audit and the report of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Portland, Maine, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Portland Public Library and the Portland Fish Exchange, discretely presented component units of the City of Portland, Maine. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Portland Public Library and the Portland Fish Exchange, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical



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

Emphasis of Matter

As discussed in Notes to the financial statements, in fiscal year 2023, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to

those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary 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 accompanying supplementary statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Supplementary statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information



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

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report (ACFR). The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2023 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.

Merrimack, New Hampshire
March 3, 2023

Management's Discussion and Analysis

As management of the City of Portland, Maine (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, 2022. 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 1-13 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, 2022, COVID-19 continued to affect the City's financial operations although to a lesser extent than in previous years. 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.

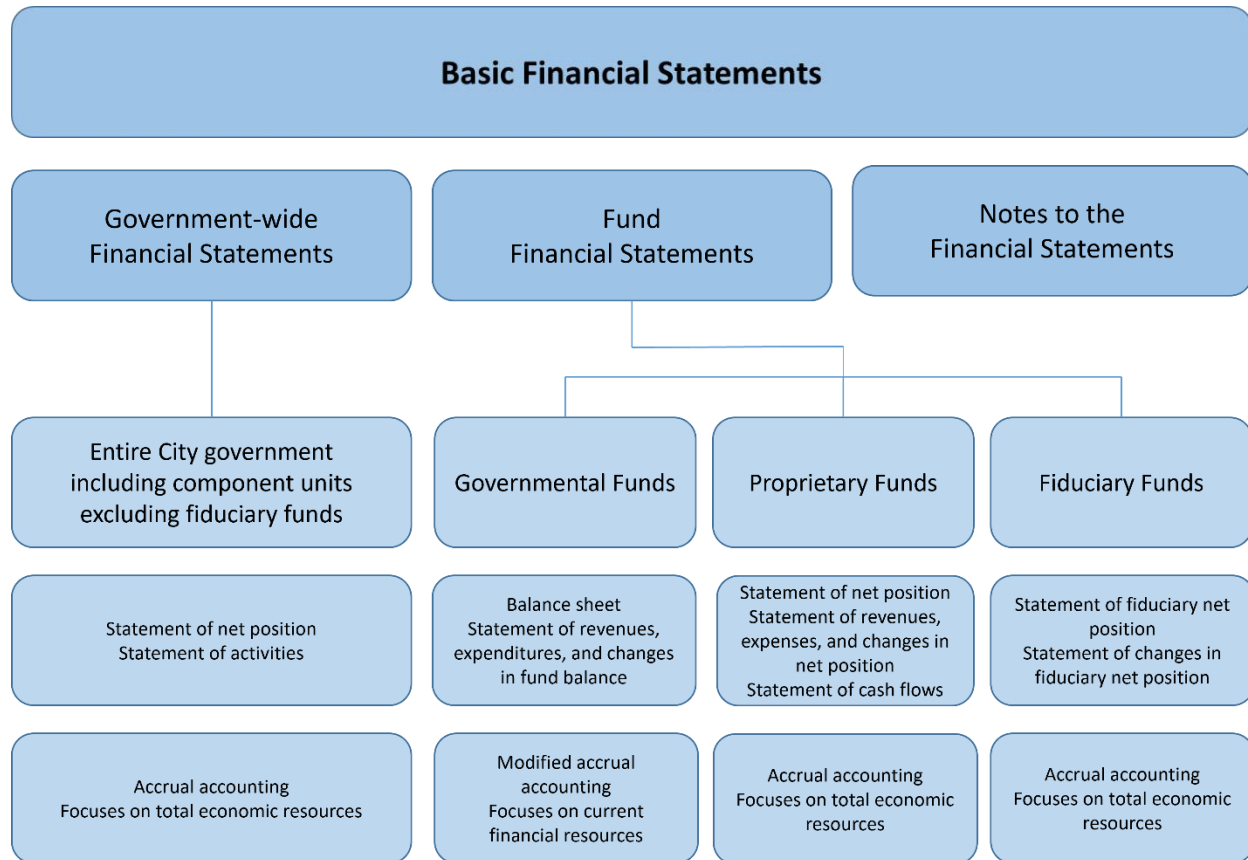
- The assets plus the deferred outflows of the City of Portland, Maine exceeded its liabilities plus deferred inflows at the close of the most recent fiscal year by \$483,847 (*Net Position*).
- The City's total net position increased by \$66,302. Of the total increase in net position, \$34,424 relates to the governmental funds and \$31,878 is attributed to the enterprise funds. The primary reasons for the increase in the governmental funds is due to continued strong property tax collections, increased revenues from licenses and permits, and higher than anticipated parking fees and other rental income. Revenue surpluses more than offset significant increases in expenditures, particularly for social services programs. The issuance of bonds to fund school improvements and other capital projects contributed significantly to the increase in governmental net position. The increase in net position in the enterprise funds can be attributed to increased passenger traffic and the receipt of CARES subsidies at the Jetport, and positive operating results in both the Sewer and Stormwater funds.
- As of the close of the current fiscal year, the City of Portland, Maine's governmental funds reported combined ending fund balances of \$207,444, an increase of \$20,521 compared to the prior year. The *unassigned fund balance* increased by \$3,771 to \$61,337 while *nonspendable, restricted, committed, and assigned* fund balance increased by \$16,750. In total, the general fund balance increased by \$4,960. The capital projects fund increased by \$18,059. The debt service fund increased by \$273, and other governmental funds decreased by \$2,807. The American Rescue Plan special revenue fund, a major fund in this fiscal year, increased by \$36.
- The City's total general obligation debt increased \$14,348 with the issuance of \$49,430 general obligation bonds and direct borrowings, less principal repayments of general obligation bonds and direct borrowings in the amount of \$35,082. Of the total amount issued, \$9,026 was issued to fund sewer improvements, \$32,460 was issued to fund school improvements, and \$7,944 was to fund general capital improvements approved by the City Council in prior years.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to 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.

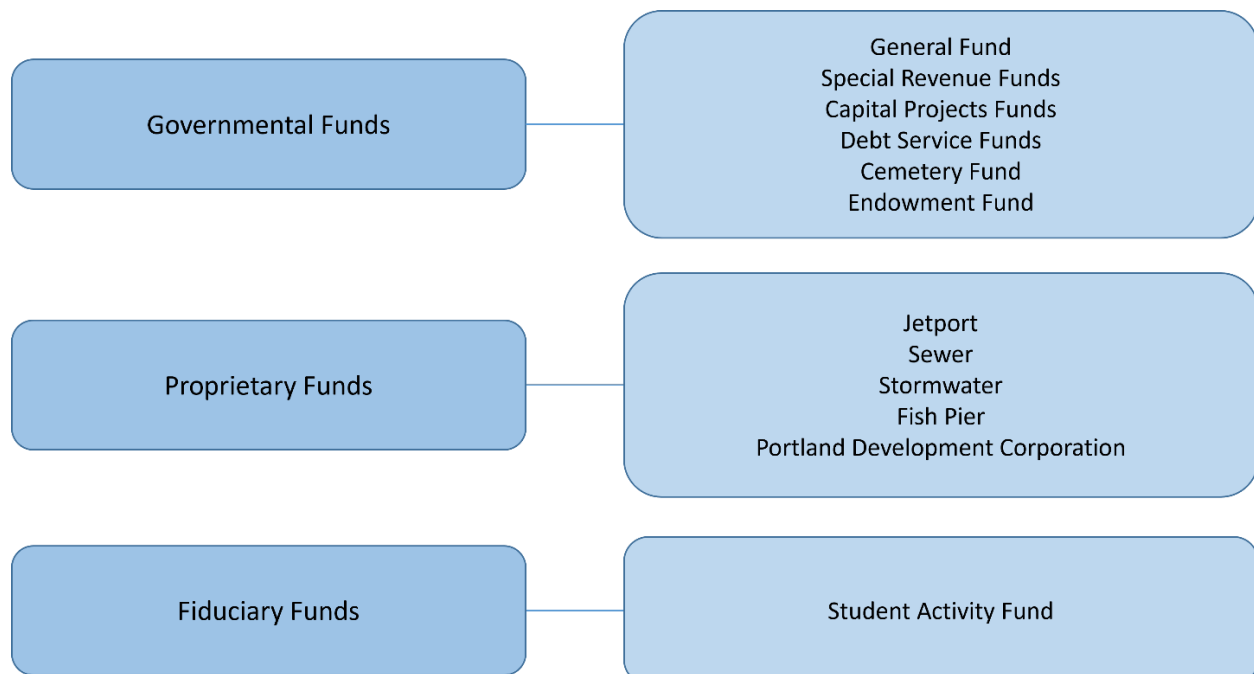
The *statement of activities* presents information showing how the City's *net position* changed during the most recent fiscal year. All the changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues 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.

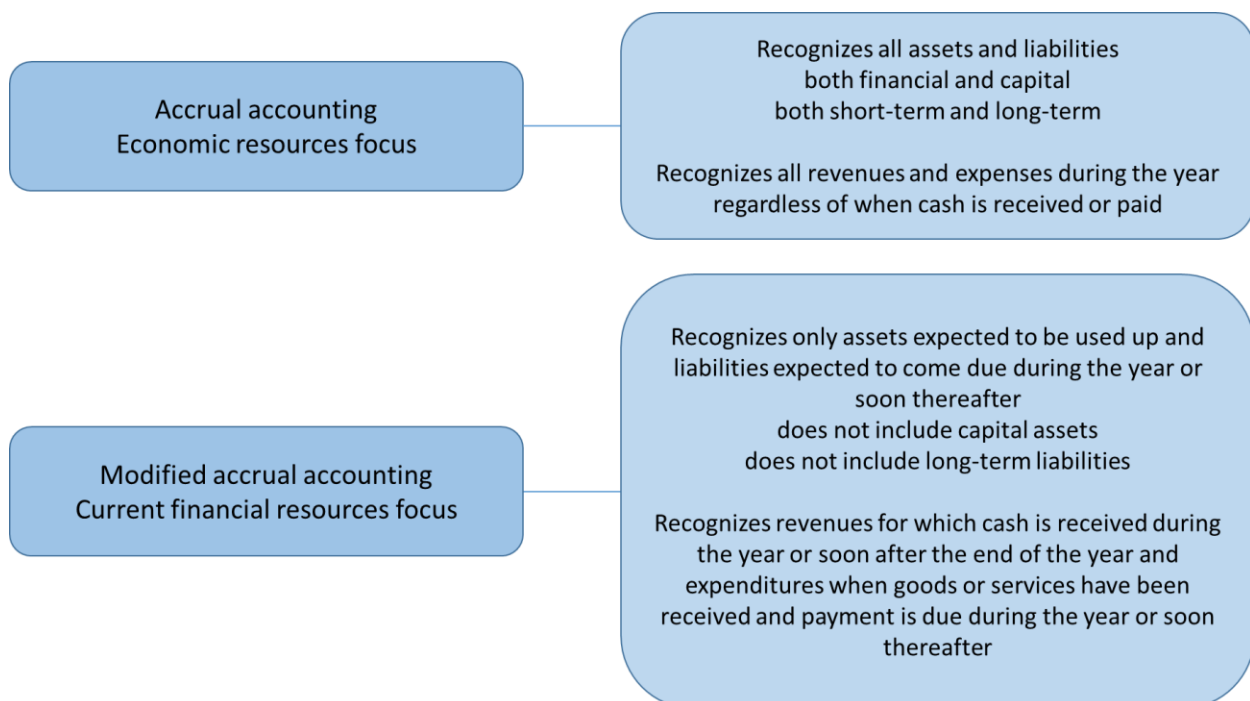


Governmental funds: These funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows 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 eleven 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, capital projects fund, and the American Rescue Plan special revenue 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 106-107.

The City of Portland adopts an annual appropriated budget for the 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 53-95.

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 97-103 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 2022 fiscal year were \$483,847, an increase of \$66,302 from \$417,543 at the end of fiscal year 2021.

Net Position Year Ended June 30, 2022 (With Comparison Totals for June 30, 2021)						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 300,126	\$ 249,768	\$ 144,417	\$ 135,719	\$ 444,543	\$ 385,487
Capital assets	425,611	371,203	411,073	364,290	836,684	735,493
Total assets	725,738	620,970	555,490	500,009	1,281,228	1,120,979
Deferred outflows of resources	33,523	19,108	2,774	2,518	36,297	21,626
Long-term liabilities, restated	350,024	353,823	230,707	237,178	580,731	591,001
Other liabilities	137,811	101,294	39,705	27,435	177,516	128,729
Total liabilities	487,835	455,117	270,412	264,613	758,247	719,730
Deferred inflows of resources	57,074	5,033	18,357	297	75,432	5,330
Net investment in capital assets	220,964	210,407	191,157	162,843	412,121	373,250
Restricted	58,429	57,092	5,683	4,362	64,112	61,454
Unrestricted (deficit), restated	(65,041)	(87,571)	72,653	70,410	7,612	(17,161)
Total net position	<u>\$ 214,352</u>	<u>\$ 179,928</u>	<u>\$ 269,495</u>	<u>\$ 237,615</u>	<u>\$ 483,847</u>	<u>\$ 417,543</u>

The change of unrestricted net position, from a deficit of \$17,161 to a \$7,612 is primarily due to continued strong property tax collections, increased receipts from licenses and permits, and higher than anticipated parking fees and other rental income contributed to revenue surpluses that more than offset significant increases in expenditures, particularly for social services programs. The issuance of bonds to fund school improvements and other capital projects contributed significantly to the increase in governmental net position. The increase in net position in the enterprise funds can be attributed to increased passenger traffic and the receipt of CARES subsidies at the Jetport, and positive operating results in both the Sewer and Stormwater funds.

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 (13.25%) represents resources that are subject to external restrictions on how they may be used.

Changes in Net Position Year Ended June 30, 2022 (With Comparison Totals for June 30, 2021)						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 58,543	\$ 61,093	\$ 59,936	\$ 49,054	\$ 118,479	\$ 110,147
Operating grants and contributions	106,618	81,229	615	336	107,233	81,565
Capital grants and contributions	2,522	1,740	19,739	7,048	22,261	8,788
General revenues:						
Property and other taxes	201,689	200,605	-	-	201,689	200,605
Grants and contributions not restricted to specific programs	17,429	13,657	6,316	9,610	23,745	23,267
Other	248	353	1,008	242	1,256	595
Total revenues	387,049	358,677	87,614	66,290	474,663	424,967
Expenses:						
General government	59,740	55,948	-	-	59,740	55,948
Public safety	45,804	47,551	-	-	45,804	47,551
Public works	21,618	22,403	-	-	21,618	22,403
Health and social services	63,088	48,807	-	-	63,088	48,807
Public library	4,746	3,833	-	-	4,746	3,833
Education	142,932	138,942	-	-	142,932	138,942
Transportation	3,020	2,877	28,328	27,341	31,348	30,218
Interest on long-term debt	11,680	10,883	-	-	11,680	10,883
Sewer	-	-	23,676	23,244	23,676	23,244
Stormwater	-	-	3,031	2,187	3,031	2,187
Fish Pier Authority	-	-	495	712	495	712
Real estate development/lending	-	-	204	542	204	542
Total expenses	352,628	331,245	55,734	54,026	408,362	385,271
Transfers in (out)	-	-	-	-	-	-
Increase (decrease) in net position	34,424	27,436	31,878	12,263	66,302	39,698
Net position - beginning, restated	179,927	190,945	237,616	225,832	417,543	416,777
Net position - end of year *	\$ 214,352	\$ 218,381	\$ 269,495	\$ 238,095	\$ 483,847	\$ 456,476
* Restating net position of the prior year due to changes resulting from the implementation of GASB No. 101, Compensated Absences, was not practical.						

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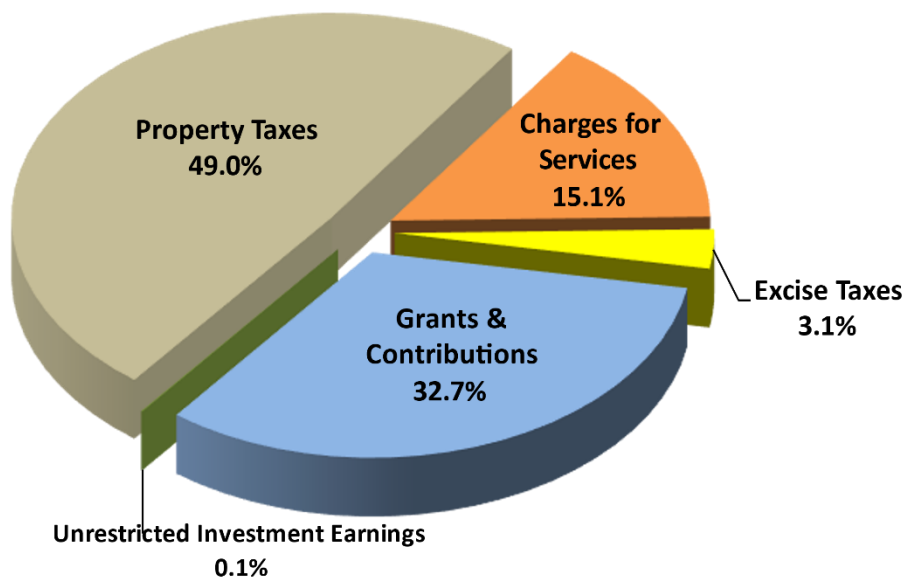
One of the largest items affecting net position is the change in the net pension liability. The decrease in net pension liability during fiscal year 2022 was \$44,129. This is the result of the change in investment earnings and other projections associated with the City's participation in the defined 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, 2022 is \$2,129; a combination of a net asset of \$3,072 for the City's pension plan and a net liability of \$5,201 for the Teacher's pension plan. Of the total \$37,685 liability for the City's school teachers, only \$5,201 is recorded by the City; the remaining \$32,484

is the State of Maine's proportionate share. At the end of fiscal year 2022, the deferred outflows of resources related to pensions were \$29,571; the deferred inflows were \$51,000.

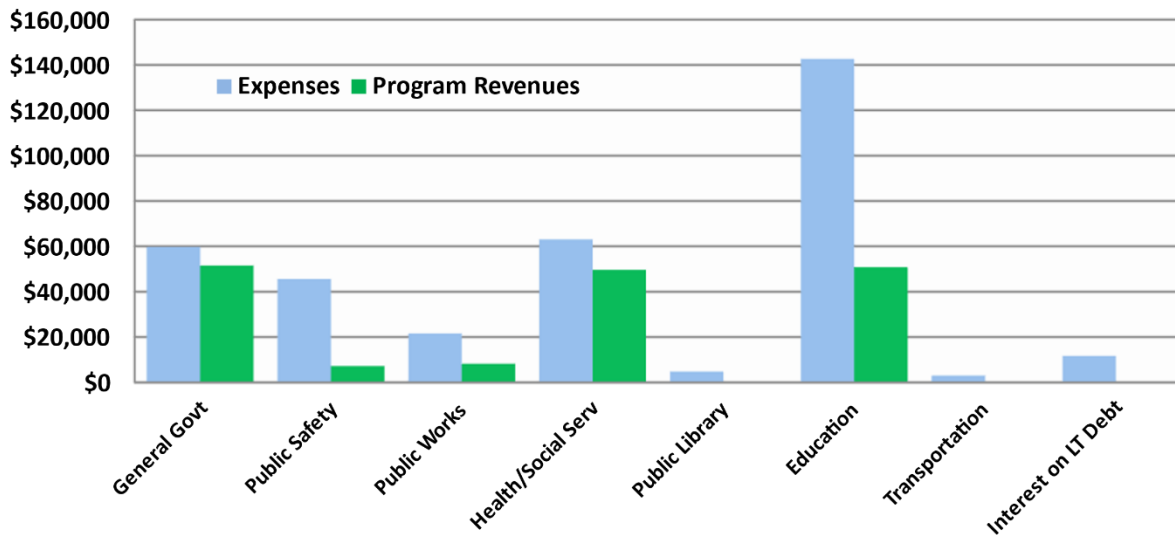
The City also has outstanding obligations relating to the group term life insurance and retiree health benefits plans administered by MainePERS and MEABT. The total OPEB liability at June 30, 2022 is \$23,045, of which \$20,657 relates to retiree health benefits for school employees. The City records 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 2022, the deferred outflows of resources related to OPEB were \$5,100 and the deferred inflows of resources were \$1,760.

Governmental activities: During the current fiscal year, continued strong tax collections and increases in other revenues more than offset increased expenses for social service programs and, combined with the issuance of bonds to fund school improvements and other capital projects, increased net position by \$34,424 compared to the prior fiscal year, for an ending balance of \$214,352.

**Revenue by Source – Governmental Activities
For the Year Ended June 30, 2022**

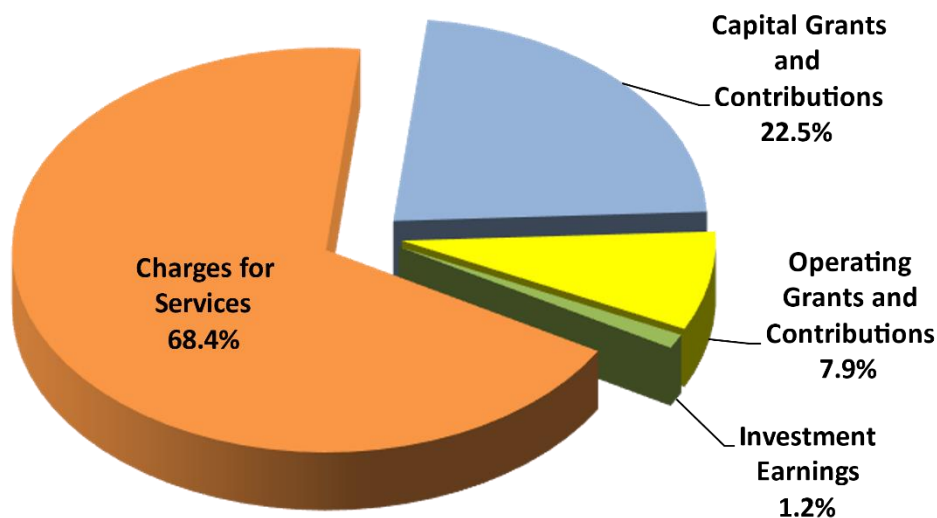


**Expenses and Program Revenues – Governmental Activities
For the Year Ended June 30, 2022**

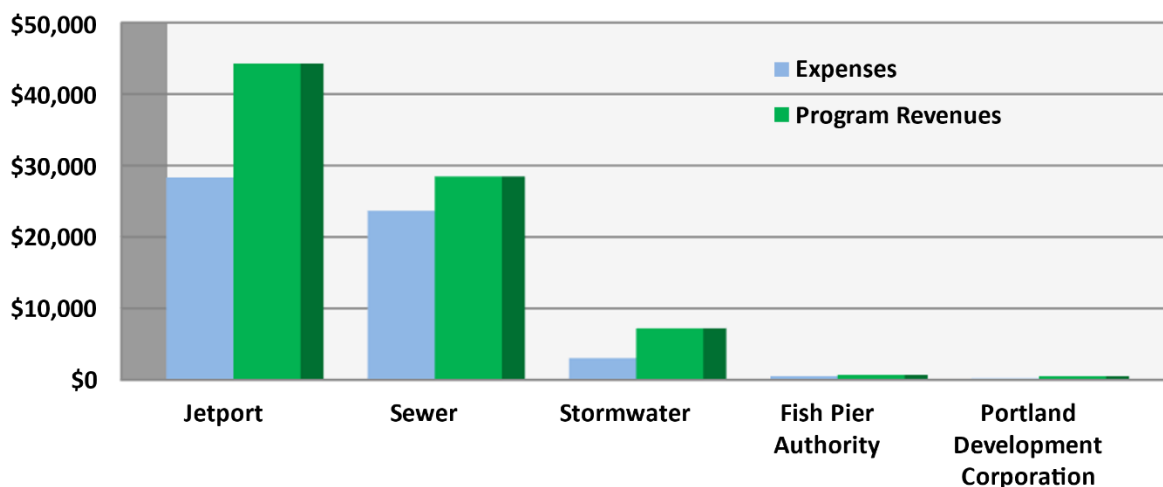


Business-type activities: For the City of Portland, Maine’s business activities, the results for the current year were positive in that the overall net position for business-type activities increased \$31,878 to an ending balance of \$269,495.

**Revenues by Source – Business-type Activities
For the Year Ended June 30, 2022**



Expenses and Program Revenues – Business-type Activities For the Year Ended June 30, 2022



Financial Analysis of Governmental Funds

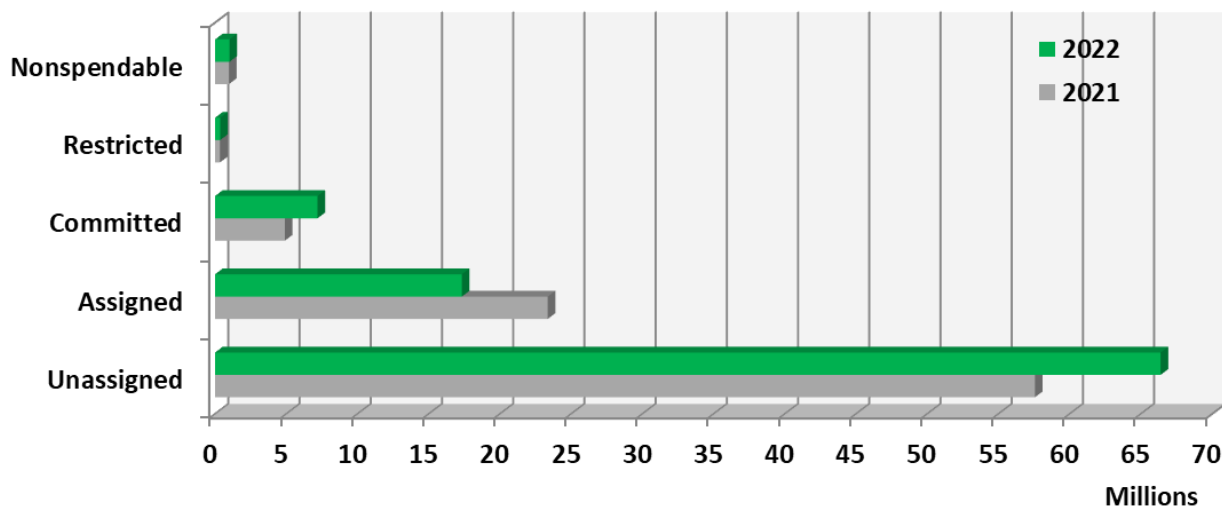
The City of Portland, Maine uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

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, 2022, the City of Portland, Maine's governmental funds reported combined fund balance of \$207,444, an increase of \$20,521. Approximately 30% of this amount, or \$61,337, 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 June 30, 2022		
	Amount	Percent of Total
Nonspendable	\$ 1,012	1.1%
Externally restricted	360	0.4%
Internally committed	7,191	7.8%
Assigned to a particular purpose	17,326	18.8%
Unassigned and available for spending	66,210	71.9%

General Fund Components of Fund Balance June 30, 2022



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 \$66,210; total fund balance was \$92,099. 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 \$4,960 during the 2022 fiscal year.

The capital projects fund, a major fund, had an increase of \$18,059 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.

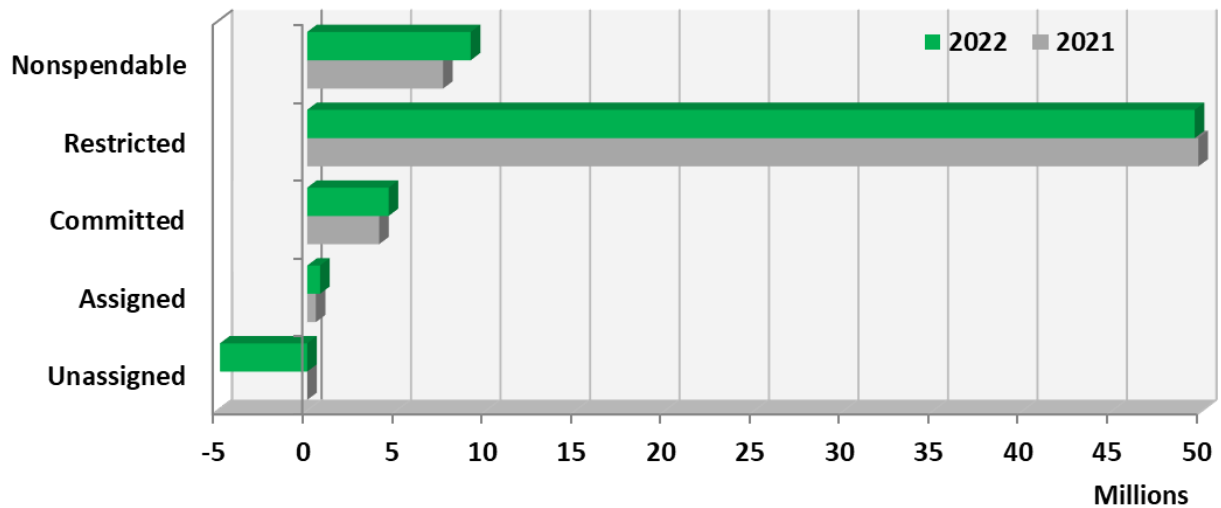
The debt service fund, also a major fund, had an increase of \$273 in fund balance. This was the result of the assignment of additional funds for the payment of future debt service relating to outstanding pension obligation bonds.

The American Rescue Plan special revenue fund, a major fund in the 2022 fiscal year, increased \$36 as a result of investment earnings.

The non-major governmental funds had a decrease of \$2,807, due primarily to operations of school special revenue programs.

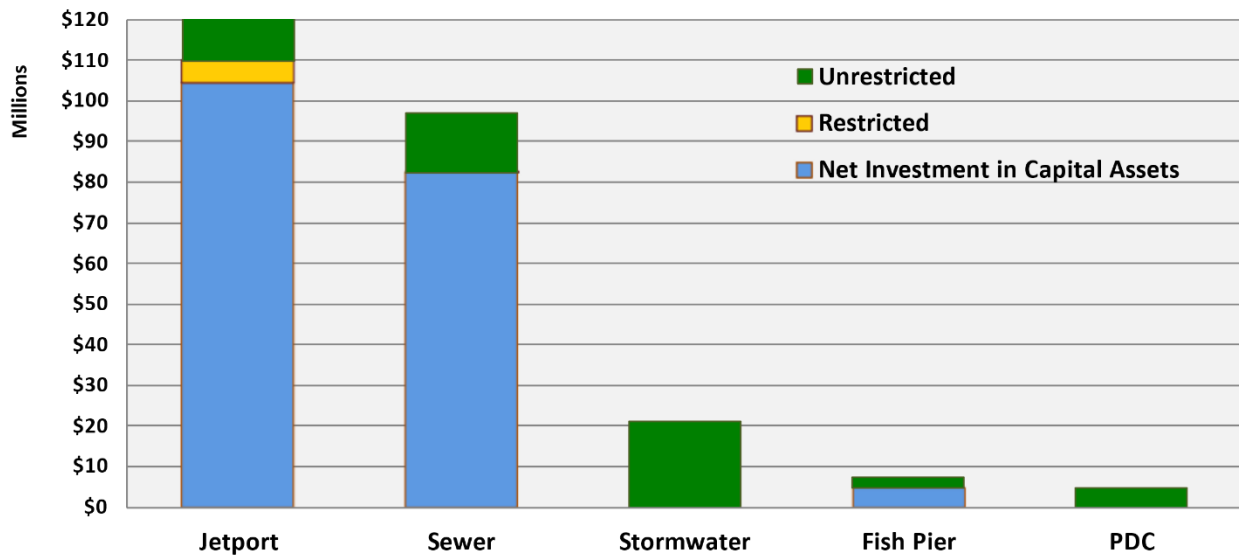
Capital Projects, Debt Service, and Other Governmental Funds Components of Fund Balance, June 30, 2022		
	Amount	Percent of Total
Nonspendable	\$ 9,137	7.9%
Externally restricted	91,398	79.2%
Internally committed	4,550	4.0%
Assigned to a particular purpose	15,132	13.1%
Unassigned	(4,873)	(4.2%)

Other Governmental Funds Components of Fund Balance June 30, 2022



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 \$269,495, an overall increase of \$31,878. Net position increased from \$117,158 to \$139,457 in the Jetport; increased from \$90,444 to \$97,007 in Sewer; increased from \$18,627 to \$20,963 in Stormwater; increased from \$4,231 to \$4,663 in the Portland Development Corporation; and increased from \$7,157 to \$7,405 in the Fish Pier Authority.

Proprietary Funds – Net Position June 30, 2022



Net position restricted for operating maintenance and renewal and replacement in the enterprise funds totaled \$5,683 at the end of the 2022 fiscal year. The following table summarizes restricted net position at year end and also the amount and percentage increase (decrease) from June 30, 2021.

Restricted Net Position	Amount	Percentage of Total	Increase / (Decrease) from 2021	Percentage Increase / (Decrease)
Jetport	\$ 5,590	98%	\$ 1,312	31%
Sewer	93	2%	9	11%
Stormwater	-	0%	-	0%
Fish Pier Authority	-	0%	-	0%
Portland Development Corporation	-	0%	-	0%
Total	\$ 5,683	100%	\$ 1,321	

The increase of \$1,312 in restricted net position in the Jetport is attributed to increases in required reserves for Jetport operating maintenance. The increase of \$9 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 \$15,432 due to continued strong property tax collections, increased revenues from licenses and permits, higher than anticipated parking fees and rental income. and significant increases in intergovernmental receipts.

Expenditures were \$1,668 over amounts budgeted, the most significant variance being in health and human services due to increases costs of social services programs. Total expenditures were 13.4% higher compared to the prior year overall and 16.0% higher in health and social services programs.

Refer to Statement 5 on pages 45-47, Schedules B-1 and B-2 on pages 110-111, and the notes to the financial statements on pages 53-95 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, 2022, and the percentage of increases (decreases) from the year ended June 30, 2021.

Revenues	Amount	Percentage of Total	Increase / (Decrease) from 2021	Percentage Increase / (Decrease)
General property taxes	\$ 187,639	50%	\$ (1,466)	-1%
Excise taxes	11,922	3%	(198)	-2%
Licenses and permits	9,247	2%	1,895	26%
Fines, forfeits and penalties	2,201	1%	221	11%
Uses of money and property	10,538	3%	3,230	44%
Intergovernmental	46,786	13%	22,189	90%
Charges for services	34,253	9%	655	2%
Education	31,017	8%	8,609	38%
Other	13,214	4%	388	3%
Interdepartmental charges	27,226	7%	2,052	8%
Total	<u>\$ 374,043</u>	<u>100%</u>	<u>\$ 37,576</u>	

General fund expenditures on the budgetary basis for the year ended June 30, 2022 and the corresponding increases (decreases) and percentages from the prior year are as follows:

Expenditures	Amount	Percentage of Total	Increase / (Decrease) from 2021	Percentage Increase / (Decrease)
General government	\$ 31,581	9%	\$ 4,879	18%
Public safety	38,535	11%	3,766	11%
Public works	14,696	4%	2,123	17%
Health and social services	57,921	16%	17,445	43%
Public library	4,385	1%	662	18%
Education	123,648	34%	9,683	9%
Pension and employee insurance	31,585	9%	439	1%
Other	12,019	3%	669	6%
Debt service	47,726	13%	2,922	7%
Capital	-	0%	138	-100%
Total	<u>\$ 362,096</u>	<u>100%</u>	<u>\$ 42,725</u>	

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, 2022 increased \$2,052 or 8.2%. 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 2021	Percentage Increase / (Decrease)
General government	\$ 2,323	9%	\$ (7)	0%
Public safety	1,754	6%	18	1%
Public works	1,202	4%	220	22%
Pension and employee insurance	2,321	9%	(78)	-3%
Debt service	19,627	72%	1,899	11%
Total	<u>\$ 27,226</u>	100%	<u>\$ 2,052</u>	

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, 2022 amounts to \$836,684 (net of accumulated depreciation). The investment in capital assets includes land, buildings, machinery, equipment, right-to-use leased assets and infrastructure. During the fiscal year the City implemented a new accounting standard for leases that resulted in an increase in net capital assets of \$39,585. The total increase for the current year was approximately \$91,556 or 12.3%. Depreciation/amortization expense (net of disposals) for the year was \$29,884 while additions (net of disposals) were

City of Portland, Maine's capital assets						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Capital assets not being depreciated						
Land	\$ 25,117	\$ 25,117	\$ 22,951	\$ 18,431	\$ 48,068	\$ 43,547
Construction in progress	30,395	24,748	88,029	56,688	118,424	81,436
Capital assets being depreciated, net						
Buildings and improvements	135,897	126,120	96,361	100,807	232,258	226,927
Right-to-use leased buildings, restated	39,018	8,875	-	-	39,018	8,875
Improvements other than buildings	22,120	22,560	58,762	50,413	80,882	72,973
Machinery and equipment	24,201	26,708	8,599	9,646	32,800	36,354
Right-to-use leased equipment, restated	567	759	-	-	567	759
Infrastructure	148,297	145,951	136,370	128,305	284,667	274,256
Total	<u>\$ 425,611</u>	<u>\$ 380,837</u>	<u>\$ 411,073</u>	<u>\$ 364,291</u>	<u>\$ 836,684</u>	<u>\$ 745,128</u>

\$121,440.

-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 2022 fiscal year, the City had total bonded debt outstanding of \$490,911. Of this amount, \$398,446 comprised general obligation bonds and direct borrowings backed by the full faith and credit of the City. The remaining \$92,465 consisted of revenue bonds secured solely by Jetport operating revenues and passenger surcharges.

Total bonded debt increased \$12,238, or 2.6%, during the 2022 fiscal year as new general obligation debt issues exceeded general obligation principal repayments by \$14,348, and revenue

bond principal repayments were \$2,110 with no new revenue bonds issued. The City issued \$49,430 in new debt: \$32,460 for improvements to schools and \$16,970 for new capital improvement projects which included \$9,026 for improvements to the City's sewer and stormwater infrastructure.

City of Portland, Maine's outstanding bonded debt						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 251,773	\$ 236,350	\$ 82,807	\$ 79,080	\$ 334,580	\$ 315,430
Notes from direct borrowings	14,706	16,258	49,160	52,410	63,866	68,668
Revenue bonds	-	-	92,465	94,575	92,465	94,575
Total	\$ 266,479	\$ 252,608	\$ 224,432	\$ 226,066	\$ 490,911	\$ 478,673

The City of Portland, Maine maintains an "Aa1" rating from Moody's Investor Services and an "AAA" 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 \$1,814,333. Outstanding debt of \$385,631 is 21.25% 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 84-88.

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 2022-2023 fiscal year budgets:

- Diminishing, yet continued 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 2023 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 an increase of 4.8% in the tax rate of \$12.99 mills to \$13.61 mills, with a fund balance utilization component of \$2.18 million 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

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Basic Financial Statements



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CITY OF PORTLAND, MAINE
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Portland Public Library	Portland Fish Exchange (as of April 30, 2022)
ASSETS					
Cash and cash equivalents	\$ 223,016,726	\$ 92,611,186	\$ 315,627,912	\$ 1,135,992	\$ 89,703
Investments	28,996,089	-	28,996,089	7,501,808	-
Taxes receivable	3,077,892	-	3,077,892	-	-
Accounts receivable, net	8,361,398	6,079,433	14,440,830	3,614,705	76,537
Loans and notes receivable, net	1,266,956	1,779,272	3,046,228	-	-
Due from other governments	24,394,691	12,021,461	36,416,151	-	-
Leases receivable	6,722,299	16,375,864	23,098,164	-	-
Inventories	1,036,880	628,007	1,664,887	-	39,453
Prepaid expenses	106,273	310,445	416,717	49,391	34,674
Restricted assets-cash and cash equivalents	3,147,094	14,459,468	17,606,561	620,768	-
Net pension assets	-	152,632	152,632	-	-
Capital assets:					
Land	25,116,587	22,951,381	48,067,968	162,500	-
Construction in progress	30,394,917	88,029,016	118,423,932	-	-
Buildings and improvements, net	174,914,503	96,361,356	271,275,860	3,083,825	-
Improvements other than buildings, net	22,120,487	58,761,672	80,882,159	-	35,108
Machinery and equipment, net	24,768,090	8,599,404	33,367,494	126,239	147,019
Infrastructure, net	148,296,812	136,370,366	284,667,177	-	-
Total assets	<u>\$ 725,737,692</u>	<u>\$ 555,490,962</u>	<u>\$ 1,281,228,655</u>	<u>\$ 16,295,228</u>	<u>\$ 422,494</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of pension resources	\$ 28,576,418	\$ 994,159	\$ 29,570,577	\$ -	\$ -
Deferred outflows - other post-employment benefits	4,946,836	153,491	5,100,327	-	-
Deferred outflows of refunding bonds	-	1,626,332	1,626,332	-	-
Total deferred outflows of resources	<u>\$ 33,523,254</u>	<u>\$ 2,773,982</u>	<u>\$ 36,297,235</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES					
Accounts payable	\$ 13,259,220	\$ 17,794,049	\$ 31,053,269	\$ 49,515	\$ 48,552
Accrued liabilities	32,644,754	8,598,118	41,242,872	368,970	143,306
Unearned revenue	38,792,085	144,456	38,936,541	-	-
Noncurrent liabilities:					
Due within one year	53,115,063	13,168,432	66,283,495	29,460	10,158
Due in more than one year	350,023,634	230,707,864	580,731,498	667,499	-
Total liabilities	<u>\$ 487,834,756</u>	<u>\$ 270,412,919</u>	<u>\$ 758,247,674</u>	<u>\$ 1,115,444</u>	<u>\$ 202,016</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - lease related	6,538,225	16,132,778	\$ 22,671,003	\$ -	\$ -
Deferred inflows of pension resources	48,823,626	2,176,844	51,000,471	-	-
Deferred inflows - other post-employment benefits	1,712,431	47,620	1,760,051	-	-
Total deferred inflows of resources	<u>\$ 57,074,282</u>	<u>\$ 18,357,242</u>	<u>\$ 75,431,525</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION					
Net investment in capital assets	\$ 220,963,681	\$ 191,157,602	\$ 412,121,284	\$ 2,675,605	\$ 171,969
Restricted for:					
Operating maintenance	-	5,590,663	5,590,663	-	-
Loan programs	1,348,609	-	1,348,609	-	-
Education	2,459,391	-	2,459,391	-	-
Tax increment financing districts	3,909,513	-	3,909,513	-	-
Other grants and special revenue	24,537,501	-	24,537,501	-	-
Permanent funds, expendable	17,168,290	-	17,168,290	6,760,965	-
Permanent funds, nonexpendable	9,005,923	-	9,005,923	3,726,027	-
Renewal and replacement	-	93,145	93,145	-	-
Unrestricted (deficit)	(65,041,001)	72,653,373	7,612,372	2,017,184	48,509
Total net position	<u>\$ 214,351,908</u>	<u>\$ 269,494,783</u>	<u>\$ 483,846,691</u>	<u>\$ 15,179,784</u>	<u>\$ 220,478</u>

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, 2022

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position				Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Business-type Activities	Total	Portland Public Library	Portland Fish Exchange for the year ended April 30, 2022
Primary government:									
Governmental activities:									
General government	\$ 59,740,031	\$ 32,339,452	\$ 18,167,509	\$ 1,051,481	\$ (8,181,588)	\$ -	\$ (8,181,588)	\$ -	\$ -
Public safety	45,803,842	6,584,121	632,422	-	(38,587,299)	-	(38,587,299)	-	-
Public works	21,618,213	3,670,043	3,051,408	1,471,070	(13,425,692)	-	(13,425,692)	-	-
Health and social services	63,087,752	15,100,462	34,555,248	-	(13,432,042)	-	(13,432,042)	-	-
Public library	4,746,412	-	-	-	(4,746,412)	-	(4,746,412)	-	-
Education	142,931,682	849,420	50,212,368	-	(91,869,895)	-	(91,869,895)	-	-
Transportation	3,020,148	-	-	-	(3,020,148)	-	(3,020,148)	-	-
Interest on long-term debt	11,679,811	-	-	-	(11,679,811)	-	(11,679,811)	-	-
Total governmental activities	\$ 352,627,892	\$ 58,543,498	\$ 106,618,955	\$ 2,522,551	\$ (184,942,888)	\$ -	\$ (184,942,888)	\$ -	\$ -
Business-type activities:									
Jepport	\$ 28,328,764	\$ 23,806,522	\$ 124,555	\$ 19,739,703	\$ -	\$ 15,342,016	\$ 15,342,016	\$ -	\$ -
Sewer	23,676,940	28,456,821	-	-	-	4,779,881	4,779,881	-	-
Stormwater	3,031,235	7,107,385	-	-	-	4,076,151	4,076,151	-	-
Fish Pier Authority	495,787	563,115	-	-	-	67,328	67,328	-	-
Portland Development Corporation	204,769	3,077	490,559	-	-	288,867	288,867	-	-
Total business-type activities	\$ 55,737,494	\$ 59,936,920	\$ 615,114	\$ 19,739,703	\$ -	\$ 24,554,242	\$ 24,554,242	\$ -	\$ -
Total primary government	\$ 408,365,386	\$ 118,480,418	\$ 107,234,069	\$ 22,262,253	\$ (184,942,888)	\$ 24,554,242	\$ (160,388,646)	\$ -	\$ -
Component units:									
Portland Public Library	\$ 6,511,929	\$ 229,060	\$ 5,871,216	\$ 2,872,703			\$ 2,461,050	\$ 2,461,050	\$ -
Portland Fish Exchange	1,112,269	840,459	-	41,273			-	-	(230,537)
(for the year ended April 30, 2022)	\$ 7,624,198	\$ 1,069,519	\$ 5,871,216	\$ 2,913,976			\$ 2,461,050	\$ 2,461,050	\$ (230,537)
General revenues:									
Property taxes					\$ 189,766,858	\$ -	\$ 189,766,858	\$ -	\$ -
Excise taxes					11,922,198	-	11,922,198	-	-
Grants and contributions not restricted to specific programs					17,429,214	6,315,542	23,744,756	-	-
Unrestricted investment earnings					248,652	1,008,431	1,257,083	440,459	1,608
Total general revenues					\$ 219,366,924	\$ 7,323,973	\$ 226,690,896	\$ 440,459	\$ 1,608
Change in net position					34,424,036	31,878,215	66,302,250	2,901,509	(228,929)
Net position - beginning, restated					179,927,873	237,616,568	417,544,441	12,278,275	449,407
Net position - ending					\$ 214,351,908	\$ 269,494,783	\$ 483,846,691	\$ 15,179,784	\$ 220,478

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

CITY OF PORTLAND, MAINE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 91,935,901	\$ 14,414,958	\$ 45,484,282	\$ 29,618,859	\$ 44,709,820	\$ 226,163,820
Investments	3,979,122	-	-	-	25,016,967	28,996,089
Taxes receivable	3,077,892	-	-	-	-	3,077,892
Accounts receivable	8,167,324	-	1,095,000	-	80,815	9,343,139
Allowance for uncollectible accounts	(981,741)	-	-	-	-	(981,741)
Loans receivable	-	-	-	-	1,335,631	1,335,631
Allowance for uncollectible loans	-	-	-	-	(68,675)	(68,675)
Due from other governments	14,408,114	-	-	-	9,986,577	24,394,691
Leases receivable	6,722,299	-	-	-	-	6,722,299
Interfunds receivable	8,193,494	-	-	-	-	8,193,494
Inventories	905,707	-	-	-	131,173	1,036,880
Prepaid expenditures	106,273	-	-	-	-	106,273
Total assets	<u>\$ 136,514,385</u>	<u>\$ 14,414,958</u>	<u>\$ 46,579,282</u>	<u>\$ 29,618,859</u>	<u>\$ 81,192,307</u>	<u>\$ 308,319,791</u>
LIABILITIES						
Accounts payable	\$ 7,336,699	\$ -	\$ 3,744,736	\$ 131,100	\$ 2,046,685	\$ 13,259,220
Accrued liabilities	20,518,292	-	1,028,238	-	7,336,131	28,882,661
Interfunds payable	-	-	-	-	8,193,494	8,193,494
Claims and judgments	1,464,615	-	-	-	-	1,464,615
Unearned revenue	4,812,179	-	-	29,451,878	4,528,028	38,792,085
Total liabilities	<u>\$ 34,131,786</u>	<u>\$ -</u>	<u>\$ 4,772,974</u>	<u>\$ 29,582,978</u>	<u>\$ 22,104,338</u>	<u>\$ 90,592,075</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	\$ 3,745,569	\$ -	\$ -	\$ -	\$ -	\$ 3,745,569
Lease related	6,538,225	\$ -	\$ -	\$ -	\$ -	6,538,225
Total deferred inflows of resources	<u>\$ 10,283,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,283,795</u>
FUND BALANCES						
Nonspendable:						
Inventories and prepaid expenditures	\$ 1,011,980	\$ -	\$ -	\$ -	\$ 131,173	\$ 1,143,153
Permanent funds	-	-	-	-	9,005,923	9,005,923
Restricted:						
Capital projects	-	-	41,806,309	-	299,408	42,105,716
Career and technical education	360,236	-	-	-	-	360,236
Other grants and special revenue	-	-	-	35,881	32,087,961	32,123,841
Permanent funds	-	-	-	-	17,168,290	17,168,290
Committed:						
Debt service	2,549,764	-	-	-	-	2,549,764
Capital improvement	1,241,633	-	-	-	3,194,395	4,436,027
Loan programs	-	-	-	-	1,230,956	1,230,956
Revaluation	155,174	-	-	-	-	155,174
Self-insurance programs	803,500	-	-	-	-	803,500
Recodification	95,000	-	-	-	-	95,000
Subsequent years expenditure	2,346,376	-	-	-	125,000	2,471,376
Assigned:						
Barron Center resident benefits	104,143	-	-	-	-	104,143
Capital Improvement	1,971,420	-	-	-	-	1,971,420
Debt service	-	14,414,958	-	-	-	14,414,958
Medicaid settlements	300,000	-	-	-	-	300,000
Casco Bay Island Transit District	-	-	-	-	717,430	717,430
Self insurance programs	14,950,000	-	-	-	-	14,950,000
Unassigned	66,209,579	-	-	-	(4,872,566)	61,337,013
Total fund balances	<u>\$ 92,098,804</u>	<u>\$ 14,414,958</u>	<u>\$ 41,806,309</u>	<u>\$ 35,881</u>	<u>\$ 59,087,970</u>	<u>\$ 207,443,921</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 136,514,385</u>	<u>\$ 14,414,958</u>	<u>\$ 46,579,282</u>	<u>\$ 29,618,859</u>	<u>\$ 81,192,307</u>	<u>\$ 308,319,791</u>

Continued

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

CITY OF PORTLAND, MAINE
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

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 \$ 207,443,921

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.		425,611,396
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		3,745,569
Accrued interest payable on long-term liabilities is not reported in the funds.		(2,297,478)
Deferred inflows and outflows of pension resources are not financial resources nor are they available to pay current-period expenditures:		
Deferred outflows	\$ 28,576,418	
Deferred inflows	<u>(48,823,626)</u>	(20,247,208)

Deferred inflows and outflows of OPEB resources are not financial resources
nor are they available to pay current-period expenditures:

Deferred outflows	\$ 4,946,836	
Deferred inflows	<u>(1,712,431)</u>	3,234,405

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

General obligation bonds	\$ (251,772,791)	
Premium on bonds	(14,758,271)	
Notes payable from direct borrowings	(14,706,099)	
Leases payable	(39,228,657)	
Subscriptions payable	(57,312)	
Self-insurance	(7,436,965)	
Compensated absences	(49,990,580)	
Net pension liability	(2,281,922)	
Net and total OPEB liability	<u>(22,906,100)</u>	<u>(403,138,697)</u>

Net position of governmental activities	\$ 214,351,908
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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, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
General property taxes	\$ 182,245,985	\$ -	\$ -	\$ -	\$ 6,675,426	\$ 188,921,412
Excise taxes	11,922,198	-	-	-	-	11,922,198
Licenses and permits	9,247,452	-	-	-	611,113	9,858,565
Fines, forfeits and penalties	2,201,264	-	-	-	-	2,201,264
Uses of money and property	10,721,754	6,884	-	35,881	170,716	10,935,234
Investment income (loss)	-	-	-	-	(2,101,208)	(2,101,208)
Intergovernmental	85,235,191	-	-	8,088,774	30,088,807	123,412,772
Current services	34,864,188	-	-	-	3,034,107	37,898,295
Miscellaneous	-	-	-	-	992,560	992,560
Capital contributions	18,908	-	1,095,000	-	-	1,113,908
Total revenues	\$ 336,456,939	\$ 6,884	\$ 1,095,000	\$ 8,124,655	\$ 39,471,521	\$ 385,154,998
Expenditures						
Current:						
General government	\$ 23,774,055	\$ -	\$ -	\$ 7,098,320	\$ 9,235,352	\$ 40,107,728
Public safety	36,216,857	-	-	-	1,116,897	37,333,754
Public works	12,423,324	-	-	-	1,034,030	13,457,354
Health and social services	50,808,643	-	-	990,454	6,418,461	58,217,558
Public library	4,387,116	-	-	-	-	4,387,116
Education	117,461,739	-	-	-	20,758,829	138,220,568
Pension and employee insurance	27,769,097	-	-	-	-	27,769,097
Other	11,994,554	-	-	-	-	11,994,554
Debt service:						
Principal	27,401,041	-	-	-	286,326	27,687,367
Interest	13,636,851	-	-	-	19,708	13,656,559
Capital outlay	32,442,433	-	31,490,942	-	2,869,443	66,802,818
Total expenditures	\$ 358,315,711	\$ -	\$ 31,490,942	\$ 8,088,774	\$ 41,739,046	\$ 439,634,473
Excess (deficiency) of revenues over (under) expenditures	\$ (21,858,772)	\$ 6,884	\$ (30,395,942)	\$ 35,881	\$ (2,267,525)	\$ (54,479,474)
Other financing sources (uses)						
Transfers in	2,210,653	266,462	7,919,827	-	4,687,658	15,084,599
Transfers out	(7,945,534)	-	(1,912,003)	-	(5,227,062)	(15,084,599)
Sale of city property	1,051,481	-	-	-	-	1,051,481
Leases (as lessee)	31,501,944	-	-	-	-	31,501,944
General obligation bonds issued	-	-	40,403,528	-	-	40,403,528
Premium on general obligation bonds	-	-	2,043,472	-	-	2,043,472
Total other financing sources (uses)	\$ 26,818,544	\$ 266,462	\$ 48,454,824	\$ -	\$ (539,405)	\$ 75,000,425
Net change in fund balances	\$ 4,959,772	\$ 273,346	\$ 18,058,882	\$ 35,881	\$ (2,806,930)	\$ 20,520,950
Fund balances - beginning	87,139,033	14,141,612	23,747,427	-	61,894,899	186,922,971
Fund balances - ending	\$ 92,098,804	\$ 14,414,958	\$ 41,806,309	\$ 35,881	\$ 59,087,970	\$ 207,443,921

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, 2022

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 \$ 20,520,950

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	\$ 64,735,875	
Depreciation expense	<u>(19,872,105)</u>	44,863,770

The cost less accumulated depreciation of assets disposed or sold not reflected in the governmental funds.	(89,831)
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Current years' revenues in the Statement of Activities that do not meet the availability criteria in the fund statements.	845,447
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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	\$ (73,948,944)	
Amortization of premiums	2,052,359	
Principal repaid	<u>28,383,366</u>	(43,513,218)

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	\$ 1,355,799	
Public safety expense	3,940,047	
Public works expense	729,491	
Health and human services expense	924,854	
Education	<u>1,174,668</u>	8,124,859

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	\$ 917,278	
Public safety expense	223,525	
Public works expense	455,913	
Health and human services expense	866,643	
Education	<u>193,264</u>	2,656,623

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	\$ 2,085,852	
Change in accrued compensated absences	(994,805)	
Change in accrued interest	<u>(75,612)</u>	<u>1,015,435</u>

Change in net position of governmental activities, Statement 2	<u><u>\$ 34,424,036</u></u>
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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, 2022

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budget Basis)	Final Budget
Revenues				
General property taxes	\$ 187,133,814	\$ 185,634,659	\$ 187,638,896	\$ 2,004,237
Excise taxes	10,551,500	10,551,500	11,922,198	1,370,698
Licenses and permits	6,751,336	6,751,336	9,247,452	2,496,116
Intergovernmental revenue	25,406,110	45,406,110	46,785,548	1,379,438
Charges for services	35,487,998	35,487,998	34,252,719	(1,235,279)
Fines, forfeits and penalties	1,761,050	1,761,050	2,201,264	440,214
Uses of money and property	8,870,217	8,870,217	10,537,680	1,667,463
 School department revenue:				
Local revenue	993,258	993,258	685,864	(307,394)
Intergovernmental revenues	22,809,036	25,508,191	30,020,977	4,512,786
Use of surplus	770,000	870,000	310,420	(559,580)
 Other financing resources:				
Operating transfers	615,934	606,034	2,498,393	1,892,359
Sale of city property	125,000	125,000	750,184	625,184
HCD charges	422,608	422,608	411,398	(11,210)
Enterprise fund charges	16,102,209	16,102,209	15,655,833	(446,376)
School department charges	10,896,346	10,896,346	10,973,926	77,580
Special revenue/endowment fund charges	530,042	539,942	596,574	56,632
Reimbursements	8,085,126	8,085,126	9,554,062	1,468,936
 Total revenues	<u>337,311,584</u>	<u>358,611,584</u>	<u>374,043,388</u>	<u>15,431,804</u>
 Expenditures and encumbrances				
General government:				
City council	424,240	462,240	590,850	(128,610)
City clerk	632,235	632,235	606,918	25,317
City manager	830,736	830,736	845,651	(14,915)
Assessor	446,739	446,739	472,678	(25,939)
Finance	1,892,960	1,895,113	2,003,520	(108,407)
Legal	845,052	845,052	844,706	346
Human resources	1,157,467	1,159,595	1,043,206	116,389
Parking	2,387,748	2,502,141	2,239,813	262,328
Economic development	1,277,391	1,277,891	1,779,253	(501,362)
Planning & urban development	1,598,268	1,759,155	1,661,738	97,418
Permitting & inspections	2,172,384	2,202,379	2,093,593	108,786
Information technology	2,858,804	2,931,048	2,715,381	215,667
Public buildings & waterfront	5,518,142	5,611,808	4,936,112	675,696
Parks, recreation & facilities	9,190,984	9,231,018	9,747,242	(516,223)
Total general government	<u>31,233,150</u>	<u>31,787,151</u>	<u>31,580,658</u>	<u>206,493</u>

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budget Basis)	Final Budget
Expenditures and encumbrances, continued				
Public safety				
Police	15,049,863	15,163,804	16,057,977	(894,173)
Fire	18,181,140	18,288,876	19,899,931	(1,611,055)
Dispatch services	2,417,816	2,417,816	2,577,174	(159,358)
Total public safety	35,648,819	35,870,496	38,535,083	(2,664,586)
Public works	14,451,623	15,016,418	14,696,280	320,138
Health and social services:				
Health & human services	19,788,042	39,922,993	43,255,570	(3,332,578)
Barron Center	16,159,213	16,259,130	14,665,509	1,593,621
Total health and social services	35,947,255	56,182,122	57,921,080	(1,738,957)
Education				
General education	118,755,817	120,055,817	117,302,318	2,753,499
School adult education	2,575,752	2,575,752	2,449,211	126,541
School lunch program	3,823,131	3,823,131	3,896,111	(72,980)
Total education	125,154,700	126,454,700	123,647,640	2,807,060
Debt service	48,355,413	48,355,413	47,726,061	629,352
Public library	4,006,394	4,006,394	4,384,506	(378,112)
Pension and employee benefits	29,874,373	30,090,371	31,585,184	(1,494,813)
Contingent	250,000	250,000	223,827	26,173
Liability insurance	817,034	817,034	916,507	(99,473)
County tax	7,147,309	7,147,309	7,147,309	-
Memberships/Contributions	3,787,776	3,812,412	3,731,846	80,566
Wage adjustment	637,738	637,738	-	637,738
Total expenditures and encumbrances	\$ 337,311,584	\$ 360,427,558	\$ 362,095,981	\$ (1,668,423)
Excess (deficiency) of revenues over (under) expenditures and encumbrances	\$ -	\$ (1,815,974)	\$ 11,947,407	\$ 13,763,381

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, 2022

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds - General Fund (Statement 4)	\$ 336,456,939	\$ 358,315,711	\$ 26,818,544
Activity reported in special revenue fund			
School food service program	4,551,000	3,896,111	-
Interdepartmental revenues and expenditures	37,465,633	37,465,633	-
Sale of city property	1,051,481	-	(1,051,481)
Contributions made on behalf of the City for the teachers' retirement and OPEB plans	(7,489,378)	(7,489,378)	-
Debt service transfers to reserve	-	266,462	-
Unbudgeted revenues	(202,939)	-	-
Issuance of leases (as lessee)	-	(31,501,944)	(31,501,944)
Self-insurance charges to reserves	-	(225,000)	-
Capital outlay funded by contributions	-	(544,002)	-
Transfers in	2,210,653	-	(2,210,653)
Transfers out	-	654,245	7,945,534
Net compensated absences and other accruals	-	(712,560)	-
FY22 encumbrances	-	1,970,703	-
Statement of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance - Budget and Actual (Budget Basis), Statement 5	<u>\$ 374,043,388</u>	<u>\$ 362,095,981</u>	<u>\$ -</u>

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, 2022

	Jetport	Sewer	Stormwater	Fish Pier Authority	Portland Development Corporation	Total Business-type Activities
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 32,343,781	\$ 34,639,813	\$ 20,142,084	\$ 2,466,381	\$ 3,019,128	\$ 92,611,186
Accounts receivable	3,074,314	1,761,191	1,121,457	236,317	4,154	6,197,433
Allowance for uncollectible accounts	(114,500)	(1,500)	-	(2,000)	-	(118,000)
Notes and loans receivable	-	132,342	-	-	1,901,730	2,034,072
Allowance for uncollectible loans	-	-	-	-	(254,800)	(254,800)
Due from other governments	12,021,461	-	-	-	-	12,021,461
Leases receivable	13,928,956	-	-	2,446,908	-	16,375,864
Inventories	527,253	100,754	-	-	-	628,007
Prepaid expenses	310,445	-	-	-	-	310,445
Total current assets	\$ 62,091,709	\$ 36,632,600	\$ 21,263,540	\$ 5,147,606	\$ 4,670,212	\$ 129,805,667
Noncurrent assets:						
Restricted cash and cash equivalents	\$ 13,565,666	\$ 893,802	\$ -	\$ -	\$ -	\$ 14,459,468
Net pension assets	113,052	39,580	-	-	-	152,632
Capital assets:						
Land	17,833,725	854,086	-	4,263,569	-	22,951,381
Buildings and improvements	182,494,037	1,716,184	-	12,751,199	-	196,961,421
Improvements other than buildings	165,604,744	96,031	-	1,405,606	-	167,106,381
Machinery and equipment	18,900,846	6,021,151	-	450,590	-	25,372,587
Infrastructure	-	178,152,505	-	-	-	178,152,505
Construction in progress	13,663,949	74,365,067	-	-	-	88,029,016
Less accumulated depreciation	(206,412,537)	(46,910,961)	-	(14,176,597)	-	(267,500,096)
Total capital assets (net of accumulated depreciation)	\$ 192,084,764	\$ 214,294,064	\$ -	\$ 4,694,367	\$ -	\$ 411,073,195
Total noncurrent assets	\$ 205,763,482	\$ 215,227,446	\$ -	\$ 4,694,367	\$ -	\$ 425,685,294
Total assets	\$ 267,855,191	\$ 251,860,046	\$ 21,263,540	\$ 9,841,973	\$ 4,670,212	\$ 555,490,962
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows of pension resources	\$ 736,358	\$ 257,802	\$ -	\$ -	\$ -	\$ 994,159
Deferred outflows of other post-employment benefits	101,572	51,919	-	-	-	153,491
Deferred outflows of refunding bonds	1,626,332	-	-	-	-	1,626,332
Total deferred outflows of resources	\$ 2,464,261	\$ 309,721	\$ -	\$ -	\$ -	\$ 2,773,982
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 8,362,559	\$ 9,309,758	\$ 113,892	\$ 433	\$ 7,406	\$ 17,794,049
Accrued liabilities	3,441,801	3,831,885	27,652	517	-	7,301,855
Current portion of long-term debt	3,250,417	9,908,380	-	9,635	-	13,168,432
Compensated absences	520,273	391,645	-	-	-	911,918
Claims and judgments	60,914	308,467	14,963	-	-	384,344
Unearned revenue	-	-	144,456	-	-	144,456
Total current liabilities	\$ 15,635,964	\$ 23,750,136	\$ 300,963	\$ 10,585	\$ 7,406	\$ 39,705,055
Noncurrent liabilities:						
Long-term debt due in more than one year	99,838,674	130,831,899	-	37,291	-	230,707,864
Total noncurrent liabilities	\$ 99,838,674	\$ 130,831,899	\$ -	\$ 37,291	\$ -	\$ 230,707,864
Total liabilities	\$ 115,474,638	\$ 154,582,035	\$ 300,963	\$ 47,876	\$ 7,406	\$ 270,412,919
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows - lease related	\$ 13,744,046	\$ -	\$ -	\$ 2,388,732	\$ -	\$ 16,132,778
Deferred inflows of pension resources	1,612,354	564,491	-	-	-	2,176,844
Deferred inflows of other post-employment benefits	31,512	16,108	-	-	-	47,620
Total deferred inflows of resources	\$ 15,387,912	\$ 580,599	\$ -	\$ 2,388,732	\$ -	\$ 18,357,242
NET POSITION						
Net investment in capital assets	\$ 104,279,305	\$ 82,230,856	\$ -	\$ 4,647,441	\$ -	\$ 191,157,602
Restricted for -						
Operating maintenance	5,590,663	-	-	-	-	5,590,663
Renewal and replacement	-	93,145	-	-	-	93,145
Unrestricted	29,586,935	14,683,132	20,962,577	2,757,924	4,662,805	72,653,373
Total net position	\$ 139,456,903	\$ 97,007,133	\$ 20,962,577	\$ 7,405,365	\$ 4,662,805	\$ 269,494,783

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, 2022

	Jetport	Sewer	Stormwater	Fish Pier Authority	Portland Development Corporation	Total Business-type Activities
Operating revenues:						
Charges for services	\$ 23,806,522	\$ 28,456,821	\$ 7,107,385	\$ 563,115	\$ 3,077	\$ 59,936,920
Intergovernmental	124,555	-	-	-	490,559	615,114
Total operating revenues	\$ 23,931,077	\$ 28,456,821	\$ 7,107,385	\$ 563,115	\$ 493,635	\$ 60,552,034
Operating expenses:						
Personnel services	\$ 4,609,859	\$ 2,156,737	\$ 1,383,318	\$ 66,376	\$ -	\$ 8,216,290
Contractual services	8,009,705	2,710,760	356,763	155,202	159,639	11,392,069
Portland Water District services	-	13,391,887	-	-	-	13,391,887
Supplies and materials	605,574	386,442	135,563	903	-	1,128,482
Rentals	15,931	108,343	45,985	-	-	170,259
Utilities	1,187,183	124,494	-	11,855	-	1,323,532
Maintenance	747,910	177,339	132,752	154,336	8,685	1,221,023
Depreciation	9,715,848	3,104,655	-	93,326	-	12,913,828
Other	137,274	-	-	12,250	36,445	185,969
Total operating expenses	\$ 25,029,285	\$ 22,160,656	\$ 2,054,381	\$ 494,248	\$ 204,769	\$ 49,943,339
Operating income (loss)	\$ (1,098,208)	\$ 6,296,165	\$ 5,053,004	\$ 68,867	\$ 288,867	\$ 10,608,695
Nonoperating revenues (expenses):						
Loss on disposal of property	\$ -	\$ (105,000)	\$ -	\$ -	\$ -	\$ (105,000)
Operating subsidies (CARES)	6,315,542	-	-	-	-	6,315,542
Interest and other revenue	641,782	33,195	9,647	181,161	142,646	1,008,431
Interest and other expense	(3,299,479)	(1,411,284)	(976,853)	(1,539)	-	(5,689,155)
Total nonoperating revenues (expenses)	\$ 3,657,845	\$ (1,483,088)	\$ (967,207)	\$ 179,622	\$ 142,646	\$ 1,529,817
Income (loss) before capital contributions and transfers	\$ 2,559,637	\$ 4,813,076	\$ 4,085,798	\$ 248,489	\$ 431,513	\$ 12,138,513
Capital contributions	15,192,441	-	-	-	-	15,192,441
Passenger facility charges	4,547,262	-	-	-	-	4,547,262
Transfers in (out)	-	1,750,163	(1,750,163)	-	-	-
Change in net position	\$ 22,299,340	\$ 6,563,240	\$ 2,335,634	\$ 248,489	\$ 431,513	\$ 31,878,215
Total net position - beginning, restated	117,157,563	90,443,894	18,626,943	7,156,876	4,231,293	237,616,568
Total net position - ending	\$ 139,456,903	\$ 97,007,133	\$ 20,962,577	\$ 7,405,365	\$ 4,662,805	\$ 269,494,783

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, 2022

	<u>Jetport</u>	<u>Sewer</u>	<u>Stormwater</u>	<u>Fish Pier Authority</u>	<u>Portland Development Corporation</u>	<u>Total Business-type Activities</u>
Cash flows from operating activities						
Receipts from customers and users	\$ 24,257,593	\$ 28,232,082	\$ 7,156,689	\$ 523,268	\$ 518,366	\$ 60,687,999
Payments to suppliers	(11,848,607)	(17,544,636)	(601,778)	(338,381)	(197,362)	(30,530,763)
Payments to employees	(3,832,864)	(977,228)	(1,399,996)	(66,376)	-	(6,276,464)
Net cash provided (used) by operating activities	\$ 8,576,123	\$ 9,710,218	\$ 5,154,916	\$ 118,511	\$ 321,004	\$ 23,880,772
Cash flows from capital and related financing activities						
Contributed capital	\$ 9,819,792	\$ -	\$ -	\$ -	\$ -	\$ 9,819,792
Passenger facility charges	4,265,815	-	-	-	-	4,265,815
Proceeds from sale of general obligation bonds	-	9,482,999	-	-	-	9,482,999
Acquisition and construction of capital assets	(16,418,557)	(33,556,865)	-	-	-	(49,975,422)
Principal paid on bond maturities	(2,110,000)	(8,540,382)	-	(9,341)	-	(10,659,722)
Interest paid on debt	(4,231,999)	(2,081,459)	(976,853)	(2,271)	-	(7,292,582)
Net cash provided (used) by capital and related financing activities	\$ (8,674,949)	\$ (34,695,707)	\$ (976,853)	\$ (11,612)	\$ -	\$ (44,359,120)
Cash flows from noncapital financing activities						
Transfers in (out)	\$ -	\$ 1,750,163	\$ (1,750,163)	\$ -	\$ -	\$ -
Operating subsidies (CARES, CRRSAA, ARPA)	6,315,542	-	-	-	-	6,315,542
Issuance of loans	-	-	-	-	(200,973)	(200,973)
Repayment of loans	-	20,454	-	-	121,673	142,127
Net cash provided (used) by noncapital financing activities	\$ 6,315,542	\$ 1,770,617	\$ (1,750,163)	\$ -	\$ (79,299)	\$ 6,256,696
Cash flows from investing activities						
Interest income	\$ 641,782	\$ 33,195	\$ 9,647	\$ 181,161	\$ 142,646	\$ 1,008,431
Net cash provided by investing activities	\$ 641,782	\$ 33,195	\$ 9,647	\$ 181,161	\$ 142,646	\$ 1,008,431
Net increase (decrease) in cash and cash equivalents	\$ 6,858,497	\$ (23,181,676)	\$ 2,437,546	\$ 288,060	\$ 384,350	\$ (13,213,221)
Cash and cash equivalents, and restricted cash, beginning of year	39,050,950	58,715,290	17,704,538	2,178,320	2,634,778	120,283,875
Cash and cash equivalents, and restricted cash, end of year	\$ 45,909,447	\$ 35,533,614	\$ 20,142,084	\$ 2,466,381	\$ 3,019,128	\$ 107,070,654
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (1,098,208)	\$ 6,296,165	\$ 5,053,004	\$ 68,867	\$ 288,867	\$ 10,608,695
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	9,715,848	3,104,655	-	93,326	-	12,913,828
Change in operating assets and liabilities:						
Accounts receivable	897,789	(222,346)	(17,167)	18,329	1,218	677,823
Leases receivable	3,829,494	-	-	98,025	-	3,927,518
Due from other governments	(377,919)	-	-	-	23,513	(354,406)
Inventories	(15,040)	1,699	-	-	-	(13,341)
Accounts payable	(201,115)	(15,362)	69,302	(3,835)	7,406	(143,604)
Accrued liabilities	769,529	1,201,129	(16,678)	-	-	1,953,980
Compensated absences	7,467	(21,621)	-	-	-	(14,154)
Accrued claims and judgments	(575,946)	(34,245)	(16)	-	-	(610,207)
Unearned revenue	(8,444)	(2,393)	66,471	-	-	55,635
Change in lease related deferred inflows of resources	(4,014,404)	-	-	(156,201)	-	(4,170,605)
Change in net pension liability and related deferred outflows and inflows of resources	(195,409)	(419,813)	-	-	-	(615,222)
Change in net post-employment benefits liability and related deferred outflows and inflows of resources	(157,519)	(177,649)	-	-	-	(335,168)
Total adjustments	\$ 9,674,330	\$ 3,414,053	\$ 101,912	\$ 49,644	\$ 32,137	\$ 13,272,076
Net cash provided (used) by operating activities	\$ 8,576,123	\$ 9,710,218	\$ 5,154,916	\$ 118,511	\$ 321,004	\$ 23,880,771
Noncash investing, capital, and financing activities:						
Disposal of capital assets	\$ 661,564	\$ 851,260	\$ -	\$ -	\$ -	\$ 1,512,824
Accumulated depreciation on capital asset dispositions	651,014	724,766	-	-	-	1,375,780

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, 2022

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 1,147,448
Total assets	<u>\$ 1,147,448</u>
 LIABILITIES	
Accrued liabilities	\$ 65,853
Total liabilities	<u>\$ 65,853</u>
 NET POSITION	
Restricted for:	
School Activities	\$ 1,081,595
Total net position	<u>\$ 1,081,595</u>

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

CITY OF PORTLAND, MAINE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2022

	Custodial Funds
ADDITIONS	
Taxes and fees collected for other governments	\$ 3,395,770
Contributions to school activity funds	<u>1,314,450</u>
Total additions	<u>\$ 4,710,220</u>
 DEDUCTIONS	
Payments of taxes and fees to other governments	\$ 3,395,770
School activities expense	<u>889,487</u>
Total deductions	<u>\$ 4,285,257</u>
 Net increase (decrease) in fiduciary net position	 \$ 424,963
Net position - beginning	<u>656,632</u>
Net position - ending	<u><u>\$ 1,081,595</u></u>

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

CITY OF PORTLAND, MAINE

Notes to Financial Statements

June 30, 2022

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 74 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
114 Valley Street
Portland, ME 04102

ecomaine
64 Blueberry Road
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 shown in separate columns in the government-wide financial statements.

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 *American Rescue Plan special revenue fund* is used to account for receipts and expenditures related to the American Rescue Plan Act of 2021.

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, claims and judgments, pensions and OPEB are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and notes from direct borrowings 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.

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 and in the proprietary fund 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
Right-to-use leased equipment	ALL
Buildings, building improvements, and leasehold improvements	50,000
Right-to-use leased buildings	ALL
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/amortized 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
Right-to-use leased buildings	20 - 40
Machinery and equipment	2 - 20
Right-to-use leased 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 assets 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. A deferred outflow on refunding bonds is reported for the enterprise funds, resulting from the difference between the carrying value of refunded debt and its

reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Two 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 assets 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 of 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. In the government-wide financial statements the City also reports deferred amounts related to leases.

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 200 hours for all other employees. Employees are eligible for payment of 160 hours 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, 2022, the City's bank balance was \$319,605,701 none of which was exposed to custodial credit risk.

B. Investments

At June 30, 2022, the City had the following investments and maturities:

Investment types:	Fair Value	Not Applicable	Maturity (years)			
			< 1	1 - 5	6 - 10	10 >
Primary government - City:						
U.S. Treasuries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of Deposit	50,000	-	50,000	-	-	-
Mutual Funds	15,166,238	15,166,238	-	-	-	-
Corporate Bonds	400,504	-	-	400,504	-	-
Common Stock	9,306,966	9,306,966	-	-	-	-
Money Market Funds	4,072,381	4,072,381	-	-	-	-
	<u>\$ 28,996,089</u>	<u>\$ 28,545,585</u>	<u>\$ 50,000</u>	<u>\$ 400,504</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2022, 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	\$ -	\$ -	\$ 201,118	\$ -	\$ -	\$ 199,386
Money Market Funds	4,072,381	-	-	-	-	-
	<u>\$ 4,072,381</u>	<u>\$ -</u>	<u>\$ 201,118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 199,386</u>

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, 2022, 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 than 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, 2022, 71% 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, 2022, 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 7, 2021 on the assessed value of real property as of April 1, 2021, as described below. Taxes were due in two installments, October 22, 2021 and March 18, 2022. Interest was charged at 6.00% per annum on amounts not paid by October 23, 2021 and March 19, 2022. 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 \$189,934,738 for the fiscal year ended June 30, 2022 were assessed at a rate of 12.99 mills on the dollar on a total taxable value of \$14,621,611,840.

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 \$47,112,407. At June 30, 2022, \$35,120,631 had been expended against these grants. Amounts due from the federal and state government are \$11,643,542.

D. Capital assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Primary Government				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 25,116,587	\$ -	\$ -	\$ 25,116,587
Construction in progress	24,748,190	23,013,587	(17,366,860)	30,394,917
Total capital assets, not being depreciated/amortized	<u>\$ 49,864,777</u>	<u>\$ 23,013,587</u>	<u>\$ (17,366,860)</u>	<u>\$ 55,511,504</u>
Capital assets, being depreciated/amortized:				
Buildings and improvements	\$ 279,110,195	\$ 17,517,095	\$ -	\$ 296,627,290
Right-to-use leased buildings	8,875,257	31,501,944	-	40,377,201
Improvements other than buildings	55,531,439	1,354,008	-	56,885,447
Machinery and equipment	66,571,667	2,108,656	(1,592,972)	67,087,351
Right-to-use leased equipment	759,421	-	-	759,421
Infrastructure	277,811,895	6,607,445	-	284,419,340
Total capital assets, being depreciated/amortized	<u>\$ 688,659,874</u>	<u>\$ 59,089,148</u>	<u>\$ (1,592,972)</u>	<u>\$ 746,156,050</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	\$ (152,990,421)	\$ (7,740,355)	\$ -	\$ (160,730,775)
Right-to-use leased buildings	-	(1,359,213)	-	(1,359,213)
Improvements other than buildings	(32,971,915)	(1,793,046)	-	(34,764,960)
Machinery and equipment	(39,863,629)	(4,526,074)	1,503,141	(42,886,562)
Right-to-use leased equipment	-	(192,120)	-	(192,120)
Infrastructure	(131,861,230)	(4,261,299)	-	(136,122,528)
Total accumulated depreciation/amortization	<u>\$ (357,687,195)</u>	<u>\$ (19,872,105)</u>	<u>\$ 1,503,141</u>	<u>\$ (376,056,158)</u>
Total capital assets being depreciated/amortized, net	<u>330,972,679</u>	<u>39,217,043</u>	<u>(89,831)</u>	<u>370,099,890</u>
Governmental activities capital assets, net	<u>\$ 380,837,455</u>	<u>\$ 62,230,630</u>	<u>\$ (17,456,692)</u>	<u>\$ 425,611,396</u>

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

Governmental activities:	
General government	\$ 6,527,151
Public safety	2,101,034
Public works, including general infrastructure	6,402,429
Health and social services	439,918
Education	4,044,654
Public library	356,920
Total depreciation/amortization expense - governmental activities	<u>\$ 19,872,105</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 18,430,891	\$ 4,520,489	\$ -	\$ 22,951,381
Construction in progress	56,687,741	55,789,359	(24,448,084)	88,029,016
Total capital assets, not being depreciated	<u>\$ 75,118,632</u>	<u>\$ 60,309,849</u>	<u>\$ (24,448,084)</u>	<u>\$ 110,980,397</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 196,579,494	\$ 381,928	\$ -	\$ 196,961,422
Improvements other than buildings	154,665,188	12,441,198	-	167,106,386
Machinery and equipment	26,371,911	513,496	(1,512,825)	25,372,582
Infrastructure	167,540,971	10,611,536	-	178,152,507
Total capital assets, being depreciated	<u>\$ 545,157,565</u>	<u>\$ 23,948,158</u>	<u>\$ (1,512,825)</u>	<u>\$ 567,592,898</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (95,772,113)	\$ (4,827,953)	\$ -	\$ (100,600,066)
Improvements other than buildings	(104,251,904)	(4,092,810)	-	(108,344,714)
Machinery and equipment	(16,726,087)	(1,422,871)	1,375,780	(16,773,178)
Infrastructure	(39,235,552)	(2,546,590)	-	(41,782,142)
Total accumulated depreciation	<u>\$ (255,985,656)</u>	<u>\$ (12,890,224)</u>	<u>\$ 1,375,780</u>	<u>\$ (267,500,100)</u>
Total capital assets being depreciated, net	<u>289,171,909</u>	<u>11,057,934</u>	<u>(137,045)</u>	<u>300,092,798</u>
Business-type activities capital assets, net	<u>\$ 364,290,541</u>	<u>\$ 71,367,783</u>	<u>\$ (24,585,129)</u>	<u>\$ 411,073,195</u>

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

Business-type activities:	
Jetport	\$ 9,713,738
Sewer	3,083,160
Fish Pier Authority	93,326
Total depreciation expense - business-type activities	<u>\$ 12,890,224</u>

The increase of \$12,890,224 in total accumulated depreciation differs from total depreciation expense of \$12,913,828 due to reductions in accumulated depreciation of \$21,495 in the Jetport and \$2,110 in Sewer, related to the disposal of capital assets.

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, 2022, 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 (Gain)
PLD Plan	\$ (3,071,618)	\$ 20,006,762	\$ 43,807,472	\$ (19,406)
SET Plan	5,200,908	9,563,815	7,192,999	10,729,036
Total	\$ 2,129,290	\$ 29,570,577	\$ 51,000,471	\$ 10,709,630

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.maineopers.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 3.88%.

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 7.05% to 7.80% of their annual pay. For the year ended June 30, 2021 for the teachers' plan, the City was required to pay 3.84% (normal cost) of participants salary and the State of Maine was required to contribute 14.29% (unfunded actuarial liability (UAL)). For the PLD Plan participants the City was required to contribute between 10.3% and 11.3% of participant's annual pay. Contributions for the City's plan and the SET plan for the year ended June 30, 2022 were \$7,688,133 and \$2,877,507, 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, 2021, 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, 2022, the City reported a receivable of \$3,071,618 for its proportionate share of the net pension asset. At June 30, 2021, the City's proportionate share of the PLD Plan was 9.56%.

SET Plan – At June 30, 2022, the City reported a liability for its proportionate share of the net pension liability that reflected a reduction for 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	\$	5,200,908
State's proportionate share of the net pension liability		32,483,922
Total	\$	<u>37,684,830</u>

At June 30, 2021, the City's proportion of the SET Plan was 0.61%.

For the year ended June 30, 2022, the City recognized pension gain of \$19,406 for the City's Plan, pension expense of \$10,729,036 for the SET plan, and State support of \$7,278,832. At June 30, 2022, 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	\$ 77,088	\$ 106,323
Changes of assumptions	3,545,891	-
Net difference between projected and actual earnings on pension plan investments	-	7,086,662
Changes in proportion and differences between the City's contributions and proportionate share of contributions	3,063,329	14
The City's contribution subsequent to the measurement date	2,877,507	-
	<u>\$ 9,563,815</u>	<u>\$ 7,192,999</u>

City's Plan	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 1,986,966	\$ 208,770
Changes of assumptions	10,314,241	-
Net difference between projected and actual earnings on pension plan investments	-	41,867,288
Changes in proportion and differences between the City's contributions and proportionate share of contributions	17,422	1,731,414
The City's contribution subsequent to the measurement date	7,688,133	-
	<u>\$ 20,006,762</u>	<u>\$ 43,807,472</u>

The amount of \$10,565,640 is reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date and before the end of the reporting period and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	SET Plan	City's Plan
Year ended June 30:		
2023	\$ 1,745,885	\$ (5,852,086)
2024	1,332,502	(4,489,603)
2025	(1,609,766)	(9,530,490)
2026	(1,975,312)	(11,634,087)
	<u>\$ (506,691)</u>	<u>\$ (31,506,266)</u>

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

	SET Plan	City's Plan
Inflation	2.75%	2.75%
Salary increases	2.80 to 13.03%	2.75 to 11.48%
Investment rate of return	6.50%	6.50%
Cost of living benefit increases, per annum	2.20%	1.91%

Mortality rates for the City's plan were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model; and the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model for the teacher's plan. Economic assumptions and mortality tables were adopted as a result of the latest experience study review covering the period June 30, 2016 through June 30, 2020.

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	10.0%	2.3%
Private equity	12.5%	7.6%
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	5.0%	3.0%
Alternative credit	10.0%	7.2%
Diversifiers	7.5%	5.9%
Total	100.0%	

Discount rate: The discount rate used to measure the total pension liability was 6.50% 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 6.50% as well as what the net pension liability would be if it were calculated using a discount rate of one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate.

	Teachers' Plan (5.50%, 6.50%, 7.50%)		City's Plans (5.50%, 6.50%, 7.50%)	
1% Decrease	\$	13,658,179	\$	43,710,903
Current Rate	\$	5,200,908	\$	(3,071,618)
1% Increase	\$	(1,840,624)	\$	(41,766,930)

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, 2022.

Deferred Compensation Plans

The City also offers a deferred compensation plan in accordance with Internal Revenue Code Section 457(b) through Mission Square (formerly ICMA-RC) for City employees and a deferred compensation plan in accordance with Internal Revenue Code Section 403(b) through Admin Partners for School employees. The plans permit full-time employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, or death. The City has no liability for losses under the plans but does have the duty of due care that would be required of an ordinary prudent investor for safeguarding purposes only. The investments are self-directed by employees. Total employer contributions to the plans for the fiscal year ending June 30, 2022 were \$46,735.

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, 2022, the City had the following balances reported in the government-wide financial statements:

	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB (Gain) Expense
School Health Plan	\$ 20,656,978	\$ 2,453,825	\$ 938,981	\$ 744,331
School Life Insurance Plan	-	-	-	210,546
City Life Insurance Plan	2,387,597	2,646,501	821,070	(3,736,122)
Total	\$ 23,044,575	\$ 5,100,326	\$ 1,760,051	\$(2,781,245)

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.maineopers.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 \$0.46 per \$1,000 of coverage per month during the post-employment retirement period. Contributions to the PLD OPEB plan from the City were \$157,497 for the year ended June 30, 2022. 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 \$210,546 for the year ended June 30, 2022. 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, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. 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, 2022, the City reported a liability of \$2,387,597 for its proportionate share of the net OPEB liability. At June 30, 2021, the City’s proportion was 23.13%.

SET OPEB Plan – At June 30, 2022, the City reported no liability related to the plan. The State of Maine’s proportionate share of the net OPEB liability associated with the City was \$898,801 as of June 30, 2022. At June 30, 2021, the City’s proportion was 0.00%.

For the year ended June 30, 2022, the City recognized OPEB gain of \$3,736,122 for the PLD OPEB Plan. For the year ended June 30, 2022, the City recognized OPEB expense of \$210,546 and also revenues of \$210,546 for support provided by the State related to the SET OPEB plan. At June 30, 2022, the City reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB plan. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB plan from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ -	\$ (274,151)
Changes of assumptions	1,636,061	(409,305)
Net difference between projected and actual earnings on pension plan investments	744,651	-
Changes in proportion and differences between the City’s contributions and proportionate share of contributions	108,292	(137,614)
The City’s contribution subsequent to the measurement date	157,497	-
	<u>\$ 2,646,501</u>	<u>\$ (821,070)</u>

\$157,497 is reported as deferred outflows of resources related to the PLD OPEB plan resulting from City contributions subsequent to the measurement date but before the end of the reporting period and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2023	\$ (509,628)
2024	(284,738)
2025	(400,397)
2026	(468,280)
2027	18,717
Thereafter	18,718
	<u>\$ (1,625,608)</u>

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

	Teachers' Plan	City's Plans
Inflation	2.75%	2.75%
Salary increases	2.80% to 13.03%	2.75%
Investment rate of return	6.50%	6.50%

Mortality rates for the City's plan were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model; and the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model for the teacher's plan.

The actuarial assumptions used in the June 30, 2021 valuations were based on the results of an actuarial experience study conducted for the period June 30, 2016 to June 30, 2020.

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 6.50% as of June 30, 2021.

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

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net PLD OPEB plan liability calculated using the discount rate of 6.50%, as well as what the City's proportionate share of the

net PLD OPEB plan liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

	City's Plan (5.50%, 6.50%, 7.50%)	
1% Decrease	\$	3,544,269
Current Rate	\$	2,387,597
1% Increase	\$	1,459,712

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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	542
Inactive employees entitled to but not yet receiving benefits	-
Active employees	1,180
Total	<u>1,722</u>

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

The City's total OPEB liability of \$20,656,978 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020.

Changes in Total OPEB Liability

Balance at June 30, 2021	\$ 20,140,860
Changes for the year:	
Service cost	448,812
Interest	449,050
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions and other inputs	162,588
Benefit payments	(544,332)
Net changes	516,118
Balance at June 30, 2022	<u>\$ 20,656,978</u>

Changes in assumptions relate to a reduction in the discount rate from 2.21% to 2.16%.

For the year ended June 30, 2022, the City recognized OPEB expense of \$744,331. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ -	\$ 645,750
Changes of assumptions or other inputs	1,936,648	293,231
City contributions subsequent to the measurement date	517,177	-
Total	<u>\$ 2,453,825</u>	<u>\$ 938,981</u>

\$517,177 is reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2023	\$	181,719
2024		181,719
2025		328,332
2026		141,336
2027		141,336
Thereafter		23,226
	\$	<u>997,668</u>

Actuarial Assumptions - The total OPEB liability in the June 30, 2021 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	2.16% per annum
Healthcare cost trend rates – Pre-Medicare	6.83% for 2022 grading over 18 years to 3.25%
Healthcare cost trend rates – Medicare	6.30% for 2022 grading over 18 years to 3.25%
Retirees' share of the benefit-related costs	45% of the blended premium rate with a State subsidy for the remaining 55% of the blended premium rate

Mortality rates were based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table and adjusted to 98.1% and 87.5% respectively of the rates for males before age 85 and females before age 80, and 106.4% and 122.3% respectively of the rates for males on and after age 85 and females on or after age 80.

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

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the City's total OPEB liability calculated using the discount rate of 2.16%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.16%) or 1 percentage-point higher (3.16%) than the current rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	\$ 24,319,100	20,656,978	17,719,287

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	\$ 17,335,289	20,656,978	24,899,298

H. Construction and other significant commitments

Construction commitments – The City has active construction projects as of June 30, 2022. At year end, the City's commitments with contractors are as follows:

Projects	Spent-to-Date	Remaining Commitment
Public buildings and improvements	\$ 33,015,842	\$ 33,830,157
Sewer Projects	54,358,189	35,244,268
Jetport construction projects	8,573,458	8,300,426
Equipment	864,450	25,000
Total	<u>\$ 96,811,939</u>	<u>\$ 77,399,850</u>

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, 2022.

At June 30, 2022, the amount of these liabilities was \$9,487,431. 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, 2020 are as follows:

	Workers' Compensation	Health Insurance	Liability	Unemployment	Total
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
Incurred claims	(476,919)	16,917,043	210,124	-	16,650,248
Payments	2,952,652	(18,105,403)	(416,783)	-	(15,569,534)
Changes in estimates and other adjustments	(4,657,594)	1,633,360	(365,949)	-	(3,390,183)
Unpaid claims as of June 30, 2022	<u>\$ 7,714,698</u>	<u>\$ 1,570,000</u>	<u>\$ 202,733</u>	<u>\$ -</u>	<u>\$ 9,487,431</u>

J. Leases

Leasing arrangements where the City is Lessor. The City has several leases covering the properties listed below. The total rental income was \$24,795,681 for the year ended June 30, 2022. The future minimum lease payments are as follows:

For the years ending June 30:	<u>Lease Payments</u>
2023	\$ 4,098,746
2024	4,098,746
2025	4,098,746
2026	148,426
2027	148,426
Total future minimum lease payments	<u>\$ 12,593,090</u>

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

	<u>Cost</u>	<u>Carrying Value</u>
Land:		
Casco Bay Ferry Terminal	\$ 511,024	\$ 511,024
Fish Pier	4,263,569	4,263,569
International Ferry Terminal	<u>1,397,399</u>	<u>1,397,399</u>
Total land	\$ 6,171,992	\$ 6,171,992
Property, plant and equipment:		
Casco Bay Ferry Terminal	\$ 6,129,647	\$ 1,221,698
Exposition Building	3,149,209	796,840
Fish Pier	14,607,395	430,798
Hadlock Field	4,989,316	1,934,297
International Ferry Terminal	3,044,555	-
Jetport	<u>100,978,304</u>	<u>54,090,924</u>
Total property, plant and equipment	<u>\$ 132,898,426</u>	<u>\$ 58,474,557</u>
	<u>\$ 139,070,418</u>	<u>\$ 64,646,549</u>

The City has recorded a lease receivable for several leases for land and buildings. Lease agreements are generally subject to future increases for inflation. At the commencement of a lease the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable and amortized evenly over the life of the lease term. The City uses its estimated incremental borrowing rate as the discount rate for leases unless a specific interest rate is specified in the lease agreement.

During the fiscal year the City recognized \$4,745,451 principal payments and \$1,068,302 interest payments from lease activities. Leases receivable as of June 30, 2022 are:

Lessee	Description	Receivable
Governmental activities:		
Bell Atlantic Mobile Systems	Building and Rooftop	\$ 549,650
Maine Basketball LLC	Maine Celtics	384,375
Maine Narrow Gauge Railroad	Building Space	-
Portland Hockey LLC	Office Space	136,179
The Club at Riverside	Golf Course Food Concession	8,298
US Cellular	Deering HS Mobile Base Station	242,896
Victoria Thayer	Food Concession	8,622
Bell Atlantic Mobile Systems	Wireless Antenna Arrays	3,776
Douglas M. Hasson	Vacant Land	2,726
Portland Maine Baseball, Inc.	Hadlock Field	879,639
Portland Venture Partners	Parking Lot	14,218
Casco Bay Island Transit District	Maine State Pier	237,907
Diversified Communications	Parking Spaces	878,720
HDH Marine LLC	Berthing at Maine State Pier	16,808
Portland Schooner Company	Berthing at Maine State Pier	36,447
Portland Tugboat, LLC	Berthing, Storage, Parking	202,463
Ready Seafood Co.	Portland Ocean Terminal	1,007,311
Maine Port Authority	International Marine Terminal	2,112,265
Total governmental activities		<u>\$ 6,722,299</u>
Business-type activities:		
Fish Pier Authority		
Vessel Services Inc.	Fish Pier Lot 1	\$ 414,322
Marine Trade Center LLC	Fish Pier Lot 2 - Parking	1,103,068
Portland Fish Exchange	Fish Pier - Lots 4, 6, 7 and 8	229,676
Portland Fish Exchange	Fish Pier - Lot 9 Parking	46,895
Tamaki Associates, LLC	Fish Pier - Lot 11	90,483
Waterfront Maine	Fish Pier - Lot 12	38,206
Marine Trade Center LLC	Fish Pier Lot 2 - Building	120,272
Bristol Seafood	Fish Pier - Lot 5	186,316
Douty Brothers, Inc.	Fish Pier - Lot 10	99,063
Bristol Seafood (Freedom Fish)	Fish Pier - Lot 12a	118,608
Subtotal: Fish Pier Authority		<u>\$ 2,446,908</u>
Jetport		
Enterprise Rent-A-Car	Terminal Space/Concession Fees	\$ 52,392
Enterprise Rent-A-Car (National/Alamo)	Terminal Space/Concession Fees	52,996
Hertz Corp.	Terminal Space/Concession Fees	129,896
Cellco Partnership (dba Verizon)	Roof of Terminal Building	107,684
Duluth Holdings	land Lease	163,934
Jetport Properties LLC	Land Lease	531,930
HIJ Associates	Ground Lease	110,016
PWM Properties	Ground Lease	59,330
TSA	Office and Related Space	1,265,455
164 Realty Inc.	1600 Congress Street	9,218
Enterprise Rent-A-Car	Terminal Space/Concession Fees	1,467,305
Enterprise Rent-A-Car (National/Alamo)	Terminal Space/Concession Fees	1,783,908
Hertz Corp.	Terminal Space/Concession Fees	1,844,441
Hangar Group, LLC (2)	Ground Lease	444,971
Paradies Shops	Concession and Lease	3,701,798
Host International Inc.	Food Service Concession	2,203,683
Subtotal: Jetport		<u>\$ 13,928,956</u>
Total business-type activities		<u>\$ 16,375,864</u>

Several leases specify variable payments that are not included in the minimum annual guarantees used in the measurement of leases receivable.

Payments to the City by Portland Maine Baseball, Inc. may be increased based on attendance of the previous year.

Certain leases of Jetport property are subject to variable payments if those payments exceed minimum annual guarantees. Variable payments are equal to 10 percent of gross revenues for car rental companies; 2 percent of gross revenues for ground leases with Hangar Group, LLC and PWM Properties; 18 percent of gross receipts up to \$3,000,000 and 20% of gross receipts over \$3,000,000 for Paradies Shops, LLC; and 15 percent of gross revenues from alcoholic beverages and 10 percent of gross revenues from all other products for Host International, Inc.

Leasing arrangements where the City is Lessee. The City has several leasing arrangements for building space. The future principal and interest lease payments as of June 30, 2022 are as follows:

Year Ending			
June 30	Principal	Interest	Total
2023	\$ 2,574,032	\$ 1,400,235	\$ 3,974,267
2024	2,650,357	1,304,794	3,955,151
2025	2,836,388	1,204,191	4,040,579
2026	2,823,623	1,099,842	3,923,465
2027	2,489,820	1,000,659	3,490,480
2028-2032	12,801,857	3,518,631	16,320,488
2033-2037	927,179	2,323,558	3,250,737
2038-2042	1,349,914	2,116,318	3,466,232
2043-2047	1,888,885	1,821,160	3,710,045
2048-2052	2,216,092	1,420,789	3,636,881
2053-2057	1,594,365	1,092,790	2,687,155
2058-2062	2,302,207	738,062	3,040,269
2063-2067	2,773,937	240,154	3,014,091
Totals	<u>\$ 39,228,657</u>	<u>\$ 19,281,183</u>	<u>\$ 58,509,840</u>

During the current fiscal year the City entered into a lease agreement for twenty-five years with two optional ten-year extensions to house a homeless services center. An initial lease liability of \$31,501,944 was recorded during the fiscal year. As of June 30, 2022, the value of the lease liability was \$30,594,286. The City is required to make monthly payments of \$225,083 in years one through ten, \$25,625 in years eleven through twenty, with monthly payments increasing by two and one-half percent (2.5%) thereafter. The value of the right-to-use asset at the end of the current fiscal year was \$31,097,332.

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, 2022 are as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
General obligation bonds	\$ 236,349,835	\$ 40,403,528	\$ 24,980,572	\$ 251,772,791	\$ 28,679,735
Premium on bonds	14,767,159	2,043,472	2,052,359	14,758,271	2,199,466
Notes from direct borrowings	16,258,240	-	1,552,141	14,706,099	1,813,855
Leases (1)	9,526,353	31,501,944	1,799,640	39,228,657	2,574,032
Subscriptions (2)	108,325	-	51,014	57,312	52,891
Self-insurance	9,522,817	16,278,060	18,363,912	7,436,965	-
Compensated absences (3) (4)	48,995,775	994,805	-	49,990,580	17,851,819
Net pension liability	44,078,952	-	41,797,030	2,281,922	-
OPEB liability	22,978,307	-	72,208	22,906,100	-
	<u>\$ 402,585,763</u>	<u>\$ 91,221,809</u>	<u>\$ 90,668,875</u>	<u>\$ 403,138,697</u>	<u>\$ 53,171,798</u>

(1) The July 1, 2021 balance has been restated due to the implementation of GASB 87.

(2) The July 1, 2021 balance has been restated due to the implementation of GASB 96.

(3) The amount presented as additions is the net increase in the value of compensated absences during the fiscal year.

(4) The July 1, 2021 balance has been restated due to the implementation of GASB 101.

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, 2022 are as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
General obligation bonds	\$ 79,080,165	\$ 9,026,472	\$ 5,299,428	\$ 82,807,209	\$ 5,420,265
Revenue bonds	94,575,000	-	2,110,000	92,465,000	2,220,000
Premium on bonds	20,735,577	456,528	1,886,620	19,305,485	1,906,833
Notes from direct borrowings	52,410,422	-	3,250,295	49,160,127	3,621,335
Net pension liability (asset)	2,179,063	-	2,331,696	(152,633)	-
OPEB liability	265,495	-	127,019	138,475	-
	<u>\$ 249,245,721</u>	<u>\$ 9,483,000</u>	<u>\$ 15,005,059</u>	<u>\$ 243,723,663</u>	<u>\$ 13,168,433</u>

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 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, 2022 were \$182,635,756.

As of June 30, 2022, general obligation bonds and notes payable from direct borrowings 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, 2022
General obligation bonds:							
Multi-modal taxable pension bond	07/19/01	6/1/2026	\$ 111,800,000	variable	\$ 65,825,000	\$ -	\$ 65,825,000
Refunding and various purposes	03/01/10	9/1/2030	18,912,000	3.98	1,650,000	-	1,650,000
Refunding	09/01/11	8/1/2022	19,940,000	3.83	264,356	385,644	650,000
Various purposes	01/25/12	2/1/2027	11,494,000	2.06	3,210,000	110,000	3,320,000
Various purposes	02/01/13	2/1/2033	15,418,000	var	6,309,950	620,050	6,930,000
Refunding and various purposes	02/01/14	11/1/2033	20,118,000	var	8,271,734	1,803,266	10,075,000
Refunding and various purposes	02/03/15	11/1/2034	20,431,000	var	8,623,660	1,436,340	10,060,000
Refunding and various purposes	03/02/16	4/1/2036	33,385,000	var	15,001,214	4,448,786	19,450,000
Various purposes	03/15/17	4/1/2037	14,514,000	var	7,117,665	2,567,335	9,685,000
School construction	08/17/17	8/1/2037	24,600,000	var	19,680,000	-	19,680,000
Various purposes	03/22/18	4/1/2038	22,640,000	var	12,442,523	5,022,477	17,465,000
Various purposes	05/15/19	4/1/2039	19,745,000	var	11,572,632	3,887,368	15,460,000
Various purposes	03/26/20	10/1/2040	43,000,000	var	28,179,800	12,400,200	40,580,000
Various purposes	06/08/21	4/1/2051	67,710,000	var	23,220,729	41,099,271	64,320,000
Various purposes	05/05/22	5/1/2042	49,430,000	var	40,403,528	9,026,472	49,430,000
Total general obligation bonds			<u>\$ 493,137,000</u>		<u>\$ 251,772,791</u>	<u>\$ 82,807,209</u>	<u>\$ 334,580,000</u>
<u>Notes from direct borrowings</u>							
Maine Municipal Bond Bank:							
Combined sewer overflow	06/15/09	4/1/2029	\$ 11,135,000	1.00	\$ -	\$ 3,897,250	\$ 3,897,250
Combined sewer overflow	06/15/09	4/1/2029	1,912,762	0.00	-	669,467	669,467
Combined sewer overflow	11/23/10	10/1/2030	11,100,000	1.00	-	4,995,000	4,995,000
Combined sewer overflow	05/02/11	4/1/2031	7,286,467	1.00	-	3,278,910	3,278,910
Combined sewer overflow	12/18/11	10/1/2031	7,245,000	1.00	-	3,622,500	3,622,500
Combined sewer overflow	04/15/13	4/1/2033	14,300,000	0.50	-	7,865,000	7,865,000
Combined sewer overflow	12/01/15	12/1/2045	6,800,000	1.00	-	5,440,000	5,440,000
Combined sewer overflow	07/01/18	7/1/2048	11,240,000	1.00	-	10,116,000	10,116,000
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	1,891,179	1.00	1,891,179	-	1,891,179
Total Maine Municipal Bond Bank			<u>\$ 82,186,408</u>		<u>\$ 1,891,179</u>	<u>\$ 49,160,127</u>	<u>\$ 51,051,306</u>
Notes payable:							
HUD 108 Loan					\$ 6,400,000	\$ -	\$ 6,400,000
Maine Dept. of Transportation					634,428	-	634,428
Total notes payable					<u>\$ 7,034,428</u>	<u>\$ -</u>	<u>\$ 7,034,428</u>
Direct borrowings:							
LED street lighting - phase I					2,514,044	-	2,514,044
LED street lighting - phase II					3,174,448	-	3,174,448
School computer equipment					92,000	-	92,000
Total direct borrowings					<u>\$ 5,780,492</u>	<u>\$ -</u>	<u>\$ 5,780,492</u>
Total notes from direct borrowings					<u>\$ 14,706,099</u>	<u>\$ 49,160,127</u>	<u>\$ 63,866,226</u>
Total					\$ 266,478,890	\$ 131,967,336	\$ 398,446,226
Less current portion					(30,436,855)	(9,041,599)	(39,478,454)
Total long-term					<u>\$ 236,042,035</u>	<u>\$ 122,925,737</u>	<u>\$ 358,967,772</u>

The debt service requirements for the City's general obligation bonds and notes payable from direct borrowings as of June 30, 2022 are as follows:

General Obligation Bonds:

Year Ending June 30	General City		Enterprise Funds		Totals		Grand Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2023	\$ 28,679,735	\$ 13,053,313	\$ 5,420,265	\$ 3,132,522	\$ 34,100,000	\$ 16,185,836	\$ 50,285,836
2024	30,481,826	11,272,025	4,958,174	2,894,204	35,440,000	14,166,229	49,606,229
2025	32,584,355	9,249,640	4,550,645	2,677,882	37,135,000	11,927,522	49,062,522
2026	34,876,744	7,021,330	4,503,256	2,472,503	39,380,000	9,493,833	48,873,833
2027	13,319,768	4,542,295	4,220,232	2,253,078	17,540,000	6,795,372	24,335,372
2028-2032	55,448,173	14,483,692	18,761,827	8,473,118	74,210,000	22,956,810	97,166,810
2033-2037	36,930,660	5,757,961	16,579,340	5,006,876	53,510,000	10,764,838	64,274,838
2038-2042	18,331,639	1,537,572	12,158,361	2,962,834	30,490,000	4,500,406	34,990,406
2043-2047	629,330	161,045	6,485,670	1,681,855	7,115,000	1,842,900	8,957,900
2048-2051	490,560	49,056	5,169,440	516,944	5,660,000	566,000	6,226,000
Grand totals	\$ 251,772,791	\$ 67,127,929	\$ 82,807,209	\$ 32,071,817	\$ 334,580,000	\$ 99,199,746	\$ 433,779,746

Direct Borrowings:

Year Ending June 30	General City		Enterprise Funds		Totals		Grand Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2023	\$ 1,813,855	\$ 305,758	\$ 3,621,335	\$ 605,974	\$ 5,435,189	\$ 911,732	\$ 6,346,921
2024	1,837,092	206,487	3,621,335	575,711	5,458,427	782,198	6,240,625
2025	1,864,991	171,846	3,621,335	545,448	5,486,326	717,294	6,203,620
2026	2,139,572	134,224	3,621,335	515,185	5,760,907	649,409	6,410,315
2027	2,214,856	95,269	3,621,335	484,922	5,836,191	580,191	6,416,382
2028-2032	4,835,733	74,660	15,230,186	1,847,289	20,065,919	1,921,950	21,987,869
2033-2037	-	-	5,576,867	945,154	5,576,867	945,154	6,522,020
2038-2042	-	-	4,861,867	653,405	4,861,867	653,405	5,515,272
2043-2047	-	-	4,635,200	388,014	4,635,200	388,014	5,023,214
2048-2051	-	-	749,333	45,335	749,333	45,335	794,668
Grand totals	\$ 14,706,099	\$ 988,245	\$ 49,160,127	\$ 6,606,435	\$ 63,866,226	\$ 7,594,680	\$ 71,460,906

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, 2022:

	Stated Interest Rate Range	Face Value Outstanding June 30, 2022
General Airport Revenue Refunding Bonds, Series 2013 \$26,265,000 original principal, matures July 1, 2032	2.00%-5.00%	\$ 17,015,000
General Airport Revenue Refunding Bonds, Series 2016 \$20,695,000 original principal, matures January 1, 2038	4.00%-5.00%	17,520,000
General Airport Revenue Refunding Bonds, Series 2019 \$58,450,000 original principal, matures January 1, 2040	3.00%-5.00%	57,930,000
		<u>\$ 92,465,000</u>

The debt service requirements for the outstanding revenue bonds at June 30, 2022 are as follows:

Year ended June 30,	Principal	Interest	Total
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	4,185,000	3,598,100	7,783,100
2028-2032	26,135,000	14,761,250	40,896,250
2033-2037	27,955,000	8,039,750	35,994,750
2037-2040	21,860,000	1,973,650	23,833,650
Totals	<u>\$ 92,465,000</u>	<u>\$ 44,244,275</u>	<u>\$ 136,709,275</u>

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 2022 is 374%, which is above the requirement by 249 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, 2022, \$385,631,306 (21.25%) of debt applicable to the statutory limit of \$1,814,333,000 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 using the replacement rate pursuant to the International Swaps and Derivatives Association ("ISDA") definitions and protocols. 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, 2022 is as follows:

Entity	Percentage	Share of Bonded Debt Amount
Cumberland County	21.37%	\$ 6,595,194
Portland Water District (sewer debt)	100.00%	20,475,062
Portland Water District (water debt)	31.54%	18,492,232
		<u>\$ 45,562,488</u>

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.

Deficit in Other Governmental Funds

The general fund is the central operating fund of the City and is the only governmental fund that can have a positive unassigned fund balance, although other governmental funds may have negative unassigned fund balances. During the current fiscal year, the City experienced a deficit of \$4,872,556 in its special revenue funds for education programs, resulting from grant program expenses incurred prior to approval that was granted in the subsequent fiscal year. It is expected that the deficit will be eliminated in the subsequent fiscal year through future grant reimbursements.

Restatement of net position – liability for compensated absences

The City has implemented GASB Statement No. 101, *Compensated Absences*, beginning in the fiscal year ending June 30, 2022. The adoption of this new standard required the restatement of net position of governmental and business-type activities as of June 30, 2021.

A summary of the effect of the reclassification of net position of governmental and business-type activities is:

Net Position	Governmental Activities Net Position	Business-type Activities	
		Jetport Net Position	Sewer Net Position
As previously reported, June 30, 2021	\$ 218,380,667	\$ 117,410,764	\$ 90,669,306
Increase in liability for compensated absences	(38,452,794)	(253,201)	(225,412)
Net position, June 30, 2021, as restated	<u>\$ 179,927,873</u>	<u>\$ 117,157,563</u>	<u>\$ 90,443,894</u>

M. Interfund receivables, payables, and transfers

Interfund balances and transfers by fund at and for the year ended June 30, 2022 are as follows:

	Interfund Receivable	Interfund Payable	Transfers In	Transfers Out
General fund	\$ 8,193,494	\$ -	\$ 2,210,653	\$ 7,945,534
Debt service	-	-	266,462	-
Capital projects fund	-	-	7,919,827	1,912,003
Nonmajor governmental funds	-	8,193,494	4,687,658	5,227,062
Sewer	-	-	1,750,163	-
Stormwater	-	-	-	1,750,163
	<u>\$ 8,193,494</u>	<u>\$ 8,193,494</u>	<u>\$ 16,834,762</u>	<u>\$ 16,834,762</u>

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 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, 2022, 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	\$ 4,722,337	\$ 3,540	\$ -	\$ 4,725,877
Machinery and Equipment	1,606,587	-	-	1,606,587
Total capital assets, being depreciated	6,328,924	3,540	-	6,332,464
Less accumulated depreciation				
Buildings and Improvements	(1,487,940)	(154,112)	-	(1,642,052)
Machinery and Equipment	(1,423,164)	(57,184)	-	(1,480,348)
Total accumulated depreciation	(2,911,104)	(211,296)	-	(3,122,400)
Total capital assets being depreciated, net	3,417,820	(207,756)	-	3,210,064
Component unit capital assets, net	\$ 3,580,320	\$ (207,756)	\$ -	\$ 3,372,564

The Library's investments consist of the following:

Investment types:	Fair Value	Maturities (years)		
		Not Applicable	< 1	1 - 5
Library:				
Cash Equivalents	\$ 86,681	\$ 86,681	\$ -	\$ -
Certificates of Deposit	931,230	-	931,230	-
Common Stock	904,790	904,790	-	-
ETF Funds	5,579,107	5,579,107	-	-
	\$ 7,501,808	\$ 6,570,578	\$ 931,230	\$ -

Notes payable for the Library consisted of the following as of June 30, 2022:

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.

	\$	696,959
Less current portion		(29,460)
	\$	<u>667,499</u>

The expected debt service requirements are as follows:

Library Debt Maturities

June 30,		
2023	\$	29,460
2024		30,800
2025		32,400
2026		34,000
2027		35,700
Thereafter		<u>534,599</u>
	\$	<u>696,959</u>

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 April 30, 2022, 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	\$ 1,771,212	\$ 20,550	\$ -	\$ 1,791,762
Right-to-use leased equipment	20,315	-	-	20,315
Leasehold Improvements	1,061,750	-	-	1,061,750
Total capital assets	\$ 2,853,277	\$ 20,550	\$ -	\$ 2,873,827
Less: accumulated depreciation				
Equipment	(1,629,327)	(31,668)	-	(1,660,995)
Right-to-use leased equipment	-	(4,063)	-	(4,063)
Leasehold Improvements	(990,946)	(35,696)	-	(1,026,642)
Total accumulated depreciation	(2,620,273)	(71,427)	-	(2,691,700)
Total capital assets, net	\$ 233,004	\$ (50,877)	\$ -	\$ 182,127

The Exchange's investments consisted of the following at April 30,2022:

Investment types:	Fair Value	Maturities (years)		
		Not Applicable	< 1	1 - 5
Portland Fish Exchange:				
Cash Equivalents	\$ 89,703	\$ 89,703	\$ -	\$ -
	\$ 89,703	\$ 89,703	\$ -	\$ -

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,	
2023	\$ 32,500
2024	32,500
2025	32,500
2026	33,333
2027	35,000
2028-2031	107,917
Total lease payments	\$ 273,750

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, 2022 was \$3,020,148.

ecomaine

During the year June 30, 2022, the City paid ecomaine \$897,517 in tipping fees and assessments for solid waste disposal services. Selected balance sheet information for ecomaine for the year ended June 30, 2022 based on the most recent information available, includes total assets of \$70,668,532, total liabilities of \$25,753,954, and unrestricted net position of \$13,354,272. The liabilities include an accrual for landfill closure and post closure care of \$17,442,939. 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 twenty-four 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, 2022, the City's property tax revenues were reduced by \$5,867,262. This amount was distributed among dedicated project accounts for each of the City's TIF's. The City remitted a total of \$670,304 in Credit Enhancement payments, as follows:

TIF District	Term	Purpose	CEA Entity	Year ended June 30, 2022	
				Taxes Captured	Amounts Paid
Waterfront	2003 - 2032	Marine Uses		\$ 1,597,650	\$ -
	2012 - 2031	Offices	Pierce Atwood LLP	-	157,085
Bayside	2009 - 2023	Total TIF		1,802,282	-
	2009 - 2023	Offices/Public Infrastruct.	Portland MOB Partners, LLC	-	-
Avesta/Pearl Place	2008 - 2037	Affordable Housing	Avesta Pearl Street One LP	22,000	21,780
409 Cumberland Avenue	2014 - 2035	Affordable Housing	Avesta 409 Cumberland LP	68,700	34,350
134 Washington Avenue	2015 - 2034	Affordable Housing	Avesta Washington Ave LP	7,220	7,220
Thompson's Point TOD	2015 - 2044	Transit-oriented dev.	Forefront Partners I, LP	177,133	132,850
Power Pay/Portland Public Market	2011 - 2040	Office Development	Portland Public Market, LLC	54,838	54,290
Downtown TOD	2016 - 2045	Transit-oriented dev.	Creative Portland	1,697,699	-
17 Carleton Street	2016 - 2037	Affordable Housing	Avesta Carleton, LP	25,609	25,609
McAuley Place	2010 - 2039	Senior Housing	Motherhouse Associates	68,162	-
			DC Baxter Woods	87,243	-
Immucell	2018 - 2029	Assist w Expansion	ImmuCell Corporation	35,578	35,578
58 Boyd Street	2020 - 2048	Affordable Housing	58 Boyd Street, LP	34,834	34,834
977 Brighton Avenue	2020 - 2049	Affordable Housing	Avesta 977 Brighton, LP	33,743	33,743
100 Parris St/aka 178 Kennebec St	2020 - 2049	Affordable Housing	100 Parris Street, LP	55,419	55,419
Deering Place	2019 - 2048	Affordable Housing	Avesta Deering Place, LP	77,546	77,546
66 State Street	2021 - 2050	Affordable Housing	DC 66 State LLC	16,641	-
83 Middle Street	2021 - 2050	Affordable Housing	Middle Street Housing Partners	2,030	-
337 Cumberland Avenue	2021 - 2050	Affordable Housing	337 Cumberland Avenue, LP	2,934	-
				<u>\$ 5,867,262</u>	<u>\$ 670,304</u>

Q. New pronouncements

For the fiscal year ended June 30, 2022, the City implemented GASB Statement 87, *Leases*; GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; GASB Statement 96, *Subscription-Based Information Technology Arrangements*; and GASB Statement 101, *Compensated Absences*.

The City has reviewed GASB Statement 91, *Conduit Debt Obligations* and determined that there is no impact on its financial statements as no conduit debt obligations exist as of June 30, 2022.

The City has reviewed GASB Statement 93, *Replacement of Interbank Offered Rates* and determined that there is no impact on its financial statements as the City has no exposure related to LIBOR or other interbank offered rates.

The City has reviewed GASB Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* and has determined that there is no impact on its financial statements. The City offers deferred compensation plans in accordance with Internal Revenue code sections 457(b) and 403(b) that permit full-time employees to defer a portion of their salary until future years. The City has no liability for losses under the plans but does have the duty of due care that would be required of an ordinary prudent investor for safeguarding purposes only. The investments are self-directed by employees.

R. Subsequent events

On November 10, 2022 the Maine Municipal Bond Bank canceled an outstanding note due from the City in the amount of \$1,891,179. The note was originally issued on April 30, 2021 to provide funds for various school improvements.

On December 22, 2022 the City received a \$250,000, 10-year, no-interest loan from the Maine Municipal Bond Bank for repairs to Portland High School. The amount of \$75,000 will be forgiven by the State of Maine and the City will repay principal of \$175,000 in equal annual installments with the final maturity date of July 1, 2033.

On December 22, 2022 the City entered into a 20-year State Revolving Loan Fund Clean Water Loan in the amount of \$6,408,143 with the Maine Municipal Bond Bank to fund combined sewer overflow remediation in the City's Back Cove West project. The loan, bearing an annual interest rate of 1.83%, will mature on October 1, 2043.

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Required Supplementary Information



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Required Supplementary Information

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Teachers' Pension Plan										
City's proportion of the net pension liability (asset)	6.1490%	0.3963%	0.2362%	0.2884%	0.2569%	0.2995%	0.3388%	0.3928%	0.3755%	N/A
City's proportionate share of the net pension liability (asset)	\$ 5,200,908	\$ 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
State of Maine's proportionate share of the net pension liability (asset)	32,483,922	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
Total	\$ 37,684,830	\$ 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	\$ 60,061,900	\$ 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
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	8.62%	10.73%	6.13%	6.89%	6.84%	9.67%	8.60%	7.89%	12.30%	N/A
Plan fiduciary net position as a percentage of the total pension liability	90.90%	81.03%	82.73%	82.90%	80.78%	79.05%	81.18%	83.91%	76.85%	N/A
City's Pension Plan										
City's proportion of the net pension liability (asset)	9.558%	10.014%	10.630%	10.606%	10.559%	10.639%	10.6507%	10.7408%	10.9373%	N/A
City's proportionate share of the net pension liability (asset)	\$ (3,071,618)	\$ 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
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
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-4.87%	61.86%	51.93%	48.36%	74.77%	101.17%	62.67%	30.36%	65.27%	N/A
Plan fiduciary net position as a percentage of the total pension liability	100.86%	88.35%	90.62%	91.14%	86.43%	81.61%	88.27%	94.10%	87.50%	N/A

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

Note: See Independent Auditor's Report

Source: State of Maine Public Employee Retirement System

Required Supplementary Information

CITY OF PORTLAND, MAINE
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
(unaudited)

	Teachers' Pension Plan									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 2,877,507	\$ 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	(2,877,507)	(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	\$69,170,844	\$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
Contributions as a percentage of covered payroll	4.16%	4.16%	4.16%	3.97%	3.97%	3.36%	3.36%	2.65%	2.65%	0.00%
City's Pension Plan										
Contractually required contribution	\$ 7,688,133	\$ 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
Contributions in relation to contractually required contributions	(7,688,133)	(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)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$69,471,504	\$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
Contributions as a percentage of covered payroll	11.07%	10.36%	10.23%	10.20%	9.81%	9.36%	8.93%	8.66%	7.40%	6.81%

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

Note: See Independent Auditor's Report

Source: City Finance Department

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 *
(unaudited)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>PLD OPEB Plan</u>					
City's proportion of the net OPEB liability	23.13%	23.52%	23.10%	22.60%	22.89%
City's proportionate share of the net OPEB liability	\$ 2,387,597	\$ 3,102,943	\$ 4,943,631	\$ 4,565,571	\$ 3,828,267
City's covered-employee payroll	42,130,434	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	5.67%	6.93%	11.57%	11.69%	10.28%
Plan fiduciary net position as a percentage of the total OPEB liability	43.18%	55.40%	43.18%	43.92%	47.42%
<u>SET OPEB Plan</u>					
City's proportion of the net OPEB liability	0.00%	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	898,801	1,775,775	1,778,581	1,808,365	1,690,308
Total	<u>\$ 898,801</u>	<u>\$ 1,775,775</u>	<u>\$ 1,778,581</u>	<u>\$ 1,808,365</u>	<u>\$ 1,690,308</u>
Plan fiduciary net position as a percentage of the total OPEB liability	62.90%	49.22%	43.18%	43.92%	47.42%

* Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.
Amounts presented for each fiscal year were determined as of the end of the previous fiscal year.
See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

Note: See Independent Auditor's Report

Source: State of Maine Public Employee Retirement System

Required Supplementary Information

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>PLD OPEB Plan</u>						
Contractually required contribution	\$ 157,497	\$ 235,301	\$ 89,549	\$ 86,538	\$ 81,607	\$ 78,341
Contributions in relation to the contractually required contribution	<u>(157,497)</u>	<u>(235,301)</u>	<u>(89,549)</u>	<u>(86,538)</u>	<u>(81,607)</u>	<u>(78,341)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 48,110,893	\$ 42,130,434	\$ 44,774,250	\$ 42,738,333	\$ 39,057,837	\$ 37,246,788
Contributions as a percentage of covered-employee payroll	0.33%	0.56%	0.20%	0.20%	0.21%	0.21%

* Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.
See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

Note: See Independent Auditor's Report

Source: City Finance Department

Required Supplementary Information

**CITY OF PORTLAND, MAINE
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS**

**HEALTH INSURANCE
LAST TEN FISCAL YEARS *
(unaudited)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability				
Service cost	\$ 448,812	\$ 179,714	\$ 150,579	\$ 161,924
Interest	449,050	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	162,588	1,730,813	1,121,986	(879,691)
Benefit payments	<u>(544,332)</u>	<u>(838,765)</u>	<u>(788,187)</u>	<u>(760,945)</u>
Net change in total OPEB liability	\$ 516,118	\$ (1,135,308)	\$ 1,250,107	\$ (742,888)
 Total OPEB liability - beginning	 <u>20,140,860</u>	 <u>21,276,168</u>	 <u>20,026,061</u>	 <u>20,768,949</u>
Total OPEB liability - ending	<u>\$ 20,656,978</u>	<u>\$ 20,140,860</u>	<u>\$ 21,276,168</u>	<u>\$ 20,026,061</u>
 Covered employee-payroll	 \$ 72,672,618	 \$ 70,900,115	 \$ 55,878,130	 \$ 54,382,608
 Total OPEB liability as a percentage of covered-employee payroll	 28.42%	 28.41%	 38.08%	 36.82%

* Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.
See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

Note: See Independent Auditor's Report

Source: Portland School Department

CITY OF PORTLAND, MAINE
Notes to the Required Supplementary Information
For the Year Ended June 30, 2022

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:

	2019	2018	2017	2016	2015	2014	2013
Discount rate - PLD	6.500%	6.875%	6.750%	6.875%	7.125%	7.250%	7.250%
Discount rate - SET	6.500%	6.875%	6.750%	6.875%	7.125%	7.250%	7.250%
Inflation rate	2.75%	2.75%	2.75%	2.75%	3.50%	3.50%	3.50%
Salary increases - PLD	2.75-11.48%	2.75-9.00%	2.75-9.00%	2.75-9.00%	3.50-9.00%	3.50-9.00%	3.50-9.00%
Salary increases - SET	2.80-13.03%	14.50%	14.50%	14.50%	13.50%	13.50%	13.50%
Cost of living increases - PLD	1.91%	1.91%	1.91%	2.20%	2.55%	3.12%	3.12%
Cost of living increases - SET	2.20%	2.20%	2.20%	2.20%	2.55%	2.55%	2.55%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the City's financial statements for summary of significant actuarial methods and assumptions.

Source: State of Maine Public Employee Retirement System

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. In 2016 through 2018, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table. In 2019 and going forward, mortality rates for the City’s plan were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model; and the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model for the teacher’s plan.

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
2022	6.50%
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
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.87%
2018	3.58%

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Combining and Individual Fund Financial Statements



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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, 2022

	Special Revenues				Permanent Funds				Total
	Community Development Block Grants	City Loan Program	School Food Service Program	Education Programs	Other Grants and Special Revenues	Total	Perpetual Care	Endowment Funds	Nonmajor Governmental Funds
ASSETS									
Cash and cash equivalents	\$ -	\$ 6,839,291	\$ 1,453,213	\$ -	\$ 35,224,731	\$ 43,517,234	\$ 662,149	\$ 530,436	\$ 1,192,586
Investments	-	-	-	-	35,339	35,339	12,146,363	12,835,265	24,981,627
Accounts receivable, net	-	3,970	-	41,684	35,161	80,815	-	-	-
Loans receivable	-	1,335,631	-	-	-	1,335,631	-	-	80,815
Allowance for uncollectible loans	-	(68,675)	-	-	-	(68,675)	-	-	1,335,631
Due from other governments	2,159,412	-	7,119	3,800,830	4,019,216	9,986,577	-	-	(68,675)
Inventories	-	-	131,173	-	-	131,173	-	-	9,986,577
Total assets	\$ 2,159,412	\$ 8,110,216	\$ 1,591,505	\$ 3,842,514	\$ 39,314,447	\$ 55,018,094	\$ 12,808,512	\$ 13,365,701	\$ 26,174,213
LIABILITIES									
Accounts payable	\$ 325,450	\$ 22,289	\$ 108,537	\$ 210,404	\$ 1,380,006	\$ 2,046,685	\$ -	\$ -	\$ 2,046,685
Accrued liabilities	23,900	-	75,968	1,172,915	6,063,348	7,336,131	-	-	7,336,131
Interfund payable	1,810,063	-	-	6,383,432	-	8,193,494	-	-	8,193,494
Unearned revenue	-	-	-	-	4,528,028	4,528,028	-	-	4,528,028
Total liabilities	\$ 2,159,412	\$ 22,289	\$ 184,505	\$ 7,766,751	\$ 11,971,381	\$ 22,104,338	\$ -	\$ -	\$ 22,104,338
FUND BALANCES									
Nonspendable:									
Inventories and prepaid expenses	\$ -	\$ -	\$ 131,173	\$ -	\$ -	\$ 131,173	\$ -	\$ -	\$ 131,173
Permanent funds	-	-	-	-	-	-	-	9,005,923	9,005,923
Restricted:									
Capital projects	-	-	-	-	299,408	299,408	-	-	299,408
Other grants and special revenue	-	6,856,972	1,150,826	948,329	23,131,833	32,087,961	-	-	32,087,961
Permanent funds	-	-	-	-	-	-	12,808,512	4,359,778	17,168,290
Committed:									
Capital improvement	-	-	-	-	3,194,395	3,194,395	-	-	3,194,395
Loan programs	-	1,230,956	-	-	-	1,230,956	-	-	1,230,956
Subsequent years expenditure	-	-	125,000	-	-	125,000	-	-	125,000
Assigned:									
Casco Bay Island Transit District	-	-	-	-	717,430	717,430	-	-	717,430
Unassigned	-	-	-	(4,872,566)	-	(4,872,566)	-	-	(4,872,566)
Total fund balances	\$ -	\$ 8,087,928	\$ 1,406,999	\$ (3,924,236)	\$ 27,343,066	\$ 32,913,756	\$ 12,808,512	\$ 13,365,701	\$ 26,174,213
Total liabilities and fund balances	\$ 2,159,412	\$ 8,110,216	\$ 1,591,505	\$ 3,842,514	\$ 39,314,447	\$ 55,018,094	\$ 12,808,512	\$ 13,365,701	\$ 26,174,213

CITY OF PORTLAND, MAINE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	Special Revenues				Permanent Funds				Total Nonmajor Governmental 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
REVENUES									
General property taxes	\$ -	\$ -	\$ 186,123	\$ -	\$ 6,489,303	\$ 6,675,426	\$ -	\$ -	\$ 6,675,426
Licenses and permits	-	-	-	-	611,113	611,113	-	-	611,113
Uses of money and property	-	29,973	-	-	140,742	170,716	-	-	170,716
Investment income (loss)	-	-	-	-	-	-	(1,040,689)	(1,060,519)	(2,101,208)
Intergovernmental	2,784,459	709,245	4,144,905	12,824,609	9,625,591	30,088,807	-	-	30,088,807
Current services	-	927,956	219,972	50,129	1,669,963	2,868,020	158,841	7,246	3,034,107
Miscellaneous	-	-	-	-	992,560	992,560	-	-	992,560
Total revenue	\$ 2,784,459	\$ 1,667,173	\$ 4,551,000	\$ 12,874,738	\$ 19,529,272	\$ 41,406,642	\$ (881,849)	\$ (1,053,272)	\$ (1,935,121)
EXPENDITURES									
Current:									
General government	\$ 2,125,912	\$ 1,302,319	\$ -	\$ -	\$ 5,463,294	\$ 8,891,525	\$ 32,078	\$ 311,749	\$ 343,826
Public safety	75,868	-	-	-	1,041,029	1,116,897	-	-	-
Public works	-	-	-	-	1,034,030	1,034,030	-	-	-
Health and social services	225,516	34,207	-	-	6,158,737	6,418,461	-	-	-
Education	-	-	3,896,111	16,862,718	-	20,758,829	-	-	-
Debt Service	-	-	-	-	306,034	306,034	-	-	-
Capital outlay	357,162	-	-	-	2,512,281	2,869,443	-	-	-
Total expenditures	\$ 2,784,459	\$ 1,336,527	\$ 3,896,111	\$ 16,862,718	\$ 16,515,405	\$ 41,395,219	\$ 32,078	\$ 311,749	\$ 343,826
Excess (deficiency) of revenues over (under) expenditures	-	330,647	654,889	(3,987,980)	3,013,867	11,423	(913,926)	(1,365,021)	(2,267,525)
OTHER FINANCING SOURCES (USES)									
Transfers in	\$ -	\$ 4,553,457	\$ -	\$ 74,201	\$ 60,000	\$ 4,687,658	\$ -	\$ -	\$ 4,687,658
Transfers out	-	-	-	(33,249)	(4,853,457)	(4,886,706)	(280,356)	(60,000)	(340,356)
Sale of city property	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ 4,553,457	\$ -	\$ 40,952	\$ (4,793,457)	\$ (199,048)	\$ (280,356)	\$ (60,000)	\$ (340,356)
Net change in fund balances	\$ -	\$ 4,884,104	\$ 654,889	\$ (3,947,028)	\$ (1,779,590)	\$ (187,626)	\$ (1,194,283)	\$ (1,425,021)	\$ (2,806,930)
Fund balances - beginning	-	3,203,824	752,111	22,792	29,122,655	33,101,382	14,002,795	14,790,722	28,793,517
Fund balances - ending	\$ -	\$ 8,087,928	\$ 1,406,999	\$ (3,924,236)	\$ 27,343,066	\$ 32,913,756	\$ 12,808,512	\$ 13,365,701	\$ 26,174,213

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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, 2022

	<u>Budget</u>	<u>Budget Basis Actual</u>	<u>Variance with Final Budget</u>
Municipal revenue sources:			
General property taxes for:			
General fund	\$ 97,113,615	\$ 97,113,615	\$ -
Food service	186,123	186,123	-
Adult education	1,783,513	1,783,513	-
Total Municipal revenue sources	\$ 99,083,251	\$ 99,083,251	\$ -
School department revenue sources:			
Intergovernmental revenues -			
Federal for:			
General fund	\$ 1,040,900	\$ 341,688	\$ (699,212)
Food service	2,941,606	4,223,178	1,281,572
	\$ 3,982,506	\$ 4,564,866	\$ 582,360
State for:			
General fund	\$ 20,880,802	\$ 24,818,790	\$ 3,937,988
Food service	51,885	44,323	(7,562)
Adult education	592,998	592,998	-
	\$ 21,525,685	\$ 25,456,111	\$ 3,930,426
Local revenues -			
General fund:			
Tuition	\$ 250,000	\$ 256,581	\$ 6,581
Miscellaneous	270,500	490,692	220,192
Fund balance appropriation	500,000	-	(500,000)
Food service:			
Miscellaneous	393,517	97,376	(296,141)
Fund balance appropriation	250,000	-	(250,000)
Adult education			
Tuition	60,000	48,054	(11,946)
Miscellaneous	119,241	103,582	(15,659)
Fund balance appropriation	20,000	-	(20,000)
	\$ 1,863,258	\$ 996,285	\$ (866,973)
Total school department revenue sources	27,371,449	31,017,261	3,645,813
Total revenues	<u>\$ 126,454,700</u>	<u>\$ 130,100,512</u>	<u>\$ 3,645,813</u>

CITY OF PORTLAND, MAINE
SCHOOL DEPARTMENT
EXPENDITURE STATUS REPORT SUMMARY
(Includes General, Adult Education and Food Services Funds)
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Budget Basis Actual</u>	<u>Variance with Final Budget</u>
General operations:			
Salaries and wages -			
Regular salaries	\$ 69,600,100	\$ 68,483,566	\$ 1,116,534
Temporary salaries	1,566,075	1,269,380	296,694
Overtime and additional work	224,122	214,068	10,053
Stipends and differentials	2,473,215	2,204,628	268,587
Total salaries and wages	<u>\$ 73,863,511</u>	<u>\$ 72,171,643</u>	<u>\$ 1,691,868</u>
Employee benefits	\$ 22,219,555	\$ 21,638,540	\$ 581,015
Contracted services -			
Professional and technical services	\$ 1,678,421	\$ 1,792,344	\$ (113,923)
Employee training and development	481,085	499,255	(18,171)
Architectural and engineering services	20,000	-	20,000
Security services	123,392	30,532	92,860
Special education	494,042	732,479	(238,437)
Legal	290,955	319,409	(28,455)
Total contracted services	<u>\$ 3,087,894</u>	<u>\$ 3,374,019</u>	<u>\$ (286,125)</u>
Other expenditures -			
Books and Periodicals	\$ 452,856	\$ 413,603	\$ 39,253
Communications	317,583	305,645	11,938
Debt service	9,878,761	9,655,792	222,969
Dues and fees	208,089	173,795	34,294
Equipment	75,404	41,319	34,085
Insurance	594,803	574,052	20,751
Miscellaneous	215,763	159,036	56,727
Rentals and leases	292,444	417,921	(125,478)
Repairs and maintenance	2,524,122	1,989,564	534,558
Supplies	2,368,872	2,144,348	224,524
Transportation services	410,000	589,124	(179,124)
Travel	152,771	101,116	51,655
Tuition	1,020,676	1,272,960	(252,284)
Utilities	2,372,714	2,279,841	92,873
Total other expenditures	<u>\$ 20,884,857</u>	<u>\$ 20,118,116</u>	<u>\$ 766,741</u>
Total general operations	<u>\$ 120,055,817</u>	<u>\$ 117,302,318</u>	<u>\$ 2,753,499</u>
Total adult education	<u>\$ 2,575,752</u>	<u>\$ 2,449,211</u>	<u>\$ 126,541</u>
Total food service	<u>\$ 3,823,131</u>	<u>\$ 3,896,111</u>	<u>\$ (72,980)</u>
Total expenditures	<u>\$ 126,454,700</u>	<u>\$ 123,647,640</u>	<u>\$ 2,807,060</u>

**CITY OF PORTLAND, MAINE
SCHOOL DEPARTMENT
FUND BALANCE STATUS REPORT
For the Year Ended June 30, 2022**

	<u>GENERAL ED</u>	<u>ADULT ED</u>	<u>FOOD SERVICE</u>	<u>TOTAL FUNDS</u>
Fund balances, beginning 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, beginning of year	8,906,732	336,918	752,112	9,995,762
Revenues and other financing sources less expenditures and other financing uses	5,719,048	78,936	654,889	6,452,872
Fund balance, end of year	<u>\$ 14,625,780</u>	<u>\$ 415,854</u>	<u>\$ 1,407,000</u>	<u>\$ 16,448,633</u>
Fund balances, end of year:				
Nonspendable	\$ -	\$ -	\$ 131,173	\$ 131,173
Restricted for career and technical education	360,236	-	-	360,236
Restricted for subsequent years expenditure	-	-	1,275,826	1,275,826
Committed for capital expenditures	1,000,000	-	-	1,000,000
Committed for debt service	2,549,764	-	-	2,549,764
Committed for subsequent years expenditure	2,326,442	20,000	-	2,346,442
Assigned	-	395,854	-	395,854
Unassigned	8,389,338	-	-	8,389,338
Total fund balance, end of year	<u>\$ 14,625,779</u>	<u>\$ 415,854</u>	<u>\$ 1,406,999</u>	<u>\$ 16,448,633</u>
Reconciliation of Revenue and Expenditure Status Reports to Change in Fund Balance:				
Revenue Status Report, Schedule B-1	\$ 123,021,366	\$ 2,528,147	\$ 4,551,000	\$ 130,100,512
Expenditure Status Report, Schedule B-2	<u>(117,302,318)</u>	<u>(2,449,211)</u>	<u>(3,896,111)</u>	<u>(123,647,640)</u>
Net change in fund balance	<u>\$ 5,719,048</u>	<u>\$ 78,936</u>	<u>\$ 654,889</u>	<u>\$ 6,452,872</u>

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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>	<u>Final Budget</u>
Revenues				
Charges for services	\$ 19,151,530	\$ 19,151,530	\$ 24,243,152	\$ 5,091,622
Intergovernmental revenue	1,951,053	1,951,053	6,440,097	4,489,044
Interest and other revenue	161,600	161,600	20,308	(141,292)
Total revenues	<u>\$ 21,264,183</u>	<u>\$ 21,264,183</u>	<u>\$ 30,703,557</u>	<u>\$ 9,439,374</u>
Expenditures and encumbrances				
Personnel services	\$ 6,086,176	\$ 6,088,076	\$ 5,518,225	\$ 569,851
Administrative services	764,466	759,191	718,295	40,896
Contractual services	4,665,771	4,600,131	5,106,460	(506,330)
Maintenance and repairs	1,334,540	1,391,256	1,255,592	135,665
Rentals	31,008	31,008	15,931	15,077
Insurance	163,706	163,706	153,756	9,950
Supplies and materials	905,087	994,628	596,984	397,643
Utilities	1,268,422	1,228,226	1,187,183	41,042
Contributions	1,893,633	1,893,633	1,751,653	141,980
Capital outlay	2,712,550	3,620,988	4,694,816	(1,073,828)
Debt service	4,122,395	4,122,395	4,112,300	10,095
Total expenditures and encumbrances	<u>\$ 23,947,754</u>	<u>\$ 24,893,237</u>	<u>\$ 25,111,196</u>	<u>\$ (217,959)</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	<u>\$ (2,683,571)</u>	<u>\$ (3,629,054)</u>	<u>\$ 5,592,361</u>	<u>\$ 9,221,416</u>

Reconciliation from budgetary basis to GAAP basis:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Statement of Revenues, Expenses, and Changes in Net Position, Statement 7	\$ 35,435,663	\$ 28,328,764	\$ 15,192,441
Capital contributions and reimbursements	-	-	(15,192,441)
Passenger facility charges	(4,547,262)	-	-
Unbudgeted revenues and reimbursements	(184,844)	(8,741)	-
Change in workers compensation liability	-	584,687	-
Changes in accumulated absences	-	(4,027)	-
Capital expenditures expensed over useful life	-	2,340,484	-
Bond issuance costs expensed with debt maturities	-	(19,401)	-
Depreciation charges not budgeted	-	(9,715,848)	-
Pension charges not budgeted	-	195,409	-
OPEB charges not budgeted	-	157,519	-
Debt service paid by passenger facility charges	-	(2,249,100)	-
Accrued interest on bonds	-	951,921	-
Bond principal payments	-	2,110,000	-
FY21 encumbrances	-	(20,117)	-
FY22 encumbrances	-	2,459,645	-
Statement of Revenues, Expenditures, and Encumbrances - Budget and Actual (Budget Basis), Schedule C-1	<u>\$ 30,703,557</u>	<u>\$ 25,111,196</u>	<u>\$ -</u>

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budget Basis)	Final Budget
Revenues				
Charges for services	\$ 28,451,990	\$ 28,451,990	\$ 28,464,437	\$ 12,447
Interest and other revenue	505,461	505,461	446,468	(58,993)
Total revenues	\$ 28,957,451	\$ 28,957,451	\$ 28,910,905	\$ (46,546)
Expenditures and encumbrances				
Personnel services	\$ 3,492,752	\$ 3,489,752	\$ 3,196,084	\$ 293,668
Administrative services	14,448,206	14,406,101	13,885,490	520,611
Contractual services	1,121,948	1,274,459	1,229,003	45,455
Maintenance and repairs	283,990	303,253	298,377	4,877
Rentals	98,365	108,113	108,343	(230)
Insurance	24,540	24,540	44,308	(19,768)
Supplies and materials	258,533	256,342	244,030	12,311
Utilities	92,910	131,998	124,494	7,504
Capital outlay	-	231,226	299,170	(67,944)
Debt service	8,620,117	8,620,117	9,246,063	(625,946)
Total expenditures and encumbrances	\$ 28,441,361	\$ 28,845,901	\$ 28,675,362	\$ 170,539
Excess (deficiency) of revenues over (under) expenditures and encumbrances	\$ 516,090	\$ 111,550	\$ 235,542	\$ 123,992

Reconciliation from budgetary basis to GAAP basis:

	Revenues	Expenditures	Other Financing Sources (Uses)
Statement of Revenues, Expenses, and Changes in Net Position, Statement 7	\$ 28,490,017	\$ 23,676,940	\$ 1,750,163
Capital contributions and reimbursements	-	(1,018,610)	-
Reimbursements budgeted as revenues	425,110	425,110	-
Losses realized on disposals of assets	-	(105,000)	-
Unbudgeted revenues and reimbursements	(4,222)	(4,222)	-
Change in workers compensation liability	-	34,115	-
Changes in accumulated absences and other liabilities	-	31,190	-
Transfers in	-	-	(1,750,163)
Depreciation charges not budgeted	-	(3,104,655)	-
Pension charges not budgeted	-	419,813	-
OPEB charges not budgeted	-	177,649	-
Accrued interest on bonds	-	670,175	-
Bond principal payments	-	7,164,604	-
FY22 encumbrances	-	308,253	-
Statement of Revenues, Expenditures, and Encumbrances - Budget and Actual (Budget Basis), Schedule C-2	\$ 28,910,905	\$ 28,675,362	\$ -

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, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>	<u>Final Budget</u>
Revenues				
Charges for services	\$ 7,375,620	\$ 7,375,620	\$ 7,107,385	\$ (268,235)
Interest and other revenue	42,151	42,151	9,647	(32,504)
Total revenues	<u>\$ 7,417,771</u>	<u>\$ 7,417,771</u>	<u>\$ 7,117,032</u>	<u>\$ (300,739)</u>
Expenditures and encumbrances				
Personnel services	\$ 1,383,719	\$ 1,384,019	\$ 1,383,318	\$ 701
Administrative services	134,915	144,609	114,774	29,836
Contractual services	515,000	611,406	374,009	237,397
Maintenance and repairs	87,001	116,251	127,476	(11,225)
Rentals	45,617	43,617	45,985	(2,368)
Insurance	2,000	2,000	-	2,000
Supplies and materials	145,300	138,121	111,882	26,238
Debt service	935,109	935,109	2,352,631	(1,417,522)
Total expenditures and encumbrances	<u>\$ 3,248,661</u>	<u>\$ 3,375,132</u>	<u>\$ 4,510,076</u>	<u>\$ (1,134,944)</u>
Excess (deficiency) of revenues over (under) expenditures and encumbrances	<u>\$ 4,169,110</u>	<u>\$ 4,042,639</u>	<u>\$ 2,606,956</u>	<u>\$ (1,435,683)</u>

Reconciliation from budgetary basis to GAAP basis:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Statement of Revenues, Expenses, and Changes in Net Position, Statement 7	\$ 7,117,032	\$ 3,031,235	\$ (1,750,163)
Capital contributions and reimbursements	-	(30,276)	1,750,163
Bond principal payments	-	1,375,778	-
FY22 encumbrances	-	133,340	-
Statement of Revenues, Expenditures, and Encumbrances - Budget and Actual (Budget Basis), Schedule C-3	<u>\$ 7,117,032</u>	<u>\$ 4,510,076</u>	<u>\$ -</u>

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budget Basis)	Final Budget
Revenues				
Charges for services	\$ 580,274	\$ 580,274	\$ 686,100	\$ 105,826
Total revenues	\$ 580,274	\$ 580,274	\$ 686,100	\$ 105,826
Expenditures and encumbrances				
Personnel services	\$ 84,092	\$ 84,092	\$ 66,376	\$ 17,716
Administrative services	11,468	11,468	9,968	1,500
Contractual services	46,600	46,600	23,961	22,639
Maintenance and repairs	225,000	234,800	154,336	80,464
Insurance	14,369	14,369	12,250	2,119
Supplies and materials	13,500	13,500	903	12,597
Utilities	15,000	15,000	11,855	3,145
Debt service	11,612	11,612	11,612	-
Total expenditures and encumbrances	\$ 421,641	\$ 431,441	\$ 291,261	\$ 140,180
Excess (deficiency) of revenues over (under) expenditures and encumbrances	\$ 158,633	\$ 148,833	\$ 394,839	\$ 246,006

Reconciliation from budgetary basis to GAAP basis:

	Revenues	Expenditures	Other Financing Sources (Uses)
Statement of Revenues, Expenses, and Changes in Net Position, Statement 7	\$ 744,276	\$ 495,787	\$ -
Depreciation charges not budgeted	-	(93,326)	-
Nonbudget revenue	(58,176)	-	-
Payments to fish pier enterprises not budgeted	-	(121,273)	-
Accrued interest on bonds	-	732	-
Bond principal payments	-	9,341	-
Statement of Revenues, Expenditures, and Encumbrances - Budget and Actual (Budget Basis), Schedule C-4	\$ 686,100	\$ 291,261	\$ -

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Statistical Section



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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 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 These schedules contain information to help the reader assess the City's most significant local revenue sources.	6 – 11
Debt Capacity 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 These schedules help the reader understand the environment within which the City's financial activities take place.	17 – 18
Operating Information 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)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities:										
Net investment in capital assets	\$220,963,681	\$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
Restricted	58,429,227	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
Unrestricted	(65,041,001)	(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)
Total governmental activities	\$214,351,909	\$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
net position										
Business-type activities:										
Net investment in capital assets	\$191,157,602	\$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
Restricted	5,683,807	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
Unrestricted	72,653,373	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
Total business-type activities	\$269,494,783	\$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
net position										
Primary government:										
Net investment in capital assets	\$412,121,284	\$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
Restricted	64,113,035	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
Unrestricted	7,612,372	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)
Total primary government	\$483,846,691	\$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
net position										

TABLE 2

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses –										
Governmental activities:										
General government										
Public safety	\$ 59,740,031	\$ 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
Public works	45,803,842	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
Health and social services	21,618,213	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
Public library	63,087,752	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
Education	4,746,412	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
Transportation	142,931,682	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
Interest on long-term debt	3,020,148	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
Total governmental activities expenses	11,679,811	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
	\$ 352,627,892	\$ 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
Business-type activities:										
Jepport	\$ 28,328,764	\$ 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
Sewer	23,676,940	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
Stormwater	3,031,235	2,187,049	1,985,155	2,009,341	1,936,513	1,865,468	2,116,535	-	-	-
Fish Pier Authority	495,787	712,852	580,472	369,991	435,200	557,538	548,448	370,882	384,558	435,661
Recreational facilities	-	-	-	-	-	-	-	-	-	1,960,483
Portland Development Corporation	204,769	542,898	297,825	457,575	254,289	153,078	81,438	194,149	279,093	358,225
Total business-type activities	\$ 55,737,494	\$ 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
Total primary government expenses	\$ 408,365,386	\$ 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
Program Revenues –										
Governmental activities:										
Charges for services:										
General government	\$ 32,339,452	\$ 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
Public safety	6,584,121	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
Public Works	3,670,043	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
Health and social services	15,100,462	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
Education	849,420	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
Operating grants and contributions	106,618,955	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
Capital grants and contributions	2,522,551	1,740,447	893,115	5,992,383	5,367,465	876,491	-	-	-	-
Total governmental activities program revenues	\$ 167,685,004	\$ 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

(continued)

TABLE 2. cont'd

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Business-type activities:										
Charges for services:										
Jetport	\$ 23,806,522	\$ 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
Sewer	28,456,821	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
Stormwater	7,107,385	6,768,581	6,280,034	6,680,010	6,523,083	6,469,578	3,297,088	-	-	-
Fish Pier Authority	563,115	586,464	627,739	574,599	535,030	536,830	513,492	489,551	494,521	469,289
Recreational facilities	-	-	-	-	-	-	-	-	1,604,588	1,591,628
Portland Development Corporation	3,077	3,500	5,180	26,988	8,633	10,274	3,695	5,070	9,678	72,791
Operating grants and contributions	615,114	336,175	2,372,594	363,697	210,892	626,344	92,500	-	116,848	-
Capital grants and contributions	19,739,703	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
Total business-type activities program revenues	\$ 80,291,737	\$ 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
Total primary government program revenues	\$ 247,976,740	\$ 200,502,278	\$ 195,328,807	\$ 191,216,264	\$ 176,723,544	\$ 170,628,288	\$ 169,760,041	\$ 156,569,981	\$ 168,642,178	\$ 169,998,127
Net (Expense)/Revenue -										
Governmental activities	\$ (184,942,888)	\$ (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)
Business-type activities	24,554,242	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
Total primary government net expense	\$ (160,388,646)	\$ (184,770,397)	\$ (179,168,592)	\$ (158,397,657)	\$ (177,450,321)	\$ (168,436,438)	\$ (178,061,487)	\$ (158,260,052)	\$ (157,549,770)	\$ (152,590,544)
General Revenues and Other Changes in net position -										
Governmental activities:										
Property taxes	\$ 189,766,858	\$ 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
Excise taxes	11,922,198	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
Unrestricted grants and contributions	17,429,214	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
Unrestricted investment earnings	248,652	353,603	1,373,269	1,727,383	2,356,341	2,472,008	435,154	257,840	255,376	560,421
Miscellaneous	-	-	-	-	-	-	-	-	15,819	75,468
Transfers	-	-	-	-	-	(7,347)	22,616	-	-	-
Total governmental activities	\$ 219,366,922	\$ 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
Business-type activities:										
Unrestricted investment earnings	\$ 1,008,431	\$ 242,166	\$ 1,065,345	\$ 1,177,925	\$ 662,695	\$ 291,167	329,775	293,380	\$ 144,129	\$ 40,790
Operating subsidies	6,315,542	9,610,024	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	7,347	(22,616)	-	-	-
Total business-type activities	\$ 7,323,973	\$ 9,852,189	\$ 1,065,345	\$ 1,177,925	\$ 662,695	\$ 298,514	\$ 307,159	\$ 293,380	\$ 144,129	\$ 40,790
Total primary government	\$ 226,690,895	\$ 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
Change in net position -										
Governmental activities	\$ 34,424,033	\$ 27,435,659	\$ 15,822,983	\$ 28,768,267	\$ 8,018,182	\$ 7,533,543	\$ (5,697,181)	\$ 12,124,818	\$ (4,418,852)	\$ (2,501,375)
Business-type activities	31,878,216	12,262,741	14,918,182	14,248,153	7,684,145	9,405,147	6,056,405	(231,620)	6,768,296	4,345,833
Total primary government	\$ 66,302,249	\$ 39,698,398	\$ 30,741,163	\$ 43,016,419	\$ 15,702,327	\$ 16,938,690	\$ 359,224	\$ 11,893,198	\$ 2,349,444	\$ 1,844,258

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)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund:										
Nonspendable:										
Inventories and prepaid expenditures	\$ 1,011,980	\$ 974,325	\$ 995,527	\$ 669,375	\$ 730,048	\$ 693,089	\$ 705,986	\$ 682,725	\$ 593,892	\$ 590,760
Restricted:										
Career and technical education	360,236	343,909	140,540	-	-	-	-	-	-	-
Committed:										
Debt service	2,549,764	-	-	-	-	-	-	-	-	-
Economic development activities	-	338,837	338,837	338,837	338,837	338,837	338,837	338,837	338,837	338,837
Educational facilities	-	-	-	-	-	-	-	-	-	445,332
Encumbrances	-	-	-	-	-	-	-	-	-	-
Capital Improvement	1,241,633	2,588,146	7,406,380	3,906,380	4,906,380	2,906,380	5,406,380	821,420	821,420	821,420
Revaluation	155,174	330,001	330,001	1,008,333	1,055,000	-	-	-	-	-
Self insurance programs	803,500	1,028,500	1,028,500	1,250,000	500,000	-	-	-	-	-
Recodification	95,000	95,000	-	-	-	-	-	-	-	-
Subsequent years expenditure	2,346,376	520,000	519,333	769,823	1,700,000	750,000	750,000	915,000	985,000	927,329
Assigned:										
Barron Center resident benefits	104,143	104,186	100,689	101,379	113,308	139,287	189,294	189,294	189,294	139,735
Capital improvement	1,971,420	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	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
Unassigned	66,209,579	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
Total general fund	\$ 92,098,804	\$ 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
All Other Governmental Funds:										
Nonspendable:										
Inventories and prepaid expenses	\$ 131,173	\$ 131,173	\$ 131,173	\$ 58,216	\$ 50,539	\$ 107,280	\$ 75,183	\$ 56,563	\$ 53,342	\$ 24,026
Loans	-	-	-	-	-	-	1,606,195	1,701,763	2,233,729	2,354,077
Permanent funds	9,005,923	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
Restricted:										
Capital projects	42,105,716	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
Debt service	-	-	-	-	-	3,714,828	93,877	824,513	-	180,904
Other grants and special revenue	32,123,841	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
Permanent funds	17,168,290	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
Committed:										
Capital projects	3,194,395	2,444,124	2,400,803	2,243,551	968,000	-	-	-	-	-
Debt service	-	-	-	-	-	-	730,313	620,517	313,083	62,510
Loan Programs	1,230,956	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
Subsequent years expenditure	125,000	250,000	1,285,737	1,082,208	211,481	-	-	-	-	-
Assigned:										
Debt service	14,414,958	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
Casco Bay Island Transit District	717,430	482,901	246,374	639,176	281,788	-	-	-	-	-
Unassigned	(4,872,566)	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 115,345,117	\$ 99,783,938	\$ 93,047,514	\$ 83,114,178	\$ 82,965,982	\$ 62,436,774	\$ 68,380,649	\$ 66,637,959	\$ 54,577,446	\$ 50,846,134

TABLE 4

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
General property and other taxes (see Table 6)	\$ 200,843,609	\$ 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
Licenses and permits	9,858,565	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
Fines, forfeits and penalties	2,201,264	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
Uses of money and property	10,935,234	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
Investment income (loss)	(2,101,208)	-	-	-	-	-	-	-	-	-
Intergovernmental	123,412,772	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
Current services	37,898,295	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
Capital contributions	1,113,908	795,227	226,200	688,073	-	-	-	-	-	-
Other	992,560	-	-	-	375,776	372,323	2,535,834	841,903	1,086,357	498,494
Total revenues	\$ 385,154,998	\$ 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
Expenditures:										
General government	\$ 40,107,728	\$ 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
Public safety	37,333,754	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
Public works	13,457,354	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
Health and social services	58,217,558	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
Public library	4,387,116	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
Education	138,220,568	135,185,907	123,014,434	119,288,252	113,745,036	109,109,888	110,151,993	106,799,749	107,676,003	104,998,421
Pension and employee insurance	27,769,097	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
Other	11,994,554	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
Debt service -										
Principal	27,687,367	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
Interest	13,656,559	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
Capital outlay	66,802,818	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
Total expenditures	\$ 439,634,473	\$ 359,082,994	\$ 345,272,299	\$ 335,722,922	\$ 330,460,664	\$ 305,289,090	\$ 303,455,242	\$ 293,579,486	\$ 290,279,808	\$ 278,897,850
Excess (deficiency) of revenues over (under) expenditures	\$ (54,479,474)	\$ 547,536	\$ (14,601,014)	\$ (19,115,842)	\$ (28,025,352)	\$ (10,815,757)	\$ (12,772,352)	\$ (16,383,598)	\$ (15,560,212)	\$ (5,935,294)
Other Financing Sources (Uses):										
Issuances of debt	\$ 42,447,000	\$ 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
Proceeds from refunding	-	-	-	-	-	-	6,475,940	5,645,000	-	-
Payments on refunded bonds	-	-	-	-	-	-	(6,428,498)	-	-	-
Leases (as lessee)	31,501,944	-	-	4,184,393	4,844,370	96,045	-	-	-	-
Sale of city property	1,051,481	298,056	415,839	5,155,534	4,909,185	-	-	-	-	-
Transfers in	15,084,599	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
Transfers out	(15,084,599)	(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)
Total other financing sources (uses)	\$ 75,000,425	\$ 14,014,235	\$ 34,215,839	\$ 25,966,310	\$ 54,091,801	\$ 11,809,595	\$ 21,914,657	\$ 27,776,646	\$ 18,917,183	\$ 15,201,433
Net change in fund balances	\$ 20,520,950	\$ 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
Debt service as a percentage of noncapital expenditures	11.03%	10.52%	10.77%	11.02%	9.70%	9.75%	9.56%	11.54%	9.64%	9.06%

TABLE 5

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Function/Program										
Governmental activities:										
General government	\$ 51,558,442	\$ 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
Public safety	7,216,544	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
Public works	8,192,521	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
Health and social services	49,655,710	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
Education	51,061,787	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
Subtotal governmental activities	\$ 167,685,004	\$ 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
Business-type activities:										
Jetport	\$ 43,670,780	\$ 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
Sewer	28,456,821	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
Stormwater	a 7,107,385	6,768,581	6,280,034	6,680,010	6,523,083	6,469,578	3,297,088	-	-	-
Fish Pier Authority	563,115	586,464	627,739	574,599	535,030	536,830	513,492	489,551	517,893	755,317
Recreational facilities	b -	-	-	-	-	-	-	-	-	2,646,937
Portland Development Corporation	493,635	227,669	287,361	272,090	219,525	636,618	96,195	5,070	137,776	574,678
Subtotal business-type activities	\$ 80,291,737	\$ 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
Total primary government	\$ 247,976,740	\$ 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

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
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
2022	188,921,412	11,922,198	200,843,609

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
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
2022	12,204,285	38,280,719	23,860,474	5,224,929	79,570,407

(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

Fiscal Year	Property Value					Total Direct Tax Rate	Estimated Actual Total Value (2)	Assessor's Certified Ratio State Value
	Commercial	Industrial	Residential (1)	Personal	Less Tax Exempt			
2013	\$ 4,357,453,520	\$ 272,694,790	\$ 4,332,720,570	\$ 431,286,630	\$ 1,904,272,930	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	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	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	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	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	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	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	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	12.33	13,301,828,160	77%
2022 (3)	7,979,034,600	821,361,460	8,547,155,590	685,722,890	3,411,662,700	12.99	14,621,611,840	100%

(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.

(3) A City-wide revaluation was implemented in 2022.

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

Fiscal Year	City Direct Rates				Overlapping Rates		Total Property Tax Rates
	Basic Rate	General Obligation Debt Service	Education	Total Direct	County Tax	Transit District	
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
2022 (1)	3.63	1.93	6.77	12.33	0.49	0.17	12.99

(1) Total tax rate for 2022 prior to implementation of revaluation equaled \$23.31.

Source: City Budget Office

TABLE 10

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

<u>Taxpayer</u>	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
UNUM Group	\$ 235,086,190	1	1.61%	\$ 160,607,150	1	2.13%
Northern Utilities Inc / Utilil	132,881,830	2	0.91%	47,653,360	5	0.63%
CMP (Central Securities Corp)	115,319,590	3	0.79%	78,044,840	2	1.04%
Brown JB & Sons	100,413,870	4	0.69%			
North River IV LLC	90,481,000	5	0.62%	47,989,950	4	0.64%
PVA Limited Partnership	62,526,380	6	0.43%	35,664,130	8	0.47%
One City Center Associates LLC	60,840,200	7	0.42%			
R B Portland Westin/Eastland Park Hotel	57,003,000	8	0.39%			
Albany Road-Portland, LLC	47,022,000	9	0.32%			
Lafayette Portland, LLC	41,324,500	10	0.28%	32,967,980	10	0.44%
COW Plaza LLC				60,462,040	3	0.80%
Olympia Equity Co.				46,963,190	6	0.62%
PREEF America REIT III				45,741,940	7	0.61%
Middle Street Associates Towers A&B				33,308,000	9	0.44%
Totals	<u>\$ 942,898,560</u>		<u>6.46%</u>	<u>\$ 589,402,580</u>		<u>7.82%</u>

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
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%	366,507	186,158,559	99.37%
2022	189,927,270	188,218,325	99.10%	-	188,218,325	99.10%

Source: City Finance Department

TABLE 13

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
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	81,598,520	282,301,257	3.60%	4,263
2020	262,208,336	89,815,408	352,023,744	4.44%	5,316
2021	251,116,994	151,162,552	402,279,546	5.01%	5,881
2022	251,772,791	91,580,237	343,353,028	4.27%	5,019

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, 2022

<u>Jurisdiction</u>	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to Portland</u>	<u>Amount Applicable to Portland</u>
Direct:			
City of Portland	\$ 281,237,161 (1)	100.00%	\$ 281,237,161
Overlapping:			
Cumberland County	30,856,174 (2)	21.37%	6,595,194
Portland Water District:			
Water debt	58,631,046 (2)	31.54%	18,492,232
Sewer debt	20,475,062 (3)	100.00%	20,475,062
	\$ 109,962,282		\$ 45,562,488
	\$ 391,199,443		\$ 326,799,649

(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)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Assessed value per State Property Tax Division	\$ 12,095,550	\$ 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
Debt limit - 15% of assessed value	1,814,333	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
Less outstanding debt applicable to debt limit	385,631	369,732	335,855	319,660	313,736	288,610	295,376	285,194	288,976	288,016
Legal debt margin	\$ 1,428,701	\$ 1,302,663	\$ 1,240,195	\$ 1,133,518	\$ 1,043,689	\$ 986,622	\$ 904,077	\$ 870,886	\$ 843,742	\$ 844,807
Total outstanding debt applicable to the limit as a percentage of debt limit	21.25%	22.11%	21.31%	22.00%	23.11%	22.63%	24.63%	24.67%	25.51%	25.42%
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	\$ 907,166	\$ 836,198	\$ 788,025	\$ 726,589	\$ 678,713	\$ 637,616	\$ 599,726	\$ 578,040	\$ 566,359	\$ 566,411
Less outstanding debt applicable to debt limit	239,664	227,491	231,432	188,207	190,424	187,056	190,271	182,198	180,533	177,292
Debt margin for municipal purposes	\$ 667,502	\$ 608,707	\$ 556,593	\$ 538,382	\$ 488,289	\$ 450,560	\$ 409,455	\$ 395,842	\$ 385,826	\$ 389,119
Outstanding debt applicable to the limit as a percentage of debt limit for municipal purposes	26.42%	27.21%	29.37%	25.90%	28.06%	29.34%	31.73%	31.52%	31.88%	31.30%
School purposes - 10%										
Debt limit	\$ 1,209,555	\$ 1,114,930	\$ 1,050,700	\$ 968,785	\$ 904,950	\$ 850,155	\$ 799,635	\$ 770,720	\$ 755,145	\$ 755,215
Less outstanding debt applicable to debt limit	63,160	63,160	64,646	51,613	53,361	31,648	33,106	36,050	38,719	37,105
Debt margin for school purposes	\$ 1,146,395	\$ 1,051,770	\$ 986,054	\$ 917,172	\$ 851,589	\$ 818,507	\$ 766,529	\$ 734,670	\$ 716,426	\$ 718,110
Outstanding debt applicable to the limit as a percentage of debt limit for school purposes	5.22%	5.66%	6.15%	5.33%	5.90%	3.72%	4.14%	4.68%	5.13%	4.91%
Storm and sanitary sewer purposes - 7.5%										
Debt limit	\$ 907,166	\$ 836,198	\$ 788,025	\$ 726,589	\$ 678,713	\$ 637,616	\$ 599,726	\$ 578,040	\$ 566,359	\$ 566,411
Less outstanding debt applicable to debt limit	82,807	79,080	39,777	30,205	69,951	69,907	71,999	66,946	69,725	73,619
Debt margin for sewer purposes	\$ 824,359	\$ 757,117	\$ 748,248	\$ 696,384	\$ 608,762	\$ 567,710	\$ 527,727	\$ 511,094	\$ 496,634	\$ 492,792
Outstanding debt applicable to the limit as a percentage of debt limit for sewer purposes	9.13%	9.46%	5.05%	4.16%	10.31%	10.96%	12.01%	11.58%	12.31%	13.00%
Airport, water and other special district purposes - 3%										
Debt limit	\$ 362,867	\$ 334,479	\$ 315,210	\$ 290,636	\$ 271,485	\$ 255,047	\$ 239,891	\$ 231,216	\$ 226,544	\$ 226,565
Less outstanding debt applicable to debt limit	-	-	-	-	-	-	-	-	-	-
Debt margin for special district purposes	\$ 362,867	\$ 334,479	\$ 315,210	\$ 290,636	\$ 271,485	\$ 255,047	\$ 239,891	\$ 231,216	\$ 226,544	\$ 226,565
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%	\$ 1,814,333	\$ 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

TABLE 16

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

Fiscal Year	General Airport Revenue Bonds					Coverage
	(Budget Basis of Accounting)					
	Revenues (1)	Maintenance and Operating Expenditures (2)	Net Revenues	Debt Service		
Principal				Interest		
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	2.29
2020	26,571,771	18,902,969	7,668,802	3,210,000	5,439,125	0.89
2021	18,029,186	14,735,154	3,294,032	2,010,000	4,524,280	0.50
2022	26,821,960	15,313,437	11,508,523	2,110,000	4,251,400	1.81

(1) 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.

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

Source: City Finance Department

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) Unemploy- ment Rate
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	3.80
2022	68,313	4,214,571	61,695	6,472	2.90

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.

TABLE 18

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

<u>Employer</u>	<u>2019¹</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Maine Medical Center	9,327	1	12.82%	6,044	1	15.66%
UNUM Provident	2,800	2	3.85%	2,777	2	7.20%
Mercy Hospital	1,308	3	1.80%	1,886	3	4.89%
Martin Point Healthcare	713	4	0.98%	502	5	1.30%
Hannaford Bros. Co.	464	5	0.64%			
University of New England	461	6	0.63%	311	9	0.81%
Whole Foods	443	7	0.61%	350	8	0.91%
Consolidated Communications (formerly Fairpoint)	400	8	0.55%	680	4	1.76%
Spurwink	380	9	0.52%			
Tyson Foods/Barber Foods	300	10	0.41%	302	10	0.78%
Parker-Hannifin (Nichols)				373	6	0.97%
Catholic Charities				366	7	0.95%
Total	<u>16,596</u>		<u>22.81%</u>	<u>13,591</u>		<u>35.23%</u>

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

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of June 30</u>									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General government										
Management services	93	87	76	77	78	68	48	43	42	49
Finance and Technology	41	40	41	42	42	41	41	43	42	41
Parking control and garages	29	29	30	30	30	30	30	30	30	28
Planning and development	17	17	24	24	24	22	35	35	32	32
Public buildings	24	22	25	39	38	39	36	39	41	42
Public safety										
Police										
Officers	155	155	156	156	161	158	162	162	159	162
Civilians	65	69	66	65	66	64	56	58	57	59
Fire										
Firefighters, EMTs and officers	207	207	206	206	209	207	198	206	205	204
Non firefighting staff	7	7	10	10	10	13	16	16	16	6
Public works	127	122	132	131	129	125	149	153	152	152
Health and social services										
Public Health	37	36	32	32	30	47	62	70	92	81
Social Services	96	95	94	88	80	78	91	79	76	67
Skilled nursing facility	245	238	247	244	264	261	267	266	264	263
Recreation	114	116	142	128	123	116	84	83	77	79
Public library	57	56	54	54	54	54	54	52	55	46
Education	1,228	1,166	1,250	1,227	1,203	1,213	1,181	1,171	1,163	1,174
Sewer										
Engineering	5	5	13	13	12	12	13	13	13	13
Maintenance and other	29	29	20	20	18	19	19	28	25	25
Stormwater	10	9	10	10	13	11	11	-	-	-
Transportation										
Air rescue	10	10	10	10	10	10	14	14	14	14
Security	5	5	5	5	5	5	10	11	14	9
All other	57	57	59	56	53	51	40	37	38	36
Total	<u>2,657</u>	<u>2,577</u>	<u>2,701</u>	<u>2,667</u>	<u>2,652</u>	<u>2,643</u>	<u>2,616</u>	<u>2,609</u>	<u>2,607</u>	<u>2,582</u>

- 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

TABLE 20

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

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police										
Physical arrests	1,760	2,098	2,503	2,664	2,714	3,021	3,239	3,567	2,953	4,342
Citations	724	1,544	2,000	2,804	2,947	4,724	5,042	5,607	5,846	6,303
Total calls for service	64,740	66,857	75,223	78,541	78,765	74,876	81,460	83,861	84,438	83,885
Fire										
Emergency responses	17,601	16,196	16,806	16,664	16,428	16,496	16,053	16,314	15,833	15,561
Structural fires	171	148	174	154	142	152	179	164	193	247
Refuse collection										
Refuse collected (tons)	9,339	8,573	9,288	8,726	9,032	8,875	9,334	9,472	9,392	9,382
Recyclables collected	5,440	4,966	5,040	5,553	5,534	5,609	5,810	5,463	5,554	5,543
Other Public Works										
Requests for service - number of workorders	6,049	6,773	6,034	8,199	7,914	6,896	5,217	2,861	3,309	3,276
Traffic workorders - signals, lights and signs (a)	-	-	-	790	1,306	1,209	1,143	1,206	1,378	1,364
Vehicle maintenance workorders	2,065	1,999	2,099	2,208	2,402	2,654	2,343	2,168	2,372	3,518
Street sweeping - lane miles	4,634	3,615	4,323	3,980	4,444	3,698	2,450	2,450	2,650	2,275
Number of winter storms	6	6	10	22	14	13	8	14	11	11
Library										
Volumes in collection	384,218	394,292	385,531	374,393	376,000	376,000	369,868	363,376	360,000	365,000
Total circulation	746,633	526,827	688,262	862,264	811,000	826,000	828,676	869,563	882,278	940,034
Reference questions	31,469	14,517	21,256	38,862	36,832	57,187	80,149	80,254	70,835	67,599
Attendance	159,375	61,501	279,515	572,408	559,241	586,000	615,955	612,335	627,501	662,455
Wastewater (cubic feet in 100's)										
Average daily sewage treatment	22,742	17,692	20,854	22,059	22,725	18,000	17,000	17,000	19,800	17,000
Customer count (monthly average)	17,272	17,405	17,151	17,146	17,162	16,600	17,033	17,060	16,922	16,892
Permitting and inspections										
Building permits new structures - residential	17	40	50	33	41	32	24	33	30	31
Building permits new structures - commercial	26	34	26	31	32	25	19	7	13	15
Building inspections	4,582	5,433	4,864	4,787	3,644	3,767	3,808	3,353	3,259	2,593
All other inspections	2,162	2,171	3,150	3,229	4,029	5,326	5,150	2,040	2,467	2,256
Food service inspections	1,322	700	1,163	938	1,393	908	937	953	572	298
Housing & general assistance inspections	134	418	369	307	522	327	205	280	392	560
Parking control										
Parking violations	97,303	92,751	79,445	99,409	107,341	106,921	117,874	119,851	123,079	130,122

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

Source: Various City Departments

TABLE 21

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

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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	44	40	41	49	53	50	50	50	49	48
Unmarked sedans	45	39	38	36	28	33	39	39	39	39
Fire										
Fire stations	10	10	10	10	10	10	10	10	10	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	1,480	1,500	1,500	1,300	1,450
Refuse collection										
Collection trucks - packers	14	14	14	14	12	14	14	14	14	14
Collection trucks - recycle	2	2	-	5	15	5	5	5	5	5
Street sweepers	8	8	8	8	9	10	9	8	8	7
Other Public Works										
Streets (lane miles)	708	708	708	582	582	582	582	582	582	582
Street lights (1)	7,200	7,500	7,500	7,110	775	775	615	615	615	605
Traffic signalized intersections	205	205	205	205	124	124	115	115	115	115
Parks and recreation										
Parks	67	67	67	66	66	37	37	37	37	37
City tree inventory	20,200	20,000	20,000	20,000	20,000	20,000	19,500	19,500	19,500	19,500
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	30	27	27	27	27
Ball fields	50	50	50	50	50	50	50	50	50	50
Community centers	4	4	4	4	4	5	5	5	5	5
Swimming pools	3	3	3	3	3	3	3	3	3	3
Education (Public)										
Schools	17	17	17	18	18	18	18	18	18	18
Classrooms	472	473	473	479	465	462	462	448	445	454
Wastewater										
Sanitary sewers (miles)	99	98	94	70	94	92	96	85	87	70
Storm sewers (miles)	149	165	194	201	193	138	129	108	107	108
Combined sewer (miles)	130	135	135	162	135	139	141	131	136	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) 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

TABLE 22

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

AIRLINE	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Air Canada / Air Alliance	-	-	-	-	-	-	-	-	-	4,095
AirTran	-	-	-	-	-	-	-	-	-	67,349
Cape Air	2,895	250	2,527	-	-	-	-	-	-	-
Continental Airlines										
Colgan / Continental Connection	-	-	-	-	-	-	-	-	-	6,147
Continental Express / ExpressJet	-	-	-	-	-	-	-	-	-	55,418
Trans State Airlines	-	-	-	-	-	-	-	-	-	95
Delta	100,515	35,684	87,220	105,936	95,270	106,069	102,962	100,639	110,974	125,867
Chautauqua	-	-	-	-	-	-	-	9,167	24,446	3,176
Comair	-	-	-	-	-	-	-	-	-	344
Compass	-	-	-	-	-	-	74	-	4,815	9,048
Endeavor Air	91,264	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
Pinnacle	-	-	-	-	-	-	-	-	20,620	43,615
Shuttle America	44,435	17,174	514	-	172	610	22,063	18,288	8,675	21,307
Skywest Airlines	4,564	1,618	4,733	21,150	7,067	1,546	-	-	-	-
Elite Airways	2,695	970	2,820	5,492	7,671	8,008	2,964	-	-	-
Frontier Airlines	61,286	29,136	58,909	71,552	-	-	-	-	-	-
JetBlue	16,161	1,674	21,947	52,935	88,193	92,826	98,298	99,730	102,522	99,925
Shuttle America	-	-	-	1,467	-	-	-	-	-	-
Southwest	163,664	93,576	123,247	154,945	150,167	148,624	130,567	127,060	116,939	25,411
Sun Country Airlines	4,391	1,756	135	-	-	-	-	-	-	-
Twin Cities Air Service	-	-	-	-	-	-	-	-	-	433
U.S. Airways / American Airlines	121,759	77,089	88,904	132,245	96,194	75,954	47,034	43,605	45,593	42,009
Air Wisconsin	-	-	-	-	19,742	40,538	54,615	59,737	49,131	54,497
Chautauqua	-	-	-	-	-	-	-	-	80	-
Envoy	23,287	16,583	19,929	35,706	7,302	-	-	-	-	-
Mesa	-	-	-	-	-	-	-	2,456	330	-
Piedmont	13,188	10,858	33,782	45,978	25,016	17,714	2,215	-	-	363
PSA Express	78,420	30,691	13,421	46,390	73,384	54,257	55,428	379	1,187	43
Republic Airlines	51,247	34,676	97,732	70,122	45,334	66,883	91,418	129,478	131,801	123,752
Trans State Airlines	-	-	-	3,750	9,739	3,046	-	-	-	-
United Airlines	79,717	5,866	37,892	78,237	35,330	7,974	-	-	-	-
Air Wisconsin	23,721	10,972	5,804	16,151	17,148	-	-	-	-	34,555
Commute Air	1,292	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	-
Go Jet	26,799	5,121	735	3,436	4,221	9,456	26,657	30,519	20,472	26,803
Mesa	570	10,340	17,391	16,308	13,746	28,954	25,827	23,522	28,834	7,724
Republic Airlines	68,632	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	132	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
Subtotal	980,634	481,540	819,738	1,107,484	969,683	912,913	876,250	842,784	843,148	818,541
Charters and Unscheduled Flights	-	-	-	417	966	1,424	148	730	1,156	963
Local Total	980,634	481,540	819,738	1,107,901	970,649	914,337	876,398	843,514	844,304	819,504
Total for United States (000)'s	(a)	854,142	368,238	935,356	897,541	856,287	830,079	800,087	760,847	738,616
Local Market Share of US Total	(b)	0.056%	0.223%	0.118%	0.108%	0.107%	0.106%	0.105%	0.111%	0.111%

(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**



CITY OF PORTLAND, MAINE

Management Letter
For the Year Ended June 30, 2022

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY LETTER	1
STATUS OF PRIOR YEAR RECOMMENDATIONS:	
1. Evaluate the School Department's Internal Control Structure (Material Weakness)	3
2. Implement Prior School Department Additional Audit Recommendations (Significant Deficiency)	4
3. Identify Individual Project Balances	4
4. Document the Reconciliation of Interim Tax Receivable Balances	6
CURRENT YEAR RECOMMENDATIONS:	
5. Review and Update Controls in Social Services Department	7
6. Consider an Internal Audit Function	7
7. Ensure Grant Funds Are Not Expended Prior to City Council Approval	8

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, 2022, 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

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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.



Merrimack, New Hampshire
March 3, 2023

STATUS OF PRIOR YEAR RECOMMENDATIONS

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

Prior Year Comment:

The duties for School Finance Department personnel are not fully segregated. As a result, unauthorized adjustments can be made by personnel and errors, or irregularities could occur and not be identified timely. Specifically, pay rates can be adjusted by individuals other than Human Resources personnel. Employees can bypass controls as their access to MUNIS modules is not fully restricted to their roles.

A full audit trail to recalculate amounts paid in agreement with an employees' contracts and time records for the sampled payroll transactions was difficult to obtain. Therefore, we cannot conclude on the completeness and accuracy of the processing of these transactions, or if management is formally approving the payroll transactions after they are posted to the payroll module. Additionally, School personnel enter payroll into the MUNIS payroll module, however 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.

Current Year Status:

The items noted above were not fully implemented during the fiscal year 2022. While we have seen improvement with time records, audit trail over rates was again difficult to obtain.

Further Action Needed:

We continue to recommend that the School Department prioritize corrective action on the weaknesses noted above. Additional mitigating controls can be implemented in the near term before the long-term internal control structure can be strengthened further.

School Department's Response:

The School Department has established Personnel Workflow, and the new workflow has HR entering in all new employees, with an approval by the HR Director and lead payroll person. This covers rate changes, new employees, and terminations. We have also copied some of the City's payroll files to utilize for employees who do not need full access, and we are still working through all the roles. We have initiated a timesheet district file, where all additional pays are being entered by school location, accompanied with a Principal Approval Statement. Our lead Accountant is posting all journal entries within the payroll process, and then to the general ledger, this has approval workflow prior to any posting.

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

Prior Year Comment:

Prior year management letters 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.

Current Year Status:

These issues were not fully addressed in fiscal year 2022.

Further Action Needed:

We continue to recommend that the School Department address the weaknesses in internal control noted above.

School Department's Response:

The School Department has hired a Purchasing Manager, who is implementing a centralized purchasing/procurement/bidding process in accordance with City policies. We have produced a purchasing policy again in accordance with the City's, for all employees. Currently the JP Morgan purchasing card is being reviewed by the Purchasing Manager, ensuring all purchases have the appropriate receipts/back-up, prior to processing payment. Employees who do not provide the necessary documentation will lose access to the purchasing cards.

The School Department maintains a cash receipt log, that anticipates all incoming cash based on grant billing, and have created an e-deposit slip solely for Food Services. Adult Education maintains their own receipts and deposits, forwarded to us and Central Office then prepares the journal entry based upon back-up received. The State of Maine sends us electronic funds transfer notification via email providing all information relating to incoming deposits.

The Central Office has changed all banking to TD Bank with online statement access, which we then send out to the schools, a change from the Central Office not having access to the accounts at all. We also have access to their QuickBooks Modules so if they need assistance reconciling or training, we support their needs, as requested, and have the ability to clearly see timely bank reconciliations.

Currently we are analyzing all accrued time.

3. Identify Individual Project Balances

Prior Year Comment:

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.

Current Year Status:

During fiscal year 2022, the City performed research to help reconcile project reports with the general ledger including communication with all departments regarding old balances and reviewing past interest allocations. The city has determined that this project is a longer-term project than originally anticipated.

Further Action Needed:

We continue to recommend that the City work to resolve the remaining reconciling items.

City's Response:

As noted above, the City researched individual project balances in its Special Revenue Fund 242 with all departments and determined the appropriate amounts of project balances, which is significantly less than the fund balance reported as of June 30, 2022. Finance staff are confident that this difference originates in project balances that were deemed unnecessary to carry over from the City's legacy finance system into the Munis system at the time of conversion. This difference will be set aside and designated for future use or transfer to the General Fund so that unassigned fund balance in the Special Revenue Fund agrees to individual project balances.

Anticipated completion date: June 30, 2023

Regarding Capital Fund 300, projects were not intended to track cash balances of individual capital projects but were established for budgetary control and to ensure that individual capital project expenditures do not exceed amounts authorized in the City's capital improvement plan. Thus, the City has not allocated the proceeds from the issuances of debt to individual capital projects because funding for capital 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, and it may be impractical to retroactively allocate debt proceeds for projects that have been closed for many years and exist only in the City's legacy computer system.

The City will investigate the feasibility of creating either a new project type or a new fund for new capital projects going forward.

Anticipated completion date: December 31, 2023

4. Document the Reconciliation of Interim Tax Receivable Balances

Prior Year Comment:

Quarterly tax receivable reconciliations did not have clear documentation of how the balances agreed to the amounts reported in MUNIS during the year. This increases the risk of errors or irregularities not being detected and resolved in a timely manner. We recommended that the City work with MUNIS to generate reports throughout the year to support the reconciled balances.

Current Year Status:

This recommendation was not fully resolved.

Further Action Needed:

We continue to recommend that the City work with MUNIS representatives to generate reports that will support the reconciled balances of tax receivable accounts on a quarterly basis.

City's Response:

The City reconciles taxes receivable on a quarterly basis although the process is informal and not documented. We will begin formally documenting reconciliations.

Anticipated completion date: March 31, 2023

As previously noted, difficulties reconciling taxes receivable arose during FY21 when a MUNIS software upgrade removed taxes receivable reports that were previously available in the accounting system. The City developed a workaround solution in FY21 and has continued to work with representatives of MUNIS to produce reports that will enable us to reconcile receivable accounts in a more efficient manner; however, a solution has yet to be reached.

Anticipated completion date: Ongoing

CURRENT YEAR RECOMMENDATIONS

5. Review and Update Controls in Social Services Department

Our testing of a sample of Social Service payments to those needing assistance, disclosed that an individual received payments despite not meeting the established eligibility criteria, which was later discovered. Additionally, we noted that an individual receiving assistance who was required to provide a job search log, did not provide it, and the request for the form was missed during check in. Upon discussions with the department, we were informed that the substantial volume of transactions is putting a strain on the department, where processes can be missed if resources are limited to train new staff. Multiple other factors involved in the verification process make it difficult for staff to assure that the recipients are meeting the eligibility criteria. The software used by the department does not allow a quick access to the overall employment verification status, as staff needs to go back and drill on notes from the previous visits of the benefit recipient. Also, staff is limited when it comes to access to the state-wide database and ability to request bank statements from bank accounts that are associated with their current clients that they are serving.

We recommend, given the resources associated with this service, that the City perform a complete review of the procedures needed to ensure eligibility criteria for benefits are properly designed and operating effectively. We recommend that the City consider an employment verification database, as well as continued communication with the state on ability of local governments to update the state-wide database for the clients they service, in order to have complete information to determine if eligibility criteria is met.

City's Response:

As noted above, social services staff are processing an unprecedented volume of transactions, hampered by software challenges and limited functionality within state-wide systems. These factors are impacting staff, training and process efficiency. The City will perform a review of social services procedures to evaluate the efficiency of existing processes, to determine software needs, and to assess whether existing staff training is satisfactory.

Anticipated completion date: September 30, 2023

6. Consider an Internal Audit Function

Many organizations of similar size and complexity of the City (including the School Department) have established an Internal Audit Department. Internal audits complement the annual external audit process as internal audits generally focus on the efficiency and effectiveness of control procedures throughout the organization and provide on-going analysis to ensure controls are adequately designed and operating effectively. Further,

internal audits can provide management with recommendations for improvements as needed.

In our opinion, with past computer system conversions, as well as the size and complexity of the City of Portland (including the School Department), we recommend that the City consider a position dedicated to the continuous improvement of internal controls and the efficiency and effectiveness of departmental activities to enhance and streamline operations.

City's Response:

Existing Finance staff evaluates controls and investigates financial transactions on an as-needed basis when periodic reviews of financial records indicate that such reviews are necessary. We agree that an internal audit position that is dedicated to monitoring the effectiveness of control procedures and department activities would significantly enhance the efficiency of existing Finance staff, strengthen the system of internal control and complement the external audit process.

7. Ensure Grant Funds Are Not Expended Prior to City Council Approval

In fiscal year 2022, approximately \$4.9 million of School Department costs were charged to the ESSERIII federal grant, however the grant was not accepted by, and an appropriation provided for by the City Council. As a result, the ESSERIII grant (\$18 million grant over 3 fiscal years) closed at June 30, 2022 with a deficit balance of \$4.9 million, and grant revenue recognized in fiscal year 2023, upon grant approval, will be required to fund the deficit.

We recommend that the School Department, in accordance with the City Charter, ensure that an approved appropriation exist prior to incurring any such related expenditures. Article III, Section V of the City Charter states: "The budget submitted by the superintendent to be reviewed jointly by the school board and the city council shall provide a complete financial plan of all school funds and activities for the ensuing fiscal year." It also states: "A budget hearing on such budget estimates shall be held prior to final action by the city council. The city council in its appropriation resolve for the ensuing year shall, in addition to amounts appropriated for other general city purposes, appropriate one gross amount for the support of the public schools, which amount shall not be less than the sum required to be appropriated for such purposes by the general laws of the state. Such gross amount shall not be less than the sum requested by the school board except by a vote of at least six (6) members of the city council. Such appropriation shall be expended under the direction and control of the school board but no such appropriation shall be exceeded except by consent of the city council."

School Department's Response:

There is no precedent for interpreting the City Charter as requiring City Council approval for School Department grant expenditure. We do not presently bring any grants to the City

Council for appropriation before expenditure. To the best of our knowledge, we have not ever done this (at least not within the last ~20 years). The reason for the specified deficit was a delay in having the grant approved by the State. This approval has since been obtained, and we are recognizing the grant revenue in the current fiscal year (FY23).

PORTLAND PUBLIC SCHOOLS

prepared & empowered



STRENGTHENING
ACADEMICS, BEHAVIORAL
HEALTH & OPERATIONAL SYSTEMS

FY2024 Superintendent's Recommended Budget

March 14, 2023



Portland Public Schools FY2024 Budget Timeline

Please see the official [Board of Education calendar](#) for meeting times and zoom links.

Monday, March 6, 2023	Public Forum on the FY24 School Budget
Tuesday, March 14, 2023	School Board Meeting (Special Meeting) Superintendent Presents Recommended FY24 Budget 6:00 PM
Wednesday, March 15, 2023	School Finance Committee Budget Review 8:00 AM
Monday, March 20, 2023	School Finance Committee Budget Review & Public Hearing 4:30 PM
Tuesday, March 21, 2023	School Board Regular Meeting <i>School Board Budget Workshop to follow</i> 6:00 PM
Tuesday, March 28, 2023	Joint City & School Finance Committee Meeting & Budget Review 6:30 PM School Finance Committee Budget Review Vote to Recommend to School Board (immediately following Joint City and School Finance Committee Review)
Tuesday, April 4, 2023	School Board 1 st Reading of Recommended FY24 Budget and Public Hearing <i>School Board Budget Workshop to follow</i> 6:00 PM
Thursday, April 6, 2023	Joint City & School Finance Committee Meeting & Budget Review

School Finance Committee Meeting to follow (if necessary)
6:30 PM

Tuesday, April 11, 2023

School Board Meeting (Special Meeting)
Vote to Recommend FY24
School Budget to City Council
6:00 PM

Monday, April 24, 2023

School Board Presents Recommended FY24 Budget to City Council
Public Comment accepted
Order Receiving & Referring School Board Budget to City Finance Committee for Review
5:00 PM

Tuesday, April 25, 2023

City Finance Committee Review of Referred School Board Budget and Vote to Recommend to City Council
(Tentative pending confirmation of date)

Wednesday, April 26, 2023

School FY24 Budget Orders are due to City

Monday, May 1, 2023

City Council 1st Reading of FY24 Budget
Public Hearing
Time TBD

Monday, May 15, 2023

City Council 2nd Reading of FY24 Budget
Final Vote on School Budget for Referendum
Time TBD

Tuesday, June 13, 2023

Public Referendum on FY24 School Budget

B: BUDGET CALENDAR

Charter Parameters:

- Superintendent's presentation must be no later than March 16 (3.5 months before end of fiscal year)
- Two joint meetings must occur within 30 days of the presentation
- Submission to Council must be no later than April 24 (last Monday in April)
- Budget Validation Referendum (BVR) needs to be 10 to 30 days following Council approval (need 10 days to post specimen BVR)
- Council meets 1st & 3rd Mondays (not school vacation week)
- Council Finance Committee typically meets on the 2nd and 4th Thursday of each month.



PORTLAND PUBLIC SCHOOLS

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March 14, 2023

Members of the Board of Public Education,

Tonight, we present to you our \$141.3 million Portland Public Schools Superintendents' Budget for the 2023-2024 school year. The theme of our budget proposal is: "Strengthening Academics, Behavioral Health and Operational Systems."

This theme summarizes the three key priorities of our FY24 budget: Maintaining our commitment to the Portland Promise goals of Achievement, Whole Student and People – all intertwined with our fourth central goal of Equity; being responsive to the needs of all students, especially those newly learning English; and improving operational effectiveness in such areas as finance and human resources.

To advance the Portland Promise, we have made strategic investments in PPS budgets over the past six years to prioritize support for students experiencing opportunity gaps to help put them on equal footing with their more advantaged peers: our students who are multilingual learners, have special educational needs, are economically disadvantaged or have otherwise been marginalized in society.

We began these investments in our FY19 budget with mental and behavioral health and youth development. In FY20, we made a significant investment in preK expansion, invested in the Breathe continuum for students with intensive behavioral and emotional needs, and also invested in math and science. We continued to allocate resources to support our strategies and made investments in curriculum such as math in FY21. In FY22, we implemented elements of our Lau Plan to support our multilingual learner students and supported and institutionalized the district's equity, diversity and inclusion work. In this school year's current FY23 budget, we have continued investments in PreK, behavioral health, and academics, including creating full-time librarian positions at most of our elementary schools. One of our three key priorities in our FY24 budget is maintaining all this work we've started.

We recognize in this budget that these priorities must be balanced with the considerable fiscal constraints we are facing in FY24. Budget pressures are a challenge we encounter every year, but several factors make this year's pressures particularly daunting.

One pressure is very familiar to us: a state school funding system – called Essential Programs and Services or EPS – that assumes that property-rich communities like Portland

can afford to pay a larger local share of their education costs, regardless of the composition of their student body. Our EPS subsidy for FY24 is \$2.4 million less than this year's state funding, driven for the most part by the increasing property valuation of our community.

Another factor that has been part of everyone's daily lives for a couple years also impacts our school budget: inflation. The annual consumer price index has been between 6 and 7 percent for our region over the past year. That escalation is reflected in the costs of many of the goods and services we procure.

We also face other budget pressures in FY24:

Like so many other employers across the state and nation during the pandemic, we have struggled to find staff to fill our positions. To help attract and retain staff and ensure our hard working employees can meet the inflation-driven costs they face every day, we settled contracts this past fall with bargaining units representing our teachers and educational technicians that included wage increases. Increased investments in all our employees totaling just over \$4 million are reflected in our FY24 budget.

Higher operational costs also are part of this budget. Everyone knows about the district's struggles since last fall to pay all of our more than 1,500 employees in a complete and timely way, due to staffing turnover and shortages and systemic problems with our payroll system. While most of the immediate problems have been resolved, we continue to work to strengthen our payroll system long term by outsourcing payroll, a move recommended by our recent Spinglass audit. Our budget includes \$590,000 to cover the costs of hiring payroll processor ADP and increasing staff in our finance and human resources departments – also recommended by Spinglass – as well as for shoring up our transportation, facilities, and school meal services.

The Portland Public Schools also is experiencing an unprecedented number of students who are new arrivals and from asylum-seeking families, most of whom need intensive English language development support. The number of new arrivals had already exceeded 600 for this academic year and is expected to increase. This budget includes \$175,000 in local resources to help these students and their families by providing intake support, language access, and case management services.

Our budget also reflects an increase of \$2 million for out-of-district special education costs for students whose specific IEP needs we are unable to meet in our schools. These costs are required by law. The state adjusts funding to districts through its High Cost Out of District (HCOOD) reimbursement when a district experiences costs during a year that are in excess of what is initially funded in its formula-based funding. Based on our FY24 cost projections, we are projecting a corresponding revenue offset to these costs of approximately \$500,000.

Finally, our budget also includes debt service costs for the renovations of the schools in the Buildings for our Future bond approved by Portland voters in a 2017 referendum. The three remaining schools are almost complete – the culmination of a 20+ year process to renovate our elementary schools. Lyseth Elementary was renovated in 2020 and now

renovations to a second school – Presumpscot– will be completed this spring. The remaining two schools – Reiche and Longfellow – are less than a year from completion. Through careful financing and use of reserves, we have been able to defer the impact of debt payments for these projects over time, but we are still seeing a \$2.2 million increase in our debt service for FY24.

Our budget strives to balance the very difficult fiscal pressures we are facing in FY24 with making minimal new investments that are responsive to our context and tied to our three essential priorities.

To further cope with our fiscal pressures, our budget also includes these strategic measures to limit the increase to the school tax rate:

- Utilizing \$1.8 million from our debt service reserve, part of a multi-year strategy we initiated in the summer of 2021.
- Leveraging \$7.8 million in remaining ESSERF funds (Elementary and Secondary School Emergency Relief Fund money granted to school districts during the COVID pandemic) for ongoing student recovery needs in mental and behavioral health and for learning acceleration.
- Moving \$2.6 million in locally funded investments that are aligned with recovery goals into ESSERF.
- Making reductions totaling \$775,000, primarily by spreading out the cuts across departments and priorities. For example, this budget includes a 5 percent reduction to all non-salary budgets across departments and schools.

In summary, our proposed budget calls for a 7 percent increase in the school portion of the tax rate. This reflects a 6.1 percent increase in expenditures, resulting in a \$141.3 million budget, up \$8.2 million over this year's budget. The increase includes few new investments but maintains current programs and services, covers increased costs for salaries, benefits and debt service and allows us to strengthen academics and address student behavioral health needs while stabilizing our operational systems.

It requires an increased investment of \$8 million from local taxpayers. To achieve that, we will need to raise the overall school tax rate by 50 cents for a total rate of \$7.55 per \$1,000 valuation. Our proposed budget this year would increase the school portion of the annual tax bill for the median family home in Portland (valued at \$375,000) by \$187, or about \$15.60 per month.

A 7 percent increase in the school tax rate is historically high – previous recent increases have been 6.2 percent or less. However, this increase is in line with inflation, is less than the costs to continue our current budget, and does not include all of the requests advanced to address our needs.

More specifically, “rollover” cost increases to allow the district to simply continue what it is currently doing, coupled with the loss in state subsidy and other revenue adjustments, would require an 8.7 percent tax increase in FY24. Adding in other important programmatic budget needs/requests would require a tax rate increase of 15.5 percent.

Given those needs, we believe our budget is a fair proposal that enables us to maintain our Portland Promise gains for the 2023-2024 school year and to support our staff and students while being cognizant of Portland taxpayers.

We look forward to discussing the budget with you in the coming weeks. A complete [FY24 budget timeline](#) can be found on the district's website.

Melea Nalli and Aaron Townsend, Interim Co-Superintendents



PORTLAND PUBLIC SCHOOLS

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Vision

All learners will be fully prepared and succeed in a diverse and ever-changing world.

Mission

The Portland Public Schools are responsible for ensuring a challenging, relevant, and joyful education that empowers every learner to make a difference in the world. We build relationships among families, educators, and the community to promote the healthy development and academic achievement of every learner.

Goals

Goal 1 – Achievement - All PPS students will be prepared for college and career and empowered to pursue a productive postsecondary path.

Goal 2 – Whole Student - All PPS students will develop the skills, habits, and mindsets they need to engage in and contribute to our diverse city and ever-changing world.

Goal 3 – Equity - PPS is vigilant in supporting each and every student's particular path to achieving high standards, rooting out systemic or ongoing inequities.

Goal 4 – People - PPS attracts, supports and retains talented and diverse people who use their strengths to achieve our shared goals.

**Portland Public Schools
FY2024 Superintendent's Recommended Budget**

March 14, 2023

Table of Contents

Item	Page Number
Summary Revenue Budget.....	1
Detail Revenue Budget.....	2
Summary Expenditure Budget.....	4
Detail Expenditure Budget.....	5
Expenditures by State Budget Categories.....	9
Cost Center Summary – Expenditure.....	10
Tax Rate Computation.....	11
Comparative Tax Levy Summary.....	12
FY23 to FY24 Comparative Staffing – Locally-Funded.....	13
FY23 Staffing Changes – Locally-Funded.....	14
FY24 Staffing Changes – Locally-Funded.....	15
Certified October 1 st Attending Enrollment.....	16
Investment Narratives.....	17
Appendix.....	26

**Portland Public Schools
FY2024 Summary Revenue Budget
General, Adult Ed, and Food Services Funds
Superintendent's Recommended Budget
March 14, 2023**

	FY22 Actual	FY23 Approved	FY24 Supt Recommended	\$ +/(-) v FY23	% +/- v FY23
Local Revenue (non-tax)					
General	\$ 747,273	\$ 368,000	\$ 478,000		
Adult Ed	151,636	142,811	124,000		
Food Services	97,376	75,000	51,500		
Total Local Revenue	996,285	585,811	653,500	\$ 67,689	11.6%
State Revenue					
EPS	21,137,463	19,409,181	16,410,197		
Debt Service Reimb	3,364,840	2,108,369	3,214,721		
Other	316,487	249,947	276,447		
Adult Ed	592,998	605,916	651,373		
Food Services	44,323	1,311,576	1,297,473		
Total State Revenue	25,456,111	23,684,989	21,850,211	(1,834,778)	-7.7%
Federal Revenue					
General	341,688	259,730	254,730		
Food Services	4,223,178	2,508,976	2,701,418		
Total Federal Revenue	4,564,866	2,768,706	2,956,148	187,442	6.8%
Total Non-tax Revenue	\$ 31,017,261	\$ 27,039,506	\$ 25,459,859	\$ (1,579,647)	-5.8%
Use of Fund Balance					
General	-	2,035,390	3,614,861		
Food Services	-	125,000	250,000		
Adult Education	-	20,000	35,418		
	-	2,180,390	3,900,279		
Property Taxes					
General Education	97,113,615	101,977,282	109,973,949		
Adult Education	1,783,513	1,869,211	1,919,116		
Food Services	186,123	4,578	-		
Total Property Tax	99,083,251	103,851,071	111,893,065	8,041,994	7.7%
Total Revenue	\$ 130,100,512	\$ 133,070,967	\$ 141,253,203	\$ 8,182,236	6.1%

Portland Public Schools
FY2024 Detail Revenue Budget
General, Adult Ed, and Food Services Funds
Superintendent's Recommended Budget
March 14, 2023

	FY22 Actual	FY23 Approved	FY24 Supt Recommended	\$ +/- v FY23	% +/- v FY23
GENERAL FUND					
LOCAL REVENUE					
REQUIRED LOCAL SHARE (tax levy)	\$ 75,510,967	\$ 74,181,155	\$ 82,016,996	\$ 7,835,841	10.6%
LOCAL ONLY DEBT SERVICE (tax levy)	385,252	1,477,412	272,722	(1,204,690)	-81.5%
ADDITIONAL LOCAL FUNDS (tax levy)	21,217,396	26,318,715	27,684,231	1,365,516	5.2%
TUITION PUBLIC K-8	146,001	140,000	235,000	95,000	67.9%
TUITION PUBLIC 9-12	110,580	100,000	130,000	30,000	30.0%
TRANSPORT - OTHER ORG	46,470	90,000	50,000	(40,000)	-44.4%
INTEREST ON INVESTMENTS	3,000	3,000	3,000	-	0.0%
ADMISSIONS 9-12	612	15,000	-	(15,000)	-100.0%
BUILDING RENTALS	50,385	9,500	49,500	40,000	421.1%
DONATIONS/CONTRIBUTIONS	1,000	-	-	-	0.0%
MISC LOCAL REVENUE	68,197	10,000	10,000	-	0.0%
SPED REVENUE/OTHER LOC GOV	4,600	-	-	-	0.0%
REFUND PRIOR YR EXP	14,928	-	-	-	0.0%
MISC SALES & REFUNDS	203	500	500	-	0.0%
PROCEEDS FROM DISPOSAL OF PROPERTY	292,127	-	-	-	0.0%
PROCEEDS FROM DISPOSAL OF BUSES	9,170	-	-	-	0.0%
TOTAL LOCAL	97,860,888	102,345,282	110,451,949	8,106,667	7.9%
STATE REVENUE					
STATE SHARE EPS (State Subsidy)	21,137,463	19,409,181	16,410,197	(2,998,984)	-15.5%
STATE REIMB. DEBT SERVICE	3,364,840	2,108,369	3,214,721	1,106,352	52.5%
STATE AGENCY CLIENT	250,428	196,047	226,047	30,000	15.3%
NAT'L BOARD - SALARY SUPLMNT	66,059	53,900	50,400	(3,500)	-6.5%
TOTAL STATE	24,818,790	21,767,497	19,901,365	(1,866,132)	-8.6%
FEDERAL REVENUE					
MAINECARE MEDICAID REIMB	299,929	300,000	300,000	-	0.0%
SEED WITHHOLDING	-	(90,270)	(90,270)	-	0.0%
FEDERAL IMPACT AID	41,759	50,000	45,000	(5,000)	-10.0%
TOTAL FEDERAL	341,688	259,730	254,730	(5,000)	-1.9%
TOTAL GENERAL FUND	123,021,366	124,372,509	130,608,044	6,235,535	5.0%
USE OF FUND BALANCE	-	2,035,390	3,614,861	1,579,471	77.6%
TOTAL GENERAL FUND REVENUE & FUND BALANCE	\$ 123,021,366	\$ 126,407,899	\$ 134,222,905	\$ 7,815,006	6.2%
ADULT EDUCATION					
AE LOCAL REVENUE					
LOCAL FUNDS (tax levy)	\$ 1,783,513	\$ 1,869,211	\$ 1,919,116	\$ 49,905	2.7%
TUITION-INDIV-ENRICHMT	85,089	67,811	60,000	(7,811)	-11.5%
TUITION-INDIV-VOC	44,038	55,000	60,000	5,000	9.1%
TUITION-OTHER-ACADEMIC	4,016	20,000	4,000	(16,000)	-80.0%
ADULT ED MISC REVENUE	200	-	-	-	0.0%
FUND TRANSFERS	18,293	-	-	-	0.0%
TOTAL LOCAL	1,935,149	2,012,022	2,043,116	31,094	1.5%

Portland Public Schools
FY2024 Detail Revenue Budget
General, Adult Ed, and Food Services Funds
Superintendent's Recommended Budget
March 14, 2023

	FY22 Actual	FY23 Approved	FY24 Supt Recommended	\$ +/- v FY23	% +/- v FY23
AE STATE REVENUE					
STATE SUBSIDY	592,998	605,916	651,373	45,457	7.5%
TOTAL STATE	592,998	605,916	651,373	45,457	7.5%
USE OF FUND BALANCE	-	20,000	35,418	15,418	77.1%
TOTAL ADULT EDUCATION REVENUE	\$ 2,528,147	\$ 2,637,938	\$ 2,729,907	\$ 91,969	3.5%
FOOD SERVICE					
FS LOCAL REVENUE					
LOCAL FUNDS (tax levy)	\$ 186,123	\$ 4,578	\$ -	\$ (4,578)	-100.0%
DAILY SALES - LUNCH	1,789	-	-	-	0.0%
DAILY SALES NON REIM	80,698	56,000	37,500	(18,500)	-33.0%
SPECIAL FUNCTIONS	4,239	10,000	5,000	(5,000)	-50.0%
BUILDING RENTALS	6,000	6,000	6,000	-	0.0%
DONATIONS/CONTRIBUTIONS	2,107	-	-	-	0.0%
MISC SALES & REFUNDS/NUTRITION	2,544	3,000	3,000	-	0.0%
TOTAL LOCAL	283,499	79,578	51,500	(28,078)	-35.3%
FS STATE REVENUE					
STATE REIMBURSEMENT	36,680	1,306,576	936,369	(370,207)	-28.3%
LOCAL PRODUCE	7,643	5,000	5,500	500	10.0%
BREAKFAST REDUCED STATE	-	-	2,328	2,328	100.0%
BREAKFAST PAID STATE	-	-	353,276	353,276	100.0%
TOTAL STATE	44,323	1,311,576	1,297,473	(14,103)	-1.1%
FS FEDERAL REVENUE					
AFTER SCHL SNACK	3,688	1,095	1,179	84	7.7%
SUMMER FOOD PROG	144,335	139,155	129,919	(9,236)	-6.6%
PERFORMNC-BASED LUNCH	-	40,064	-	(40,064)	-100.0%
REIMB LUNCH - REGULAR	-	211,769	275,538	63,769	30.1%
REIMB LUNCH - REDUCED	-	28,028	-	(28,028)	-100.0%
REIMB LUNCH - FREE	2,372,018	948,432	1,149,141	200,709	21.2%
REIMB BREAKFAST	1,141,202	716,425	685,103	(31,322)	-4.4%
PAYMTS IN LIEU OF COMM	217,959	227,508	252,088	24,580	10.8%
FRESH FRUITS AND VEGGIES	81,090	76,500	73,450	(3,050)	-4.0%
CHILD/ADULT CARE FOOD PRGM	147,933	120,000	135,000	15,000	12.5%
SUPPLY CHAIN ASSISTANCE FUNDS	114,953	-	-	-	0.0%
TOTAL FEDERAL	4,223,178	2,508,976	2,701,418	192,442	7.7%
USE OF FUND BALANCE	-	125,000	250,000	125,000	100.0%
TOTAL FOOD SERVICE REVENUE	\$ 4,551,000	\$ 4,025,130	\$ 4,300,391	\$ 275,261	6.8%
TOTAL REVENUE AND OTHER FUNDING SOURCES					
	\$ 130,100,512	\$ 133,070,967	\$ 141,253,203	\$ 8,182,236	6.1%

Portland Public Schools
FY2024 Summary Expenditure Budget
General, Adult Ed, and Food Services Funds
Superintendent's Recommended Budget
March 14, 2023

	FY22 Actual	FY23 Approved	FY24 Supt Recommended	\$ +/- v FY23	% +/- v FY23
Wages					
Regular	\$ 71,106,749	\$ 75,591,622	\$ 76,710,147		
Temp/Sub/Tutor/OT	1,792,841	2,314,583	2,128,225		
Add pay/Stipends	2,312,879	2,654,401	2,864,889		
<i>Total Wages</i>	75,212,469	80,560,606	81,703,261	\$ 1,142,655	1.4%
Benefits					
Health	16,073,980	17,385,082	17,869,592		
Retirement	3,624,819	3,969,803	4,496,707		
All other	2,726,746	2,919,292	2,874,050		
<i>Total Benefits</i>	22,425,545	24,274,177	25,240,349	966,172	4.0%
Contracted Services					
Professional & Tech. Svcs	1,807,231	1,804,360	2,069,068		
Employee Training/Dev	502,435	410,773	338,408		
SPED Contracted Svcs	732,479	562,316	546,166		
Student Transportation	589,124	496,000	846,000		
Tuition	1,272,960	1,202,106	2,900,479		
Legal Services	319,409	230,000	278,211		
Water & Sewer	161,419	173,672	218,343		
Repair & Maintenance	2,094,616	2,895,471	2,989,795		
Rentals	551,921	500,954	578,696		
Loans/Leases	46,000	46,000	46,000		
Liability Insurance	578,208	741,612	819,509		
Other Services	752,602	1,673,292	1,742,551		
<i>Total Contracted Services</i>	9,408,404	10,736,556	13,373,226	2,636,670	24.6%
Supplies					
Education Supplies	910,526	1,034,925	1,084,818		
Tech Related Supplies	220,807	259,527	315,275		
General Supplies	755,492	803,808	770,990		
Custodial Supplies	241,802	257,645	270,530		
Software Licenses	400,194	56,350	2,130		
Utilities	2,021,613	2,205,385	2,289,948		
Gasoline	203,133	132,750	239,127		
Food/Non-food supplies	1,886,044	1,854,566	2,020,023		
<i>Total Supplies</i>	6,639,611	6,604,956	6,992,841	387,885	5.9%
Other Costs					
Field Trip Transportation	296,412	308,762	334,970		
Miscellaneous	247,832	322,105	305,307		
Capital	57,987	43,000	850,222		
<i>Total Other Costs</i>	602,231	673,867	1,490,499	816,632	121.2%
Debt Service					
Bond DS	9,359,380	10,220,805	12,453,027	2,232,222	21.8%
Total Expenditures	\$ 123,647,640	\$ 133,070,967	\$ 141,253,203	\$ 8,182,236	6.1%

Portland Public Schools
FY2024 Detail Expenditure Budget
Superintendent's Recommended Budget
March 14, 2023

	FY22 Actual	FY23 Approved	FY24 Supt Recommended	\$ +/- v FY23	% +/- v FY23
SALARIES & BENEFITS					
<i>Regular Salaries</i>					
PROFESSIONAL SALARY	\$ 47,829,985	\$ 50,384,275	\$ 50,459,732	\$ 75,457	0.1%
INSTRUCTIONAL AIDE/ASST	6,208,069	6,522,022	6,520,326	(1,696)	0.0%
ADMINISTRATOR/ REG SUPPORT	17,068,695	18,685,325	19,730,089	1,044,764	5.6%
Total Regular Salaries	71,106,749	75,591,622	76,710,147	1,118,525	1.5%
<i>Temporary Salaries</i>					
TEMPORARY SALARY	882,681	984,886	1,022,171	37,285	3.8%
TUTOR	22,658	48,104	40,504	(7,600)	-15.8%
SUBSTITUTE	756,725	1,116,043	900,000	(216,043)	-19.4%
TEACHER ADDITIONAL PAY	92,763	100,011	140,987	40,976	41.0%
REGULAR SUPPORT OVERTIME	130,777	165,550	165,550	-	0.0%
STIPEND/DIFFERENTIAL	1,843,716	1,914,390	2,083,902	169,512	8.9%
STIPEND-RETIREMENT SICK	376,088	640,000	640,000	-	0.0%
STIPEND/OTHER	312	-	-	-	0.0%
Total Temporary Salaries	4,105,720	4,968,984	4,993,114	24,130	0.5%
Total Salaries	75,212,469	80,560,606	81,703,261	1,142,655	1.4%
<i>Benefits</i>					
HEALTH INSURANCE	16,073,980	17,385,082	17,869,592	484,510	2.8%
MEDICARE	1,055,006	1,171,268	1,189,198	17,930	1.5%
RETIREMENT	3,624,819	3,969,803	4,496,707	526,904	13.3%
TUITION REIMBURSEMENT	241,625	289,520	325,000	35,480	12.3%
WORKER'S COMP	427,199	599,865	499,865	(100,000)	-16.7%
ALL OTHER	1,002,917	858,639	859,987	1,348	0.2%
Total Benefits	22,425,545	24,274,177	25,240,349	966,172	4.0%
TOTAL SALARIES & BENEFITS	97,638,014	104,834,783	106,943,610	2,108,827	2.0%
CONTRACTED SERVICES					
PURCHASED PROF & TECH SVC	1,679,661	1,629,360	1,894,068	264,708	16.2%
CONTRACTUAL PRE-K	127,570	175,000	175,000	-	0.0%
EMPLOYEE TRAIN & DEV SVCS	502,435	410,773	338,408	(72,365)	-17.6%
OTHER PROFESIONNAL SVCS	16,926	26,000	55,548	29,548	113.6%
SECURITY	25,582	97,495	34,199	(63,296)	-64.9%
ALARMS	4,950	4,325	4,325	-	0.0%
ARCHITECT/ENGINEER - NSA	-	20,000	20,000	-	0.0%

Portland Public Schools
FY2024 Detail Expenditure Budget
Superintendent's Recommended Budget
March 14, 2023

	FY22 Actual	FY23 Approved	FY24 Supt Recommended	\$ +/- v FY23	% +/- v FY23
ADULT ED CONTRACTED SVCS	350	6,000	500	(5,500)	-91.7%
SPEC ED CONTRACTED SVCS	732,479	562,316	546,166	(16,150)	-2.9%
LEGAL SERVICES	319,409	230,000	278,211	48,211	21.0%
WATER	47,534	48,872	51,928	3,056	6.3%
SEWER	113,885	124,800	166,415	41,615	33.3%
REPAIR AND MAINT SVCS	695,671	1,151,622	1,157,074	5,452	0.5%
HVAC MAINTENANCE	536,886	595,514	595,514	-	0.0%
MOWING/PLOWING/FIELDMANT	465,445	672,800	805,926	133,126	19.8%
ASBESTOS/MOLD SVCS	46,314	20,000	40,000	20,000	100.0%
VEHICLE & EQUIPMT REPAIR	22,736	31,000	33,000	2,000	6.5%
WASTE DISPOSAL SERVICES	110,043	121,265	127,332	6,067	5.0%
RECYCLING SERVICES	122,355	143,100	132,040	(11,060)	-7.7%
HAZ WASTE DISPOSAL SVCS	6,163	8,000	8,000	-	0.0%
PEST MGMT SERVICES	18,042	20,350	22,385	2,035	10.0%
FIRE EXTINGUISHER MAINT SVCS	11,495	10,000	10,000	-	0.0%
SOFTWARE MAINTENANCE	28,935	156,195	125,072	(31,123)	-19.9%
RENTALS	551,921	500,954	578,696	77,742	15.5%
COMPUTER LEASE	46,000	46,000	46,000	-	0.0%
OTHER PURCHASED SERVICES	678	1,360	1,483	123	9.0%
STUDENT TRANSPORT SVCS	200	250	250	-	0.0%
STUDENT TRANS PURCH-PRIV	282,479	346,000	346,000	-	0.0%
STUDENT TRANS/PRIV-SPED OOD	179,661	100,000	450,000	350,000	350.0%
STUDENT TRANS/PRIV-HOMELESS	126,984	50,000	50,000	-	0.0%
INSURANCE-GEN LIABILITY	578,208	741,612	819,509	77,897	10.5%
POSTAGE	52,631	74,303	63,020	(11,283)	-15.2%
PHONE	207,550	226,188	198,980	(27,208)	-12.0%
INTERNET CONNECTIVITY	64,749	7,426	8,280	854	11.5%
EBOOKS & ONLINE SUBSCRPTNS	34,989	49,829	36,614	(13,215)	-26.5%
SOFTWARE/ANNUAL SUBSCRIPT	84,098	698,222	788,039	89,817	12.9%
ADVERTISING	9,449	18,000	30,800	12,800	71.1%
ADULT ED ADVERTISING	22,451	20,000	25,000	5,000	25.0%
PRINTING/BINDING	26,548	54,757	61,161	6,404	11.7%
PHOTOCOPYING	126,334	157,800	157,800	-	0.0%
TUITION TO IN-STATE SAU	106,700	163,646	206,479	42,833	26.2%
TUITION TO PRIVATE SOURCE	1,166,260	1,023,460	2,679,000	1,655,540	161.8%
TUITION TO POST-SECONDARY	-	15,000	15,000	-	0.0%
STAFF TRAVEL	105,649	176,962	190,004	13,042	7.4%
TOTAL CONTRACTED SERVICES	9,408,404	10,736,556	13,373,226	2,636,670	24.6%

Portland Public Schools
FY2024 Detail Expenditure Budget
Superintendent's Recommended Budget
March 14, 2023

	FY22 Actual	FY23 Approved	FY24 Supt Recommended	\$ +/(-) v FY23	% +/- v FY23
SUPPLIES					
GENERAL SUPPLIES	755,492	803,808	770,990	(32,818)	-4.1%
CUSTODIAL SUPPLIES	241,802	257,645	270,530	12,885	5.0%
INSTRUCTIONAL SUPPLIES	460,012	566,579	551,515	(15,064)	-2.7%
NATURAL GAS	979,913	929,985	1,047,200	117,215	12.6%
ELECTRICITY	953,235	1,192,400	1,172,190	(20,210)	-1.7%
BOTTLED GAS	31,103	16,600	4,158	(12,442)	-75.0%
OIL	57,363	66,400	66,400	-	0.0%
GASOLINE	203,133	132,750	239,127	106,377	80.1%
FOOD	1,732,918	1,708,552	1,857,307	148,755	8.7%
NON-FOOD SUPPLIES	153,126	146,014	162,716	16,702	11.4%
BOOKS/PERIODICALS	442,312	462,376	528,403	66,027	14.3%
TECH-RELATED SUPPLIES	220,807	259,527	315,275	55,748	21.5%
SOFTWARE LICENSES	400,194	56,350	2,130	(54,220)	-96.2%
AUDIOVISUAL SUPPLIES	8,202	5,970	4,900	(1,070)	-17.9%
TOTAL SUPPLIES	6,639,611	6,604,956	6,992,841	387,885	5.9%
MISCELLANEOUS					
DUES AND FEES	125,611	170,355	152,772	(17,583)	-10.3%
BANK FEES	-	2,000	-	(2,000)	-100.0%
MAINE STATE BILLING FEES	26,501	30,000	30,000	-	0.0%
SCHOOL BOARD CONF FEES	-	2,000	2,000	-	0.0%
JUDGMENTS AGAINST SAU	24,561	-	-	-	0.0%
FIELD TRIP TRANSPORTATION	296,412	308,762	334,970	26,208	8.5%
MISC EXPENDITURES	1,642	11,750	12,535	785	6.7%
OTHER ITEMS	10,273	106,000	108,000	2,000	1.9%
FUND TRANSFERS OUT	59,245	-	-	-	0.0%
TOTAL MISCELLANEOUS	544,244	630,867	640,277	9,410	1.5%
CAPITAL EQUIPMENT					
EQUIPMENT > \$10,000	28,194	-	-	-	100.0%
EQUIPMENT < \$10,000	5,366	10,000	10,000	-	0.0%
VEHICLES (NON-STUDENT)	-	33,000	-	(33,000)	-100.0%
TECH-RELATED EQUIP < \$10,000	24,428	-	60,222	60,222	100.0%
STUDENT TRANS. VEHICLES	-	-	780,000	780,000	100.0%
TOTAL CAPITAL EQUIPMENT	57,987	43,000	850,222	807,222	1877.3%

Portland Public Schools
FY2024 Detail Expenditure Budget
Superintendent's Recommended Budget
March 14, 2023

	FY22 Actual	FY23 Approved	FY24 Supt Recommended	\$ +/- v FY23	% +/- v FY23
DEBT SERVICE					
DEBT SERVICE - OTHER	9,200,132	10,194,114	12,429,807	2,235,693	21.9%
DEBT SERVICE - BUSES	21,387	20,733	19,755	(978)	-4.7%
DEBT SERVICE - TECHNOLOGY	8,558	5,958	3,465	(2,493)	-41.8%
BOND ISSUANCE	129,302	-	-	-	0.0%
TOTAL DEBT SERVICE	9,359,380	10,220,805	12,453,027	2,232,222	21.8%
TOTAL EXPENDITURES	\$ 123,647,640	\$ 133,070,967	\$ 141,253,203	\$ 8,182,236	6.1%

Portland Public Schools
Superintendent's Recommended Budget
FY2024 Expenditures by State Budget Categories
March 14, 2023

State Budget Category	FY22 Actual	FY23 Approved	FY24 Supt Recommended	\$ +/- v FY23	% +/- v FY23
1. Regular Instruction	\$ 48,282,649	\$ 50,463,058	\$ 50,620,481	\$ 157,423	0.3%
2. Special Ed. Instruction	19,358,397	20,227,084	22,743,106	2,516,022	12.4%
3. CTE (Voc.) Instruction	3,090,963	3,598,754	3,742,640	143,886	4.0%
4. Other Instruction	2,200,002	2,368,728	2,552,971	184,243	7.8%
5. Student & Staff Support	11,714,029	12,855,631	12,131,563	(724,068)	-5.6%
6. System Administration	4,543,536	5,099,238	5,762,336	663,098	13.0%
7. School Administration	5,796,097	6,186,655	6,456,866	270,211	4.4%
8. Transportation & Buses	3,664,574	3,938,755	5,337,036	1,398,281	35.5%
9. Facilities Maintenance	12,123,165	15,066,707	18,156,266	3,089,559	20.5%
10. Debt Service	6,041,774	6,008,608	6,010,563	1,955	0.0%
11. All Other Expenditures	487,132	594,681	709,077	114,396	19.2%
Total General Fund	\$ 117,302,318	\$ 126,407,899	\$ 134,222,905	\$ 7,815,006	6.2%
Adult Education	2,449,211	2,637,938	2,729,907	91,969	3.5%
Food Service	3,896,111	4,025,130	4,300,391	275,261	6.8%
Total	\$ 123,647,640	\$ 133,070,967	\$ 141,253,203	\$ 8,182,236	6.1%

Portland Public Schools
Superintendent's Recommended Budget
FY2024 Cost Center Summary - Expenditure
March 14, 2023

Cost Center		FY22 Actual	FY23 Approved	FY24 Supt Recommended	\$ +/- v FY23	% +/- v FY23
Elem.	Cliff Island	\$ 139,688	\$ 140,441	\$ 145,891	\$ 5,450	3.9%
	East End	5,254,718	5,735,437	5,729,106	(6,331)	-0.1%
	Longfellow	3,124,361	3,481,015	3,843,418	362,403	10.4% ³
	Lyseth	6,304,033	6,753,479	6,509,028	(244,451)	-3.6% ³
	Ocean Avenue	5,147,360	5,463,418	5,411,814	(51,604)	-0.9%
	Peaks Island	902,182	1,008,672	1,022,147	13,475	1.3%
	Presumpscot	3,208,810	3,536,658	4,738,795	1,202,137	34.0% ³
	Reiche	4,823,736	5,742,500	6,870,555	1,128,055	19.6% ³
	Rowe	5,050,995	5,515,528	5,622,659	107,131	1.9%
	Talbot	6,131,906	6,831,916	6,654,636	(177,280)	-2.6%
Middle	King	6,292,605	6,788,765	6,852,824	64,059	0.9%
	Lincoln	6,420,148	6,677,471	6,650,227	(27,244)	-0.4%
	Moore	7,444,778	7,795,667	8,037,166	241,499	3.1%
High	Portland	10,048,548	10,875,400	11,133,801	258,401	2.4%
	Deering	10,263,822	10,880,621	11,036,144	155,523	1.4%
	Casco Bay	3,621,654	3,788,351	4,059,953	271,602	7.2%
	PATHS	3,090,963	3,598,754	3,742,640	143,886	4.0%
Other	Special Education	3,208,713	3,057,194	4,766,397	1,709,203	55.9% ^{1,4}
	Breathe Program	254,011	306,879	308,426	1,547	0.5% ¹
	Communications Office	297,829	315,329	334,077	18,748	5.9%
	School Board	203,995	407,672	408,449	777	0.2%
	Superintendent	676,005	659,805	645,112	(14,693)	-2.2%
	Assistant Superintendent	355,234	416,192	403,090	(13,102)	-3.1%
	Executive Admin/Operations	11,574	-	192,924	192,924	100.0%
	Finance	1,249,477	1,457,111	1,691,234	234,123	16.1%
	Debt Service (Central)	6,041,774	6,008,608	6,010,563	1,955	0.0%
	Human Resources	1,191,143	1,386,093	972,003	(414,090)	-29.9% ²
	District-wide Benefits	856,108	772,365	673,815	(98,550)	-12.8%
	Diversity, Equity, and Belonging	-	-	775,709	775,709	100.0% ²
	Facilities Department	5,494,293	5,939,581	6,280,326	340,745	5.7%
	IT Department	1,931,201	1,973,801	2,179,844	206,043	10.4%
	MultiLingual	1,699,867	1,739,645	1,798,497	58,852	3.4%
	Dept of Language Development/District ELL Prgms	145,715	219,655	203,055	(16,600)	-7.6% ¹
	Department of Academics	2,259,144	2,420,373	2,250,052	(170,321)	-7.0%
	District-wide PreK	302,050	495,396	556,492	61,096	12.3% ¹
	Transportation Services	3,853,877	4,218,107	5,712,036	1,493,929	35.4%
Total General Fund		\$ 117,302,318	\$ 126,407,899	\$ 134,222,905	\$ 7,815,006	6.2%
Adult Education		2,449,211	2,637,938	2,729,907	91,969	3.5%
Food Service		3,896,111	4,025,130	4,300,391	275,261	6.8%
Total		\$ 123,647,640	\$ 133,070,967	\$ 141,253,203	\$ 8,182,236	6.1%

1. The majority of this budget is located in school cost centers
2. The Dept of Diversity, Equity, and Belonging was split off primarily from the HR Department in FY24.
3. Debt Service for the Buildings for Our Future project is the reason for the large fluctuations in the budgets for these schools.
4. The majority of this increase is for out-of-district tuition.

Portland Public Schools
Superintendent's Recommended Budget
FY2024 Tax Rate Computation
March 14, 2023

	General Fund		Food Service		Adult Ed		TOTAL
Total Expenditures	\$	134,222,905	\$	4,300,391	\$	2,729,907	\$ 141,253,203
Less: General Revenue		(1,009,177)		(4,050,391)		(775,373)	(5,834,941)
State EPS		(16,410,197)					(16,410,197)
State reimbursed Debt Svc		(3,214,721)					(3,214,721)
Use of Fund Balance per Policy DA		(3,614,861)		(250,000)		(35,418)	(3,900,279)
Tax Levy	\$	109,973,949	\$	-	\$	1,919,116	\$ 111,893,065
<i>Valuation</i>		14,829,000,000					
Tax Rate:							
FY24	\$	7.42	\$	-	\$	0.13	\$ 7.55
FY23	\$	6.92	\$	0.0003	\$	0.13	\$ 7.05
<i>\$ Increase</i>	\$	0.493	\$	(0.000)	\$	0.003	\$ 0.495
<i>% Increase</i>		7.1%		-100.0%		2.0%	7.0%

Portland Public Schools
Superintendent's Recommended Budget
FY2024 Comparative Tax Levy Summary
March 14, 2023

	FY22	FY23	FY24	\$ +/-	% +/-
<i>Food Service</i>					
Expenditures	\$ 3,823,131	\$ 4,025,130	\$ 4,300,391	\$ 275,261	6.8%
Revenue	(3,637,008)	(4,020,552)	(4,300,391)	(279,839)	7.0%
Tax Levy	186,123	4,578	0	(4,578)	-100.0%
<i>Adult Ed</i>					
Expenditures	2,575,752	2,637,938	2,729,907	91,969	3.5%
Revenue	(792,239)	(768,727)	(810,791)	(42,064)	5.5%
Tax Levy	1,783,513	1,869,211	1,919,116	49,905	2.7%
<i>General Fund</i>					
Expenditures	120,055,817	126,407,899	134,222,905	7,815,006	6.2%
Revenue	(22,942,202)	(24,430,617)	(24,248,956)	181,661	-0.7%
Tax Levy	97,113,615	101,977,282	109,973,949	7,996,667	7.8%
<i>Total</i>					
Expenditures	126,454,700	133,070,967	141,253,203	8,182,236	6.1%
Revenue	(27,371,449)	(29,219,896)	(29,360,138)	(140,242)	0.5%
Tax Levy	\$ 99,083,251	\$ 103,851,071	\$ 111,893,065	\$ 8,041,994	7.7%

**Portland Public Schools
Superintendent's Recommended Budget
FY23 to FY24 Comparative Staffing--Locally Funded
March 14, 2023**

Location	<u>Student Enrollment</u>		<u>Teachers (PEA)</u>		<u>Ed Techs</u>		<u>Principals (PAA)</u>		<u>Support Staff (BASE)</u>		<u>Admin & Support (Non-union)</u>		<u>Total</u>		Diff.
	10/1/2021	10/1/2022	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	
Cliff Island Elementary	6	3	1.30	1.20	-	-	-	-	0.25	0.25	-	-	1.55	1.45	-0.10
East End Community	431	406	44.12	40.68	15.79	16.29	2.00	2.00	6.00	6.00	0.18	-	68.08	64.97	-3.11
Longfellow Elementary	279	257	25.01	22.71	3.69	2.19	1.50	1.50	4.00	4.00	0.18	-	34.37	30.40	-3.97
Lyseth Elementary	481	494	44.09	41.94	8.50	8.50	2.00	2.00	5.00	5.00	0.18	-	59.77	57.44	-2.33
Ocean Avenue Elem.	330	347	37.48	35.88	22.79	20.79	2.00	2.00	5.00	6.00	0.18	-	67.44	64.67	-2.77
Peaks Island Elem.	38	41	6.70	6.90	2.00	2.00	-	-	2.50	2.50	0.18	-	11.38	11.40	0.03
Presumpscot Elem.	228	226	26.63	26.03	4.90	4.10	1.00	1.50	3.00	3.00	0.18	-	35.71	34.63	-1.08
Reiche Elementary	410	425	43.40	46.50	9.20	9.00	-	-	6.75	6.75	0.33	-	59.68	62.25	2.58
Rowe Elementary	442	448	44.94	42.94	16.93	16.50	2.00	2.00	6.50	6.50	0.18	-	70.55	67.94	-2.61
Talbot Elementary	382	363	47.88	47.78	24.00	24.00	2.00	2.00	7.75	7.75	0.18	-	81.81	81.53	-0.27
King Middle School	458	454	52.17	53.34	11.80	11.30	2.00	2.00	7.25	7.25	0.50	-	73.72	73.89	0.17
Lincoln Middle School	456	433	53.42	52.99	10.00	9.50	2.00	2.00	8.00	8.00	0.19	-	73.61	72.49	-1.12
Moore Middle School	513	480	58.94	58.86	18.60	20.10	2.00	2.00	9.00	8.00	0.19	-	88.73	88.96	0.23
Casco Bay High	391	381	33.59	33.59	1.20	1.20	1.00	1.00	2.00	2.00	-	-	37.79	37.79	-
Deering High School	704	733	72.00	73.82	24.96	23.96	4.00	4.00	12.75	12.75	3.20	1.00	116.91	115.53	-1.38
Portland High School	907	945	74.98	70.98	13.60	15.80	4.00	4.00	13.00	13.00	3.20	1.00	108.78	104.78	-4.00
PATHS	-	-	21.50	21.50	7.00	7.00	1.00	1.00	9.00	9.00	0.20	-	38.70	38.50	-0.20
Breathe Program*	-	-	2.00	2.00	-	-	-	-	-	-	-	-	2.00	2.00	-
Special Services	-	-	8.00	8.00	-	-	2.00	2.00	1.00	1.00	4.18	4.00	15.17	15.00	-0.17
Superintendent Office	-	-	-	-	-	-	-	-	-	-	3.00	3.00	3.00	3.00	-
Asst Supt/School Mgmt	-	-	-	-	-	-	-	-	-	-	3.00	2.00	3.00	2.00	-1.00
Asst Supt/Academics	-	-	6.80	3.80	-	-	-	-	-	-	5.70	4.70	12.50	8.50	-4.00
District-wide PreK**	-	-	1.00	1.00	1.00	1.00	-	-	0.50	-	1.00	2.00	3.50	4.00	0.50
Multilingual/Lang Dev.	-	-	3.75	3.55	-	-	-	-	2.00	3.00	14.75	13.35	20.50	19.90	-0.60
Communications Office	-	-	-	-	-	-	-	-	0.60	0.60	1.80	2.00	2.40	2.60	0.20
Diversity, Equity, and Belonging	-	-	-	1.00	-	-	-	-	-	-	-	4.50	-	5.50	5.50
Information Technology	-	-	-	-	-	-	-	-	6.00	6.00	6.00	6.00	12.00	12.00	-
Operations	-	-	-	-	-	-	-	-	-	0.50	-	1.00	-	1.50	1.50
Facilities	-	-	-	-	-	-	-	-	8.65	10.65	3.00	3.00	11.65	13.65	2.00
Finance	-	-	-	-	-	-	-	-	1.00	1.00	8.00	8.50	9.00	9.50	0.50
Human Resources	-	-	-	-	-	-	-	-	-	-	8.50	7.00	8.50	7.00	-1.50
Transportation	-	-	-	-	-	-	-	-	40.25	41.37	3.40	3.00	43.65	44.37	0.72
Adult Ed	-	-	10.48	10.48	-	-	2.00	2.00	6.59	6.09	2.50	2.75	21.57	21.32	-0.25
Food Service	-	-	-	-	-	-	-	-	35.63	35.63	1.00	1.00	36.63	36.63	-
Total	6456	6436	720.18	707.46	195.94	193.21	32.50	33.00	209.96	213.59	75.03	69.80	1,233.60	1,217.06	
Change		-20		-12.72		-2.73		0.50		3.63		-5.23		(16.54)	

*Most Breathe educational staff are reflected in their school-based costs centers (except where they are deployed district-wide). Breathe admin staff are reflected under Special Services.

**Reflects partner site expansion classroom and central office PreK staffing only.

**Portland Public Schools
 Superintendent's Recommended Budget
 FY23 Staffing Changes During Fiscal Year--Locally Funded
 March 14, 2023**

FY23 Budgeted Positions at Beginning of the Year 1,233.60

Added during FY23:

Classroom Teacher	1.00	East End	Teacher
Classroom Teacher	1.00	Presumpscot	Teacher
Classroom Teacher	1.00	Ocean Ave	Teacher
Classroom Teacher	1.00	Reiche	Teacher
Classroom Teacher	1.00	Rowe	Teacher
World Language Teacher	0.50	Moore Middle School	Teacher
Social Worker (Realloc fm SRO funding)	1.00	Portland High School	Teacher
PreK Program Coordinator	0.50	PreK	Non-Bargaining
HR Generalist	1.00	Human Resources	Non-Bargaining
Misc (rounding)	0.01		
	8.01		

FY23 Staffing Proposed to Continue in FY24: 1,241.61

**Portland Public Schools
Superintendent's Recommended Budget
FY24 Staffing Changes Proposed--Locally Funded
March 14, 2023**

FY23 Staffing Proposed to Continue into FY24: 1,241.61

Proposed Changes for FY24:

Enrollment-Based Adjustments

Classroom Teacher	1.00	Reiche	Teacher
Classroom Teacher	1.00	Ocean Ave	Teacher
World Language (Elementary, net)	0.90	Various	Teacher
Classroom Teacher	(2.00)	East End	Teacher
Classroom Teacher	(1.00)	Rowe	Teacher
Classroom Teacher	(1.00)	Presumpscot	Teacher
Classroom Teacher	(1.00)	Talbot	Teacher
Classroom Teacher	(1.00)	Longfellow	Teacher
Classroom Teacher	6.50	Deering High	Teacher
Classroom Teacher	1.00	Casco Bay	Teacher
Classroom Teacher	(1.50)	Portland High	Teacher

Investments

Pre-K Teacher	1.00	Partner	Teacher
Pre-K Ed Tech	1.00	Partner	Ed Tech
Assistant Principal	0.50	Presumpscot	PAA
MLC Language Access Coordinator	0.20	Multilingual	Non-Bargaining
MLC Intake Coordinator (Administrative)	1.00	Multilingual	BASE
MLC Intake Specialist	0.40	Multilingual	Non-Bargaining
MLC Case Manager	1.00	Multilingual	Non-Bargaining
Purchasing Manager	1.00	Finance	Non-Bargaining
Grant Accountant	0.50	Finance	Non-Bargaining
HR Generalist	0.50	Human Resources	Non-Bargaining
Bus Drivers (Net Upgrades)	0.50	Transportation	BASE
Building Custodians	2.00	Various	BASE

Reductions

Health Assistant	(0.43)	Rowe	Ed Tech
Adult Ed Intake Coordinator	(0.25)	Adult Ed	BASE
Community Coordinators	(3.38)	Various	Non-Bargaining
Mentoring Coordinators	(1.50)	Deering/Portland High	Student Enrich.

Reallocations to ESSERF Funding

Classroom Teacher (Equity Enhancement)	(5.50)	Deering High	Teacher
Classroom Teacher (Equity Enhancement)	(4.00)	Portland High	Teacher
Classroom Teacher	(1.00)	Casco Bay	Teacher
Classroom Teacher (Elementary)	(7.00)	Various	Teacher
Math Coaches	(9.00)	Various	Teacher
Extended Learning Coordinators	(2.00)	Deering/Portland High	Student Enrich.
Make It Happen Coordinators	(3.00)	Various	Student Enrich.

(24.55)

FY24 Proposed Locally-Funded Staffing

1,217.06

FY23 Authorized Positions (Budget)

1,233.60

FTE Change (16.54)

Portland Public Schools
Certified October 1st Attending Enrollment~

Cost Center		Oct 2016 (FY17)	Oct 2017 (FY18)	Oct 2018 (FY19)	Oct 2019 (FY20)	Oct 2020 (FY21)	Oct 2021 (FY22)	Oct 2022 (FY23)	Oct 2023 Projection (FY24)
ELEMENTARY SCHOOLS									
010	Cliff Island	5	2	2	5	3	6	3	3
030	East End	400	416	384	419	423	431	406	390
040	Rowe	425	403	435	426	437	442	448	453
050	Longfellow	315	334	334	327	295	279	257	271
060	Lyseth	471	491	515	511	496	481	494	502
065	Ocean Ave	405	381	357	341	336	330	347	364
070	Peaks Island	38	37	39	40	33	38	41	44
080	Presumpscot	252	248	246	271	247	228	226	251
090	Reiche	434	437	436	446	394	410	425	495
100	Talbot	457	442	437	438	384	382	363	380
	Total Elementary	3,202	3,191	3,185	3,224	3,048	3,027	3,010	3,153
MIDDLE SCHOOLS									
110	King	517	519	497	476	479	458	454	459
120	Lincoln	499	513	528	502	467	456	433	425
130	Moore	501	444	453	486	484	513	480	486
	Total Middle School	1,517	1,476	1,478	1,464	1,430	1,427	1,367	1,370
HIGH SCHOOLS									
310	Portland	734	756	741	873	888	907	945	870
340	Deering	908	913	906	798	735	704	733	802
340	Casco Bay	378	386	385	389	394	391	381	389
	Total High School	2,020	2,055	2,032	2,060	2,017	2,002	2,059	2,061
TOTAL SCHOOL ENROLLMENT		6,739	6,722	6,695	6,748	6,495	6,456	6,436	6,584
Change		-90	-17	-27	53	-253	-39	-20	148
Percent change		-1.3%	-0.3%	-0.4%	0.8%	-3.7%	-0.6%	-0.3%	2.3%
Subsidy (EPS) counts		6,740	6,695	6,672	6,730	6,471	6,430	6,424	6,566

Notes:

Counts reflect attending enrollment as certified by the Maine Department of Ed.

Only Portland resident PATHS students are included above, and are counted at their home school.

~ Data provided by Maine Dept of Education at <https://www.maine.gov/doe/data-reporting/reporting/warehouse/enrollment>

Investment Narratives

Investment	Maintain and Deepen the Portland Promise Strategies	
Sponsor/Department	Melea Nalli, Co-Interim Superintendent Aaron Townsend, Co-Interim Superintendent	
FTE Additions	PreK (2.0 FTE) (\$116,000) • 1 FTE Teacher • 1 FTE Ed Tech	In Baseline Costs
Non-FTE Additions	ES and MS teacher leadership funds (and adjustments to HSs for parity)	\$150,000
Funding Sources	PreK State Revenue (\$9,800 x 16 students = (\$156,800) - included in ED-279	In Baseline Revenue
Total Local Budget Impact		\$150,000

Narrative:

In addition to the investments to the local budget proposed, the following investments are being advanced in the ESSERF grant:

MAINTAIN:

- 1.0 Assistant Clinical Director
- 0.5 Social Worker, PAE
- 1.0 Social Worker, Breathe Self-Contained
- 1.0 Counselor (converted from a social worker), EECS
- 3.0 Restorative Practices Coaches, Middle Schools
- 3.0 Middle School Make-It-Happen Coordinators
- Summer programming (reduced from \$3.2 million to \$900K)
- 0.75 Director of Secondary Access/Outcomes (keeping 0.25 on BARR)
- Elementary Specials Enhancement
- 1.0 Literacy Teacher Leader
- 0.3 Mobile Maker Space Teacher (planning to seek other grant funds to make whole)

NEW:

- ELA Curriculum (Foundational Skills K-2, Literacy Curriculum K-8, professional development)
- HS SLIFE Curriculum Resources
- MS and HS SEL Curriculum Resources
- 9.5 Teacher, HS Equity Enhancement (moved from local to ESSERF, and ratio-based: 0.5 net add)

PreK Expansion:

As per our five year resolution, we are completing expansion of our PreK program with the expansion to one more classroom next fall. We will no longer be able to operate the two partner-site classrooms located at St. Elizabeth's Child Development Center. We anticipate opening three new classrooms, one each at Reiche Community School, Longfellow Elementary School and Youth and Family Outreach (YFO) for a total gain of one new Pre-Kindergarten classroom. There is no additional cost for transportation as there is space for students to ride on existing bus routes within the Reiche/Bayside and Longfellow neighborhoods.

Teacher leadership stipends:

During the last PEA negotiations, we came to an agreement to establish school leadership teams at all schools and to compensate teachers who serve on these teams. This was a big success for the district and for the association given our mutual priority around teacher leadership. Per the contract, each school will receive one "bundle," which is a \$1,500 stipend for every 10 educators in the building. For the first time we will have parity across grade spans and schools and will be able to have paid school leadership roles at the elementary and middle school level. These additional funds enable us to enact this commitment, including the application of this formula to the high schools.

ESSERF Funded Investments - Maintaining:

Our proposed ESSERF investments are aligned to our ESSERF strategy to focus on recovery, specifically related to mental and behavioral health and to accelerating learning. The social work positions are being maintained and are in line with our ratio-based methodology. The Assistant Clinical Director is also being maintained and is a position that oversees our social work department of 38 social workers and licensed professional clinical counselors (LCPCs). This person facilitates the department's case consultation process, provides and organizes professional development for the department, and coordinates the department and community providers; this person also provides clinical supervision for a number of practitioners working towards independent licensure. The middle school restorative coaches and Make-It-Happen coordinators are being carried forward as key resources supporting mental and behavioral health, helping to transition our middle schools from a punitive discipline model to a restorative one, and they are intentionally lifting up student voice and leadership.

The summer programming budget is being maintained in ESSERF but significantly reduced as a budget savings strategy and given the variable return on investment we shared earlier this year. In addition, we already planned a smaller scale program given the challenges we anticipate with enabling the operations for summer as we transition payroll and strengthen our operational systems. The team plans to prioritize the \$900,000 for this summer. The elementary and middle school programming will be largely run through community partners and will include high dosage tutoring. The high school credit recovery program will follow the innovative high school intensive model that was created using the ESSERF funds. Special education extended school year (ESY) will continue to run as usual out of the special education budget.

The Director of Secondary Access and Outcomes is being maintained through a combination of ESSERF and other grant funds. This role is leading our high school visioning work, as well as managing the 8th to 9th grade transitions, high school preference process, high school credit recovery/intensives, among many other key projects.

The elementary specials enhancements are being maintained in ESSERF and enable schools to have full time positions, thus freeing up the scheduling to enable collaboration time for educators, specifically classroom teachers and ESOL and special education teachers.

Finally, the literacy teacher leader who is the single person responsible for the coherence and coordination of our literacy curriculum, assessment, pedagogy and professional development PK-12 is being maintained using ESSERF funds, as well as a portion of the Mobile Maker Space teacher. The remaining portion of the Mobile Maker Space teacher will hopefully be funded through other grant sources that are not yet identified.

ESSERF Funded Investments - New:

In addition to maintaining several critical investments in our ESSERF grant, we are advancing a limited set of strategic new investments, most of which do not require significant recurring costs.

ELA Curriculum:

These investments will enable us to begin to adopt high quality instructional materials for both foundational skills in grades K-2, as well as a comprehensive ELA curriculum for grades K-8. Along with much of the state of Maine, our district has historically been a “balanced reading” district, using materials that are not in alignment with how students learn to read. Alongside many other districts, we hope to remedy this by ensuring our materials reflect brain science, or “the Science of Reading,” and are accompanied with professional development to support these practices. Additionally, our district, like much of the nation, has experienced widening achievement gaps due to the pandemic. By beginning to adopt these materials, we will ensure that teachers have the knowledge and materials they need to teach students to recognize words and comprehend, to accelerate learning for those below grade-level, as well as have a curriculum that reflects the diversity of our district and world.

SEL Curriculum:

Amplified by isolation and disruption/destabilization due to the pandemic, the mental and behavioral health needs of students have increased significantly. The American Academy of Pediatrics, recently declared a national state of emergency in children’s mental health. Consequently, the urgency to do the following is profound: adopt/strengthen a district-wide trauma-informed orientation and tiered systems of support framework, provide SEL curricula, provide training and support for restorative approaches, enhance our social work service provision—all of which are research-informed, evidence approaches to enhancing academic and social/emotional/behavioral outcomes for students.

While we have an elementary SEL curriculum in place, we do not have anything district-wide for middle or high school. The PPS SEL Vertical Team is still evaluating middle and high school SEL programs; the team, however, is currently leaning towards recommending the adoption of [BASE Education](#). BASE is a student mental health solution built by educators and mental health professionals. These funds will enable us to begin adopting these high quality curriculum tools for our middle and high schools.

SLIFE Curriculum:

When the district adopted the definition for Multilingual Learners (MLs) with limited or interrupted formal education last school year, we consulted with experts and researched best practices and curriculum resources. Our multi-year plan to address the foundational literacy and numeracy needs of our Multilingual Learners (MLs) with SLIFE needs began at the highschool level this past year. The population of students who require these services has grown rapidly at the high school and middle school levels with the arrival of new IELD students. The SLIFE curriculum materials provide additional support beyond the general education and language development curricula to address the unique needs of our students.

HS Equity Enhancement (9.5 FTE):

We are maintaining the additional supports for high school students through the equity enhancement based on the number of individual students that qualify for one or more of the following programs: special education, english language learner services, or free and reduced lunch. However, these positions are moved from the local budget to ESSERF this year and increased based on the ratios by 0.5 FTE.

Investment	Supporting Multilingual Learners (responding to increased enrollment)	
Sponsor/Department	Grace Valenzuela, Executive Director of Communications & Community Partnerships Carlos Gomez, Director of Language Development	
FTE Additions	0.4 Intake Specialist 1.0 Intake Administrator 0.2 Language Access Coordinator 1.0 Multilingual Case Manager	\$175,000
Non-FTE Additions	N/A	
Funding Sources	N/A	
Total Local Budget Impact		\$175,000

Narrative:

In addition to the investments to the local budget proposed, the following investments are being advanced in the ESSERF grant:

- 1.5 FTE ESOL Teacher, Deering HS (new - ratio-based add)
- 1.0 FTE ELL Tchr King MS (new - ratio-based add)
- 0.5 Social Worker, Multilingual (continue in ESSERF)
- 0.5 Social Worker, SLIFE, DHS (continue in ESSERF)
- 0.5 SLIFE Teacher, PHS (continue in ESSERF)
- 0.6 Family Community Specialist, Spanish (continue in ESSERF)

The teachers, intake positions, family community specialist, case manager and social work positions are enrollment-based increases. Since 2000 we are experiencing the highest number of students who are multilingual being enrolled through our Intake department. As of January 2023 we enrolled 612 students for this academic year and we are averaging more than 50 new students per month this year. The vast majority of these students are multilingual learners who have been assessed as levels 1 and 2 on ACCESS meaning they require “Intensive English Language Development” (IELD). In addition, more than 80 percent of these students are experiencing homelessness (McKinney Vento). In response to this change in enrollment we need to add capacity to our Intake Team, our Family Community Specialist team, our Social Work team and we need to add 2.5 ESOL teachers per our ratio-based methodology. We are proposing some of these investments in the local budget and we are leveraging the ESSERF grant funds to continue several positions that are funded from that grant now, as well as to be able to add the ratio-based ESOL teachers to Deering and King.

Investment	Improving Operational Effectiveness	
Sponsor/Department	Terry Young, Executive Director of Operations	
FTE Additions	HR Generalist, 1.5 FTE Purchasing Manager, 1.0 FTE Custodians, 2.0 FTE Transportation Driver, 0.5 FTE Grant Accountant, 0.5 FTE	\$450,000
Non-FTE Additions	ADP Contract	\$140,000
Funding Sources	N/A	
Total Local Budget Impact		\$590,000

Narrative:

In addition to the investments to the local budget proposed, the following investments are being advanced in the ESSERF grant:

- HR Generalist, 1.5 FTE
- Grant Accountant, 0.5 FTE
- Grant Manager, 1.0 FTE
- Website Designer, 0.8 FTE
- Dedicated Subs

These investments address various operational challenges that emerged during the 2022-2023 school year. The finance and HR investments, including the staffing and ADP costs, are in response to the payroll issues and audit findings. These staffing additions were recommended in the Spinglass report to ensure we have sufficient capacity to implement the proper control procedures. The transition to ADP will address the technology problems we have experienced with our payroll systems. The custodial investments address staffing issues in that department this past year that led to reduced coverage at school sites. Additionally, the square footage has increased in a few of our buildings due to the progress of the BFOF projects. The transportation driver increases the department's capacity to be able to consistently provide transportation for all students, every day. The website designer is an addition to the communications team to be able to maintain and coordinate the system of school and district websites so that families receive clear and consistent communication from the district. Lastly, the dedicated substitutes continues the system of staffing full time substitute positions in all schools to address the increases in staff absence since the pandemic and the shortages of daily substitutes.

Investment	Core Services	
Sponsor/Department	Various	
FTE Additions	Classroom Staffing Adjustments, 1.9 FTE Assistant Principal, Presumpscot, 0.5 FTE	(In Baseline Costs) \$55,000
Non-FTE Additions	SpEd Out of District Tuition SpEd Out of District Transportation 353 Cumberland Ave Debt Service 3 School Buses (FY24 EPS)) 3 School Buses (FY25 EPS) Student and Staff Devices Casco Bay HS Differential Allocation	\$1,655,000 \$350,000 \$250,000 (In Baseline Costs) \$390,000 \$155,000 \$30,000
Total Investment		\$2,885,000
Funding Sources	High Cost Out of District State Reimb. State Revenue Offset (FY24 EPS) State Revenue Offset (FY25 EPS - budgeted as Fund Balance for FY24) Device Funds (Use of Restricted Fund Balance)	(\$500,000) (In Baseline Revenue) (\$390,000) (\$155,000)
Total Local Budget Impact (Net)		\$1,840,000

Narrative:

In addition to the investments to the local budget proposed, the following investments are being advanced in the ESSERF grant:

- Casco Bay 1.0 FTE Teacher

Based on the enrollment projections for each school for next year, the following staffing adjustments are recommended:

- Assistant Principal, 0.5 FTE, Presumpscot
- Classroom Teacher, 1.0 FTE, Reiche
- Classroom Teacher, 1.0 FTE, Ocean Ave
- World Language (Elementary, net), 0.7 FTE, Various
- Classroom Teacher, (2.0) FTE, East End
- Classroom Teacher, (1.0) FTE, Rowe
- Classroom Teacher, (1.0) FTE, Presumpscot
- Classroom Teacher, (1.0) FTE, Talbot
- Classroom Teacher, (1.0) FTE, Longfellow
- Classroom Teacher, 6.50 FTE, Deering High

- Classroom Teacher, 1.0 FTE, Casco Bay
- Classroom Teacher, (1.5) FTE, Portland High

We provide close to a full continuum of special education services within the district to ensure students with IEPs are able to access their education in the least restrictive environment. As a result, the vast majority of our students with IEPs are served within our schools (~99.5%), but we do have a small group who require a level of services that we are unable to provide, even in our specialized programs. These students are instead served out of district at approved special purpose private schools (SPPS), and Portland pays for their tuition and other related costs. Currently we have 33 students being served out-of-district. For context, Lewiston has around 5,182 total students enrolled, and serves 107 students in out of district placements. A comparison in the area is Westbrook, which has around 2,381 total students enrolled, and serves 29 students in out of district placements.

The cost of our out of district fees is going up significantly this year. This is largely driven by a small handful of high cost placements. The state adjusts funding to districts through its High Cost Out of District (HCOOD) reimbursement when a district experiences costs during a year that are in excess of what is initially funded in its ED-279. The ED-279 is based on expenses two years prior to the funding year (funding for FY24 is based on costs in FY22). Based on our FY24 cost projections, we are projecting a corresponding funding adjustment of approximately +\$500,000, which would be realized in spring of 2024. This anticipated revenue in excess of our current state funding allocation is included in our budget under state funding.

The debt service for 353 Cumberland Ave is being reintroduced to the local budget as we determined last year that it would not reduce costs and would negatively impact our operations and to sell the property. For the bus purchases, we are taking advantage of a state program that funds these purchases. The costs will be reimbursed by the state ultimately so these will be a cost neutral investment over time. The device purchases are to continue to supplement and replace many student and staff devices due to our increased reliance on technology across the system.

Appendix

FY24 General Ed Classroom Staffing and Enrollment Projections Summary

	FY23 Actual Local		FY24 Proposed Local		Difference	
School	Classroom	Specials/RA/WL	Classroom	Specials/RA/WL	Classroom	Specials/RA/WL
Cliff Island	1	0.2	1	0.2	0	0
ACR	24	2.8	23	2.8	-1	0
EECS	22	2.6	20	2.6	-2	0
LNG	16	2	15	1.8	-1	-0.2
LYS	26	3	26	3.2	0	0.2
OAE	19	2.6	20	2.8	1	0.2
Peaks	3	0.4	3	0.6	0	0.2
PRS	15	1.8	14	1.8	-1	0
RCH	24	2.4	25	3	1	0.6
TAL	23	3	22	3	-1	0
BDT (K8)		0.5		0.4	0	-0.1
KMS	24	10.5	24	10.5	0	0
LMS	24	10	24	10	0	0
MMS	24	11	24	11	0	0
CBHS	21.31		22.31		1	
DHS*	41		47.5		6.5	
PHS*	51		49.5		-1.5	
Totals	358.31	52.8	360.31	53.7	2	0.9

*DHS and PHS staffing totals reflect their base staffing and the equity enhancement. DHS is allocated 5.5 FTE through the equity enhancement, and PHS receives 4 FTE from the formula this year.

FY 24 Enrollment Projections

School	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
Cliff Island		1				1	1								3
ACR	32	70	81	63	73	71	63								453
EECS	32	60	54	55	64	67	58								390
LNG	16	46	41	41	45	36	46								271
LYS	32	79	86	76	77	78	74								502
OAE		61	59	73	58	54	59								364
Peaks	8	7	7	6	4	5	7								44
PRS	32	39	38	36	31	43	32								251
RCH	64	76	88	83	67	62	55								495
TAL	40	64	49	68	57	56	46								380
KMS								146	162	151					459
LMS								135	138	152					425
MMS								163	143	180					486
CBHS											105	96	99	89	389
DHS											188	204	184	226	802
PHS											193	215	250	212	870
Total	256	503	503	501	476	473	441	444	443	483	486	515	533	527	6584

FY 24 Core Classroom Staffing (Elementary)

Formula: Grade Level Enrollment/Grade Level Class Size Ratio=# of FTE (Rounded up to nearest whole FTE)

Class Size Comparison

	PK		K		1		2		3		4		5	
School	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24
Cliff Island														
ACR	16.0	16.0	16.5	17.5	20.0	20.3	18.8	21.0	17.3	18.3	18.0	23.7	22.7	21.0
EECS	16.0	16.0	15.5	20.0	20.0	18.0	21.3	18.3	22.0	21.3	19.7	22.3	24.0	19.3
LNG			16.7	15.3	22.0	20.5	15.0	20.5	19.5	15.0	17.7	18.0	17.7	23.0
LYS	16.0	16.0	19.0	19.8	17.0	21.5	20.0	19.0	18.8	19.3	19.0	19.5	19.3	18.5
OAE			15.8	15.3	22.3	19.7	19.3	18.3	19.3	19.3	19.0	18.0	23.5	19.7
Peaks														
PRS	16.0	16.0	20.0	19.5	21.0	19.0	12.0	18.0	18.0	15.5	14.5	21.5	14.5	16.0
RCH	16.0	16.0	17.3	19.0	18.5	22.0	17.0	20.8	19.7	22.3	21.3	20.7	25.0	18.3
TAL	13.0	13.3	17.0	16.0	16.8	16.3	19.3	17.0	20.7	19.0	18.0	18.7	17.3	23.0

Classroom Numbers

	PK		K		1		2		3		4		5	
School	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24
Cliff Island														
ACR	2	2	5	4	3	4	4	3	4	4	3	3	3	3
EECS	2	2	4	3	3	3	3	3	4	3	3	3	3	3
LNG	0	1	3	3	2	2	3	2	2	3	3	2	3	2
LYS	2	2	4	4	4	4	4	4	4	4	4	4	4	4
OAE			3	4	4	3	3	4	3	3	3	3	3	3
Peaks														
PRS	2	2	3	2	2	2	2	2	2	2	2	2	2	2
RCH	3	4	4	4	4	4	4	4	3	3	3	3	3	3
TAL	3	3	4	4	4	3	3	4	3	3	3	3	3	2

FY24 Specials Staffing Projections (Art, Music, PE) (Elementary)

Formula: Total # of classrooms X # of sections per week/Sections per week per teacher = # of FTE (rounded up to nearest .2 FTE)

School	Total # of Classrooms	# Section of Special/week	Total # of Specials per week	Specials FTE Ratio	# of FTE
Cliff Island	1	3	3	0.12	0.2
ACR	23	3	69	2.76	2.8
EECS	20	3	60	2.4	2.6
LNG	15	3	45	1.8	1.8
LYS	26	3	78	3.12	3.2
OAE	22	3	66	2.64	2.8
Peaks	4	3	12	0.48	0.6
PRS	14	3	42	1.68	1.8
RCH	25	3	75	3	3
TAL	24	3	72	2.88	3
BDT	3	3	9	0.36	0.4
Total					22.2

Notes:

Total # of classrooms includes all onsite PreK, General Ed, and District Program classrooms

FY24 Core General Ed Staffing (Middle School)

Formula: Teams of up to 100 students/4 core teachers per team = # of Core FTE

School	FY24 Enrollment	# of Teams	FY24 Core FTE
King	459	6	24
Lincoln	425	6	24
Moore	486	6	24

FY24 Related Arts and World Language Staffing (Art, Music, PE, STEM, WL)

Formula: (Total Enrollment X # of sections per day/class size avg)/# of sections per teacher = # of FTE

School	FY24 Enrollment	Total RA Enrollment	# of RA Sections	FY24 RA Staffing	Intervention	Total
King	459	918	37	9.5	1	10.5
Lincoln	425	850	34	9.0	1	10.0
Moore	486	972	39	10.0	1	11.0

FY24 General Ed Staffing Projection (High School)

Formula: (Total Enrollment X Number of Periods in Schedule/Class Size Average)/Teacher Load = # of FTE (rounded up to nearest .5 FTE)

School	FY24 Enrollment	FY24 FTE Formula	FY24 Base FTE Projection	FY23 Local	Difference
Casco	389	23.3	23	21.31	1.69
Deering	802	42.8	42	36	6
Portland	870	46.4	45.5	47	-1.5

Current assumptions DHS/PHS

Periods	8
Class size avg	25
Teacher Load	6

Current assumptions CBHS

Periods	6
Class size avg	25
Teacher Load	4

High School**Equity Enhancement Proposal**

Formula: (1.2 X Unduplicated Count) + Non Identified Student Count = Adjusted Enrollment

Identified student groups for the equity enhancement include Economically Disadvantaged, English Language Learners, and Special Education.

School	FY24 Enrollment Total	Unduplicated Count %	FY24 Unduplicated Enrollment	Equity Enhancement (Unduplicated Count x 1.2)	FY24 Non Identified Enrollment	Total Adjusted Enrollment (Columns E + F)	Adjusted FTE Formula	FY24 Adjusted FTE Allocation	FY24 Base FTE Projection	Equity FTE (Column I - Column J)
Casco	389	48.7%	189	227	200	427	25.6	25.5	23	2.5
Deering	802	64.6%	518	622	284	906	48.3	47.5	42	5.5
Portland	870	51.0%	444	533	426	959	51.1	49.5	45.5	4

Mental/Behavioral Health - Student Ratios

Recommendations for Changes in 2023-2024 FTE

Summary:

Initial review of the mental/behavioral health-related FTE numbers (i.e., social workers, counselors, and SEL Coaches) suggest that staffing in this domain will largely remain the same at this time; however the ever-increasing numbers of students experiencing homelessness or housing instability (McKinney-Vento) warrant further consideration of additional staffing, including exploring the McKinney Vento grant as a potential way to add if the need warrants as the number of students evolves. Please connect with Chris Reiger with questions or concerns.

Background:

National Association of Social Workers (NASW) [Recommended Ratios for Student-to-Social Worker](#):

"The local education agency should establish and implement a school social worker-to-student population ratio to ensure reasonable workload expectations. The local education agency should provide school social work services at a level that is sufficient to address the nature and extent of student needs. Appropriate ratios for school social work staff to students depend on the characteristics and needs of the student population to be served, as well as other resources in the local education agency and community available to address these needs. Each local or state education agency should establish adequate levels and types of school social work services on the basis of comprehensive needs assessment data. **School social work services should be provided at a ratio of one school social worker to each school building serving up to 250 general education students, or a ratio of 1:250 students. When a school social worker is providing services to students with intensive needs, a lower ratio, such as 1:50, is suggested.**"

American School Counselor Association (ASCA) [Recommended Ratios for Student-to-Counselor](#): ASCA has recommended a student-to-school counselor ratio of 250:1. Although this ratio may be optimal, grade level and socioeconomic factors require close consideration. According to data from the U.S. Department of Education National Center for Education Statistics (NCES), the 2021–2022 national student-to-school-counselor ratio was 408:1. National ratios are higher in elementary schools and lower in high schools, based on estimates using the NCES data. However, because some states do not designate school counselors by grade level, average ratios can only be calculated in ranges: The national average for grades K-8 ranges from 613:1 to 787:1. The national average for grades 9-12 ranges from 204:1 to 243:1. (National Center for Education Statistics, <http://nces.ed.gov/ccd/elsi/>)

NOTE: Only licensed clinical professional counselors (LCPs) and social workers are able to provide IEP-related services.

MH/BH Support Staff - Student Ratios

1. School	2. Enrollment/ Designations Resource here .	3. Social Workers/Licens ed Clinical Professional Counselors (LCPCs)	4. Counselors	5. Other (SEL Coaches)	6. Overall Bx Health Support: Student Totals (Excluding community partners)	7.Bx Health Support: Student (Total number of PPS licensed or certified mental/ behavioral health providers in the building)	8. SW to IEP SW Goal Ratio (social work and LCPC licenses)	9. Recommended Addition/Shift
East End	394 MV: 22 EL: 196 IEP: 73 ED: 261	1 School 1 Breathe Support (2 classrooms)	1	1 SEL Coach-Title I	School: 1:124 Breathe Support: 1:22 (max)	1:186 (does not include SEL Coach)	1:26	None, at current time
Rowe	451 MV: 22 EL: 116 IEP: 89 ED: 158	1 School 1 Breathe Support (2 classrooms)	1		School: 1:215 Breathe Support: 1:22 (max)	1:215	1:26	None, at current time
Lyseth	489 MV: 3 EL: 104 IEP: 50 ED: 117	1 School	0	1 SEL Coach	School: 1:245	1:489 (does not include SEL Coach)	1:16	None, at current time
Reiche	445 MV: 60 EL: 222 IEP: 47 ED: 240	1 School 0.5 MV	0.6	.4 SEL Coach - Title I	School: 1:223 MV: 1:60	1: 223	1:10	None, at current time
Longfellow	255 MV: 4 EL: 10 IEP: 32 ED: 20	1 School	0	0	School 1:255	1:255	1:11	None, at current time

Ocean	353 MV: 22 EL: 89 IEP: 55 ED: 91 Beach: 18	1.4 School 0.1 Beach 0.4 FTE funded by (Title I for McKV services)	0	0	School: 1:236 Beach: 1: 18	1:236	1:26	None, at current time
Peaks/Cliff 0.5	P:44; C:3 MV: 3 EL: 3 IEP: 8 ED: 10	0.5 School	0	0	School: 1:94	1:94	1:12	None, at current time Hiring in process
Presumpscot	243 MV: 35 EL: 92 IEP: 23 ED: 96	1 School	0	0	School: 1:243	1:243	1:12	None, at current time
Talbot	358 MV: 11 EL: 140 IEP: 81 ED: 212 Bridge: 16	2.5 0.5 for Bridge FLS	0	0	School: 1:143 Bridge: 1:32	1:119	1:13	None, at current time
King	466 MV: 42 EL: 160 IEP: 77 ED: 251	1 School 1 Breathe (1 classroom)	2	1 Culture/Climate Support (PROPOSED)	School: 1:91 Breathe Support: 1:11 (11 max)	1:117 (proposed position not included)	1:32	None, at current time
Lincoln	422 MV: 10 EL: 67 IEP: 74 ED: 155	1 School 1 Breathe Support (1 classroom)	2	1 Culture and Climate Coach	School: 1:83 Breathe Support: 1:11 (11 max)	1:106 (Climate Coach not included)	1:27	None, at current time
Moore (does not include Breathe self-contained)	474 MV: 12 EL: 86 IEP: 94	1 School 1 Breathe Support (1	2	1 Additional Counselor (PROPOSED)	School: 1:116 Breathe Support: 1:11	1:116 (proposed position not included)	1:19 NOT fully reflective since Breathe Support SW sees roughly	

	ED: 147	classroom)			(11 max)		11 and School SW sees roughly 28	
Casco Bay	382 MV: 3 EL: 50 IEP: 58 ED: 94	1 School (2 X .5 FTEs)	2.5, report spending 25% of time on SEL/ counseling on inter/intra personal issues = .63 FTE	0	1:234	1:127	1:9	None, at current time
Deering	766 MV: 95 EL: 257 IEP: 154 ED: 338	2 School 1 Breathe self-contained/ 1 Breathe Support (22 students max)	4, report spending 25% of time on SEL/ counseling students on inter/intra personal issues = 1 FTE	0	School: 1:256 Breathe Day Treatment/ Breathe Support: 1:22	1:128	1:19	None, at current time
Portland	950 MV: 63 EL: 219 IEP: 124 ED: 241	2 School 1 Community outreach 1 Breathe Support (11 students max)	4, report spending 25% of time on SEL/ counseling students on inter/intra personal issues = 1 FTE	0	School: 1:235 Breathe Support: 1:11	1: 119	1:15	Under review: further consideration recommended as additional support was requested 1/25
PATHS		0 (students are expected to access social workers from home schools)						None, at current time
PAE	2,000-2,500 (including enrichment classes, e.g., art, yoga)*	1 School	0	0	School: 1:2,000	1:2,000		None, at current time
Street Academy		Receive support from Day One at Teen Center						None, at current time

SLIFE (not included in building ratios)		.5 SLIFE (DHS)						None, at current time Hiring in process
Breathe Self-Contained Program (K-8)	15	2						None, at current time
Community Partner Pre-K Sites	88	0	0	0				None, at current time Hiring in process
Multilingual + McKinney-Vento		2 District Social Workers, one of whom is 0.5 MLMC, 0.5 McKV Liaison (0.2 of that is funded by Title I)	1.5					Under review; further consideration for additional support recommended

(Numbers above were pulled on 1/13/23, except for Community Partner Pre-K sites and specialized programs, which were pulled 1/26/23)

Multilingual Staffing Ratios: New K-12

UPDATED (as of Jan 13, 2023)	Elementary	Secondary	Totals K-12	
MLs (w/o 2022 ACCESS) or Alt EL	217	84	301	
Level 1	279	259	538	
Level 2	145	138	283	
IELD Totals	641	481	1122	IELD
Level 3	196	271	467	
Level 4 (up to 4.4)	51	102	153	
CALS Totals	247	373	620	CALS
Total MLs	888	854	1742	Total MLs (K-12)
PreK DLLs	94		1836	Total MLs w/PreK
Monitoring (Exited)	62	89	151	
Total MLs + Monitoring	950	943	1893	w/o PreK DLLs
PreK DLL Teachers	6.0			1.0 1-yo included
Ratio PreK DLLs to Teachers	15.7			
ESOL Teachers (K-12)	32.0	27.5	59.5	w/o PreK DLL
Ratio MLs to ESOL Teachers	27.8	31.1	29.3	MLs / ESOL T Only
EL/LA Ed Techs	6.5	4.5	11.0	2.0 ES + 1.0 MS 1-yo inot nchl
Total Adults	38.5	32.0	70.5	w/o PreK DLL
Ratio MLs to ESOL T & Ed Techs	23.1	26.7	24.7	MLs / ESOL T & Ed Techs
Ratio w/ monitor (ESOL T & Ed Techs)	24.7	29.5	26.9	K-12 MLs + monitor
Total Adults (+ PreK DLL Teachers)	44.5	32.0	76.5	w/PreK DLL Teachers
Ratio w/PreK (Students to T & Ed Techs)	23.5	29.5	26.0	PreK DLLs + K to 12 MLs + M

Multilingual Staffing Ratios: Elementary Numbers

[illegible]

Multilingual Staffing Ratios: Elementary Sources & Notes

AY 2022-23 (as of Jan 13, 2023)	Source:
PreK (ratio done separately below)	ELLevation
Level 1	ELLevation
Level 2	ELLevation
Level 3	ELLevation
Level 4 (to 4.4)	ELLevation
MLs w/ 2022 ACCESS Scores	ELLevation
Alt MLS or no 2022 ACCESS Scores	ELLevation
Monitoring (Exited)	ELLevation
Total MLs + (K-Gr 5)	LAC Caseloads on 1.13.23
Total MLs (PreK-Gr 5) + Monitoring	
Info for AY23	
Newcomers	Enrolled after 9.6.22
Kindergarteners	ELLevation
Homeless/McKinney-Vento	Dec 2022 (per McK-V Meeting)
Dual Identified (Special Ed & ML)	ELLevation (from ML Special Ed Coordinator/IC)
District Special Purpose Programs	BEACH, BRIDGE, BREATHE, Gov. Baxter
LTEs (>5 yrs U.S.)	Enrolled before 9/1/2016 and still EL
Current DLL Teachers (PreK)	As of 1.13.23, includes 1 FTE for 1 yo
DLL Student/Teacher Ratio (PreK)	
Current ESOL Teachers FTE (K-Gr 5)	As of 1.13.23
EL Student /Teacher Ratio (K-Gr 5)	Does not include Prek DLL or Monitoring
Current LA Ed Tech FTE	<i>Dept. of Language Development deployed to schools based on demographics</i>
ML Student / ESOL Tchr & Ed Tech Ratio (K-Gr 5)	LA/EL Ed Techs are assigned based on K-Gr 5, not PreK, student totals
<i>IELD Classrooms (12 students per class)</i>	ELP 1, 2 & Newcomers w/o 2022 ACCESS Scores
IELD FTEs (3 blocks x 2x/day =1 FTE)	MDOE Requires 2 blocks/day
<i>CALS Classrooms (15 per class)</i>	<i>ELP 3 to 4.4</i>
CALS FTEs (6 blocks x 1x/day = 1 FTE)	MDOE Requires 1 block/day
Total Required IELD and CALS Instruction FTE	Mathematical minimum of FTE needed for direct English instruction to teach IELD & CALS MLs. These classes should be prioritized when building a master sc
Collaboration FTE	Based on number of IELD students and CALS students to get closer to the district average. DLD Recommendation to maximize collaboration between ESOL a
Total FTE Recommendation	For IELD, CALS Instruction & Collaboration Blocks per DLD
Net Change	K-5 Additional Staff Recommendation
	For PreK Expansion of 2 classrooms in FY24 (Add to reach 6 locally funded PreK DLL Teachers as PreK goes from 16 to 18 classrooms which includes travel time but depends on where PK classrooms are added) - Assuming 100+ students are DLLs (~50% of total # PreK students)
	Total Elementary FTE Additions (PreK-DLL and EL FTE)

Multilingual Staffing Ratios: Secondary Numbers

AY 2022-23 (as of Jan 13, 2023)	KMS	LMS	MMS	CBHS/PATHS	DHS	PHS	PATHS	TOTALS
Level 1	48	19	16	1	97	78		259
Level 2	21	13	15	9	35	45		138
Level 3	55	39	31	28	61	57		271
Level 4 (up to 4.4)	26	8	15	12	19	22		102
MLs w/ 2022 ACCESS Scores	150	79	77	50	212	202		770
Alt MLs or MLs w/o 2022 Scores	9	2	9	1	44	19		84
Current MLs TOTAL	159	81	86	51	256	221		854
Monitoring (Exited)	60	37	47	20	35	43		242
Info for AY23								
Newcomers	21	9	4	1	48	17		100
Long-Term ELs (>5 yrs US schooling)	57	54	34	40	89	50		324
Dual Special Ed/ML	25	27	24	18	56	29		179
District Special Purpose Programs	3	5	8		13	2		31
SLIFE	11		3	5	14	18		51
Homeless/McKinney-Vento	38	9	12	3	92	63		217
ESOL Teachers FTE	5	3	3	2	7	7	0	27
Current MLs / ESOL Teacher Ratio	31.8	27.0	28.7	25.5	36.6	31.6		31.6
LA Ed Tech FTE	1.5	0	1	0	1	1		4.5
Current MLs / ESOL Teacher & Ed Tech Ratio	24.5	27.0	21.5	25.5	32.0	27.6		27.1
IELD Classrooms (15 students per class)	5.2	2.3	2.7	0.7	11.7	9.5		32.1
IELD FTEs (3 classes x 2x/day = 1 FTE)	1.7	0.8	0.9	0.2	3.9	3.2		10.7
CALS Classrooms (20 students per class)	4.1	2.4	2.3	2.0	4.0	4.0		18.7
CALS FTEs (6 blocks = 1 FTE)	0.7	0.4	0.4	0.3	0.7	0.7		3.1
Total Required IELD and CALS FTE	2.4	1.1	1.3	0.6	4.6	3.8		13.8
Collaboration FTE	3.6	1.9	1.7	1.4	3.9	3.2		15.7
Total FTE Recommendation	6.0	3.0	3.0	2.0	8.5	7.0		29.5
Net Change	1.0	0.0	0.0	0.0	1.5	0.0		2.5

Multilingual Staffing Ratios: Secondary Sources & Notes

AY 2022-23 (as of Jan 13, 2023)	Source:
Level 1	ELLevation: incl WIDA Screener Scores
Level 2	ELLevation: incl WIDA Screener Scores
Level 3	ELLevation
Level 4 (up to 4.4)	ELLevation
MLs w/ 2022 ACCESS Scores	ELLevation
Alt MLs or MLs w/o 2022 Scores	ELLevation: w/o ACCESS or Screener
Current MLs TOTAL	LAC Caseloads
Monitoring (Exited)	ELLevation (Filter: Monitor Yrs 1 &2)
Info for AY23	
Newcomers	Enrolled after 9.6.22 and current students
Long-Term ELs (>5 yrs US schooling)	Enrolled before 9.1.17 and still EL
Dual Special Ed/ML	IC / Synergy ReportELLevation (from ML Special Ed Coordinator/IC)
District Special Purpose Programs	FLS Sec., BREATHE, Gov. Baxter
SLIFE	Schools Self-Report based on DeCapua Characteristics
Homeless/McKinney-Vento	As of Dec 2022 (per McK-V Meeting)
ESOL Teachers FTE	DHS & PHS total FTE includes .5 SLIFE each
Current MLs / ESOL Teacher Ratio	Includes ELs Only, Not Monitor
LA Ed Tech FTE	SLIFE Ed Tech positions are recorded under PHS/DHS for ratio purposes.
Current MLs / ESOL Teacher & Ed Tech Ratio	
IELD Classrooms (15 students per class)	ELP 1, 2 & Newcomers w/o 2020 ACCESS Scores
IELD FTEs (3 classes x 2x/day = 1 FTE)	MDOE Requires 2 blocks per day
CALS Classrooms (20 students per class)	ELP 3 to 4.4
CALS FTEs (6 blocks = 1 FTE)	MDOE Requires 1 block per day
Total Required IELD and CALS FTE	
Collaboration FTE	DLD Recommendation
Total FTE Recommendation	
Net Change	Add to Secondary

Special Education Staffing Ratios

Schools	Grade span	Total Number of RR students	Active Referrals (not yet identified)	Total weight of disability categories	Addtl weight # ELL * .025	Total weighted students (includes 75% of referrals)	Number of teachers - 1:20 ratio (elem) & 1:25 (middle & HS)	Number of teachers - 1:15 ratio (elem) & 1:20 (middle & HS)	Current Number of current RR Teachers	Teacher Recommendation	Current RR Ed Techs	Current 1:1 Ed Techs	Ed Tech Recommendation	# of Agency BHPs as per IEPs (not all filled)	Total Teacher + Ed Tech to student Ratio 1:7, MS 1:10, HS 1:12	FY20 - Actual Teacher + Ed Techs	FY21 Actual Teacher + Ed Techs	Total Staff Surplus/Shortage
EECS	Elementary	28	9.00	37.99	0.625	38.62	1.93	2.57	2.5		4.00			2.00	5.52	6.50	6.50	0.98
Longfellow	Elementary	18	5.00	23.28	0	23.28	1.16	1.55	2		2.79			0.00	3.33	4.79	4.79	1.46
Lyseth	Elementary	40	5.00	48.10	0.175	48.27	2.41	3.22	3		5.79			1.00	6.90	8.79	8.79	1.89
Ocean	Elementary	42	7.00	51.40	0.35	51.75	2.59	3.45	3		6.00			0.00	7.39	9.00	9.00	1.61
PEAKS/Cliff	Elementary	5	1.00	6.38	0.025	6.41	0.32	0.43	1		0.00			1.00	0.92	1.00	1.00	0.08
Presumpscot	Elementary	18	6.00	24.40	0.075	24.47	1.22	1.63	2		2.00			4.00	3.50	5.00	4.00	0.50
Reiche	Elementary	40	12.00	53.88	0.4	54.28	2.71	3.62	3		4.00			0.00	7.75	7.00	7.50	-0.25
Talbot	Elementary	48	5.00	56.73	0.8	57.53	2.88	3.84	3		8.72	1.00		0.00	8.22	11.72	11.72	3.50
Rowe	Elementary	48	7.00	58.18	0.35	58.53	2.93	3.90	3		6.00			4.00	8.36	7.79	9.00	0.64
PHS	High.	71	9.00	82.20	0.575	82.78	3.31	4.14	4		2.00	1.00		0.00	6.90	6.00	6.00	-0.90
CBHS	High	59	1.00	63.86	0.5	64.36	2.57	3.22	4		2.50	0.00		1.00	5.36	6.50	6.50	1.14
Deering	High	106	3.00	115.69	1.175	116.87	4.67	5.84	4		4.00	2.00		In Progra	9.74	8.00	8.00	-1.74
King	Middle	51	5.00	58.58	0.5	59.08	2.36	2.95	3		4.00	1.00		In Progra	5.91	6.00	7.00	1.09
Lincoln	Middle	61	4.00	67.56	0.6	68.16	2.73	3.41	3		4.00	1.00		2.00	6.82	7.00	7.00	0.18
LMMS	Middle.	57	4.00	64.77	0.5	65.27	2.61	3.26	3		4.00	1.00		2.00	6.53	7.00	7.00	0.47
		692	83.00				36.42	47.03	43.5	Net NC	59.80	7.00	Net NC	17.00	93.13	102.09	103.80	10.67
										Total Ed Techs (incl 1:1)	66.80							
Factors removed:Speech only students, Breathe, BEACH, Bridge/FLS/FA, projected for following year is not included											TOTAL STAFFING							

Special Education Staffing Ratios

Schools	Grade span	Total Number of RR students	Intellectual Disability	Disability Category																				
				ID Weight	Hearing Imp.	Hearing Imp. Weight	Emotioanl disturbance	ED Weight	Othepebic Impairment	OI Weight	OHI	OHI Weight	SLD	SLD Weight	Deaf/Blindness	D/b Weight	Multiple Disabilities	MD Weight	Dev. Delay K / SL with SDI	DD Weight	Autism	Autism Weight	Tramatic Brain Injury	TBI Weight
EECS	Elementary	28	1	1.1428	0	1.0625	1	1.1111	0	1.2	8	1.0625	1	1.0625	0	1.2	0	1.1428	9	1.1428	8	1.1428	0	1.1176
Longfellow	Elementary	18	0	1.1428	0	1.0625	0	1.1111	0	1.2	7	1.0625	6	1.0625	0	1.2	0	1.1428	4	1.1428	1	1.1428	0	1.1176
Lyseth	Elementary	40	1	1.1428	0	1.0625	0	1.1111	0	1.2	10	1.0625	7	1.0625	0	1.2	0	1.1428	9	1.1428	13	1.1428	0	1.1176
Ocean	Elementary	42	0	1.1428	0	1.0625	0	1.1111	0	1.2	12	1.0625	11	1.0625	0	1.2	2	1.1428	1	1.1428	16	1.1428	0	1.1176
PEAKS/Cliff	Elementary	5	0	1.1428	0	1.0625	0	1.1111	0	1.2	1	1.0625	0	1.0625	0	1.2	1	1.1428	1	1.1428	2	1.1428	0	1.1176
Presumpscot	Elementary	18	0	1.1428	0	1.0625	1	1.1111	0	1.2	5	1.0625	3	1.0625	0	1.2	2	1.1428	0	1.1428	7	1.1428	0	1.1176
Reiche	Elementary	40	2	1.1428	0	1.0625	1	1.1111	0	1.2	7	1.0625	3	1.0625	0	1.2	0	1.1428	15	1.1428	12	1.1428	0	1.1176
Talbot	Elementary	48	1	1.1428	0	1.0625	1	1.1111	0	1.2	18	1.0625	5	1.0625	0	1.2	5	1.1428	9	1.1428	9	1.1428	0	1.1176
Rowe	Elementary	48	2	1.1428	0	1.0625	0	1.1111	0	1.2	12	1.0625	12	1.0625	0	1.2	4	1.1428	10	1.1428	8	1.1428	0	1.1176
PHS	High.	71	0	1.1111	0	1.0588	1	1.0952	0	1.2	14	1.0588	46	1.05263	0	1.2	7	1.1111	0	1.1111	3	1.1111	0	1.0952
CBHS	High	59	0	1.1111	0	1.0588	2	1.0952	0	1.2	16	1.0588	27	1.05263	0	1.2	6	1.1111	1	1.1111	7	1.1111	0	1.0952
Deering	High	106	0	1.1111	0	1.0588	10	1.0952	3	1.2	29	1.0588	50	1.05263	0	1.2	5	1.1111	0	1.1111	9	1.1111	0	1.0952
King	Middle	51	0	1.125	0	1.0588	1	1.0952	0	1.2	7	1.0588	31	1.0588	0	1.2	6	1.125	0	1.125	6	1.125	0	1.0952
Lincoln	Middle	61	1	1.125	1	1.0588	1	1.0952	0	1.2	17	1.0588	26	1.0588	0	1.2	6	1.125	1	1.125	7	1.125	1	1.0952
LMMS	Middle.	57	0	1.125	0	1.0588	4	1.0952	2	1.2	8	1.0588	28	1.0588	0	1.2	6	1.125	4	1.125	5	1.125	0	1.0952

Special Education Staffing Ratios

Schools	Grade span	Total Number of RR students	Case Mngmt hours weekly per caseload of 20	Dual identified (ELL)	Weighted Factors		
					Weighted factor/ ELL dual ID	Weight for school	BIP (not currently factored)
EECS	Elementary	28	13.10	25.00	0.025	0.625	0.025
Longfellow	Elementary	18	13.10	0.00	0.025	0.000	0.025
Lyseth	Elementary	40	13.10	7.00	0.025	0.175	0.025
Ocean	Elementary	42	13.10	14.00	0.025	0.350	0.025
PEAKS/Cliff	Elementary	5	13.10	1.00	0.025	0.025	0.025
Presumpscot	Elementary	18	13.10	3.00	0.025	0.075	0.025
Reiche	Elementary	40	13.10	16.00	0.025	0.400	0.025
Talbot	Elementary	48	13.10	32.00	0.025	0.800	0.025
Rowe	Elementary	48	13.10	14.00	0.025	0.350	0.025
PHS	High.	71	13.10	23.00	0.025	0.575	0.025
CBHS	High	59	13.10	20.00	0.025	0.500	0.025
Deering	High	106	13.10	47.00	0.025	1.175	0.025
King	Middle	51	13.10	20.00	0.025	0.500	0.025
Lincoln	Middle	61	13.10	24.00	0.025	0.600	0.025
LMMS	Middle.	57	13.10	20.00	0.025	0.500	0.025

Superintendents' FY24 Budget Presentation

Joint Finance Committee
March 28, 2023

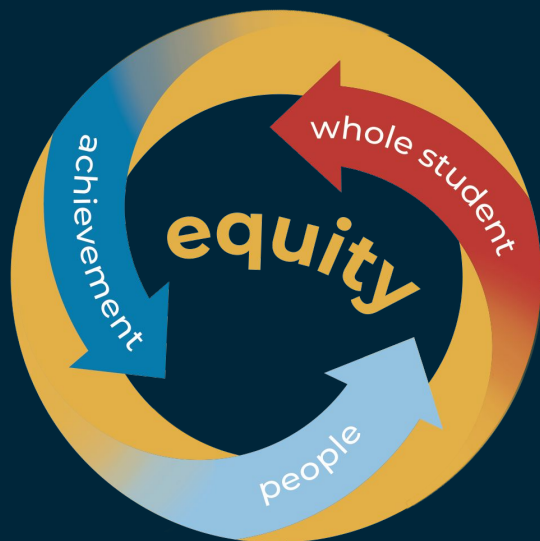


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HEALTH & OPERATIONAL SYSTEMS

Agenda



- FY24 Budget Priorities and Strategy
- FY24 Financial Overview
- FY24 Investment and Reduction Detail
- Next steps

FY24 Proposed Budget Priorities and Strategy



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FY24 Budget Pressures



- Increasing costs (contracts, inflation, debt service)
- Operational challenges
- Influx of students newly arriving
- Significant increase to out of district special education costs
- Loss of grants supporting core programming
- Reduction in state funding

FY24 Budget Priorities



Support our students and staff to achieve our goals by...

- **Maintaining our Commitment to the Portland Promise**
 - Achievement and Equity
 - Whole Student and Equity
 - People and Equity
- **Being responsive to our evolving context**
 - Multilingual Learners (influx of new arrivals)
- **Improving operational effectiveness**

All In Budget: Pressures & Priorities

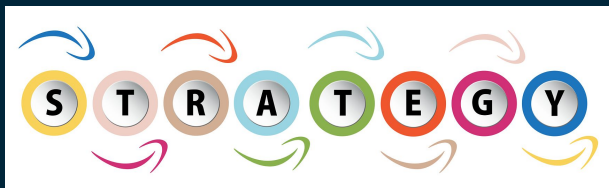
- Total baseline “rollover” cost increases are \$7.7M or about 6%
- Meanwhile we are facing an EPS subsidy funding loss of \$2.4M

Together with other baseline revenue adjustments this implies a tax rate increase of 8.7%

- Approximately \$7.1M in other programmatic budget needs/requests

Counting those additions would imply a tax rate increase of 15.5%

FY24 Budget Strategy



- **Preserve core programming**, aligned to priorities
 - Minimize new investments (core needs, Portland Promise)
- **Leverage Reserves** (multi-year strategy)
- **Leverage ESSERF funds** (ongoing recovery needs)
 - Mental and Behavioral Health
 - Learning Acceleration
 - Move some locally funded investments into ESSERF (aligned to recovery goals)
- **Make reductions** (from local and ESSERF investments)
 - Spread out reductions
- **Highlight need for larger structural shifts** in anticipation of ESSERF funding cliff for FY25

- **Local Budget**
- **ESSERF Budget**



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Financial Overview



FY24 Budget:

Local Budget

Key Statistics

**FY24
Budget**

\$141.3 M

6.1%

\$8.2 M

**Increase
over FY23**

7.0%

**School Tax
Rate
Increase**

FY24 Local Budget Overview

<i>Expenditures</i>	FY23 Approved	FY24 Supt Recommended	<i>Incr (Decr)</i>	<i>% Incr</i>
Salaries & Benefits	\$104,834,783	\$106,943,610	\$2,108,827	2.0%
Debt Service	\$10,220,805	\$12,453,027	\$2,232,222	21.8%
All Other	\$18,015,379	\$21,856,566	\$3,841,187	21.3%
Total Budgeted Expenditures	\$133,070,967	\$141,253,203	\$8,182,236	6.1%
<i>Revenue</i>				
Non-Tax Revenue	\$27,039,506	\$25,459,859	(\$1,579,647)	-5.8%
Use of Fund Balance	\$2,180,390	\$3,900,279	\$1,719,889	78.9%
Property Tax Levy	\$103,851,071	\$111,893,065	\$8,041,994	7.7%
Total Budgeted Revenue	\$133,070,967	\$141,253,203	\$8,182,236	6.1%

Local Expenditures

Summary of Changes



Baseline Increases	\$7,700,000
Investments/Additions	\$3,800,000
Reductions	(\$775,000)
Shifts to ESSERF Funding	(\$2,550,000)
Total	\$8,175,000

Local Expenditures

Baseline Increases

Salaries & Benefits	\$4,100,000
Debt Service	\$2,200,000
Three Buses (FY24 EPS Offset)	\$390,000
Transportation	\$280,000
Utilities & Insurance	\$220,000
Facilities Maintenance and Use Fees	\$280,000
Food and Food Services Supplies	\$230,000
Total	\$7,700,000

Local Expenditures

Investments & Additions

Portland Promise	\$150,000
Responsive - MLLs	\$175,000
Operations	\$590,000
Core Services	\$2,885,000
Total	\$3,800,000

Local Expenditures Reductions

Community Coordinators (3.8)	(\$175,000)
Mentoring Coordinators (1.5)	(\$110,000)
Non-salary Reductions - 5% across the board	(\$450,000)
Non-contractual cell phone stipends	(\$40,000)
Total	(\$775,000)

Local Expenditures

Shifts from Local to ESSERF Funding

Math Coaches (9.0)	(\$885,000)
Elementary Teachers - Class Size (7.0)	(\$485,000)
High School Teachers-Equity Enhancement (9.5)	(\$660,000)
Make it Happen & Extended Learning (5.0)	(\$300,000)
Subs (Dedicated Subs)	(\$220,000)
Total	(\$2,550,000)

Local Revenue

Summary of Changes



State EPS Subsidy	(\$2,400,000)
High Cost Out of District Adjustment (Proj)	\$500,000
Other Local Revenue	\$110,000
Food Services	\$150,000
Adult Ed	\$75,000
Debt Service Reserve	\$1,000,000
Fund Balance - Other	\$700,000
Property Tax Levy	\$8,040,000
Total	\$8,175,000

Local Revenue Tax Impact



- The FY24 Superintendents' Proposed Budget adds about **\$.50** or 7% to the School Portion of the Tax Rate for a Total School Tax Rate of **\$7.55**.
- For a home with a median assessed value of **\$375,000**, this represents an increase in property taxes of about **\$187/year** or **\$16/month**.

COVID Funding



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**Total Allocation: \$41,878,432
(FY21-FY24)**

Response Investments

- Health & safety requirements
- Facilities adaptations
- Outdoor learning
- Day programming
- Remote academy
- 1:1 devices
- Custodians
- Remote work accommodations

Approx. \$21M in total spend

Recovery Investments

- Summer School
- Mental and behavioral health supports
- ELL Supports
- Learning acceleration such as curriculum investments
- Enhanced specials
- Dedicated substitutes

Approx. \$13M with programs ongoing

Funds projected to remain at end of FY23: \$7,800,000

FY24 Proposed ESSERF Budget

Staff Positions from Local Budget	\$2,500,000
Portland Promise	\$2,950,000
Responsive - MLLs	\$425,000
Operations	\$1,850,000
Core Services	\$75,000
Total	\$7,800,000

FY24 Priority Investment and Reduction Detail



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Portland Promise Investment Detail

New Local Investments	ESSERF Investments Continue	ESSERF Investments New
2.0 FTE PreK (teacher/ed tech) (In Baseline Costs) ES and MS teacher leadership funds, HS parity	Learning Acceleration: 0.75 FTE Dir of Secondary Access 1.0 FTE Literacy Teacher Leader 0.3 FTE Mobile Make-Space Teacher Elementary Specials Enhancement Summer programming (reduced from \$3.2 million to \$900K) Mental/Behavioral Health: 0.5 FTE Multilingual Social Worker 1.0 FTE Assistant Clinical Director 0.5 FTE Social Worker, PAE 1.0 FTE Social Worker, Breathe 0.5 FTE Social Worker, SLIFE, DHS 1.0 FTE Counselor, EECS 3.0 FTE Restorative Practices Coaches 3.0 FTE MS Make-It-Happen Coord.	Learning Acceleration: ELA Curriculum (Foundational Skills K-2, Literacy Curriculum K-8, professional development) HS SLIFE Curriculum Resources MS and HS SEL Curriculum Resources 9.5 FTE Teacher, HS Equity Enhancement (moved from local to ESSERF, and ratio-based: 0.5 net add)
Total: \$150,000	Total: \$2,950,000	

Portland Promise Investment Detail cont.

Requested, Not Funded:

Learning Acceleration:

- Curriculum: MS Science, Open SciEd (pay this year)
- Curriculum: New classrooms set aside
- Curriculum: MS/HS Health
- Stipends (Wabanaki, Local Black History) (pursue FPPS grants)
- 1.0 FTE Wabanaki Studies Coach
- Curriculum Field Work (reallocation from field trip line)
- 1.0 FTE PreK Coach
- 1.0 FTE additional Literacy Coach, Talbot
- 0.33 FTE Data Specialist, previously BARR grant funded

Mental/Behavioral Health:

- 1.0 FTE SEL Ed Tech, Talbot (in Title I, keep there)
- 0.5 FTE Social Worker, Peaks (not in ratio tool)
- 0.5 FTE Social Worker, Talbot PreK (not in ratio tool)
- 1.0 FTE HS Counselor, PHS (not in ratio, could use Equity Enhancement)

Professional Learning Culture

- Staff Recognition Budget (e.g. supplies)
- Training and Development increase to DEB team

Other:

- DHS 9th grade team leader stipend (adjusted stipends per ratios)
- 1.0 FTE Sp.Ed Ed Tech, Peaks (not in ratio tool)

Prior ESSERF, Not Funded:

- 2.0 FTE BCBA
- SEL Contractual Services
- 1.0 Breathe Self-Contained Ed Tech
- 5.0 FTE Living Schoolyard Teachers
- Outdoor Learning Liaison Stipends
- Equity Leaders Stipends

MLL Investment Detail

New Local Investments	ESSERF Investments
0.4 FTE Intake Specialist 1.0 FTE Intake Administrator 0.2 FTE Language Access Coordinator 1.0 FTE Multilingual Case Manager	1.5 FTE ESOL Teacher, Deering HS (new - ratio-based add) 1.0 FTE ELL Tchr King MS (new - ratio-based add) 0.5 FTE Social Worker, Multilingual (continue) 0.5 FTE Social Worker, SLIFE, DHS (continue) 0.5 FTE SLIFE Teacher, PHS (continue) 0.6 FTE Family Community Specialist, Spanish (continue)
Total: \$175,000	Total: \$425,000
Requested, Not Funded: 5.0 FTE Language Acquisition Ed Techs 0.75 FTE Transition Coordinator 1.0 FTE Dual Identified Direct Service Teacher 2.0 FTE Family Community Specialists 1.0 FTE ESOL Teacher, Reiche	Prior ESSERF, Not Funded: - ESOL Teacher Leader Stipends 1.0 FTE PreK DLL Teacher 1.0 FTE Portuguese World Language Teacher (split 0.5 at PHS and DHS)

Operations Investment Detail

New Local Investments	ESSERF Investments
1.5 FTE HR Generalist 0.5 Grant Accountant (continue from ESSERF) 1.0 FTE Purchasing Manager (continue from ESSERF) 2.0 FTE Custodians 0.5 FTE Transportation Driver (continue from ESSERF) - ADP Contract	1.5 FTE HR Generalists (new) 0.5 FTE Grant Accountant (continue) 1.0 FTE Grant Manager (continue) 0.8 FTE Website Designer (continue) - Dedicated Subs (continue)
Total: \$590,000	Total: \$1,850,000
Requested, Not Funded: 3.0 FTE Computer Technician 2.25 FTE, Custodians, Facilities 1.75 FTE ,Cafeteria Workers 1.0 FTE, Food Service Manager, Food Services 1.0 FTE Building Trades Worker II, Facilities - Position upgrades, Maintenance Foreman, Facilities - Scrubber, Facilities equipment	Prior ESSERF, Not Funded: - Stipends for school website maintenance - Facilities Hiring and Referral Bonus 1.0 FTE HR Benefits Assistant 0.5 FTE, Transportation Admin Support - Grant Accounting, contractual - HR Temp services

Core Services Investment Detail

New Local Investments	ESSERF Investments
• SpEd Out of District Tuition • SpEd Out of District Transportation • 353 Cumberland Ave Debt Service • 6 School Buses (3 reflected in Baseline) • Student and Staff Devices • 1.9 FTE, Teachers, Various (in Baseline) • 0.5 FTE, AP, Presumpscot • Casco Bay Differential Increase	• 1.0 FTE, Teacher, Casco Bay (new)
Total: \$2,885,000	Total: \$75,000

Reductions • 3.8 FTE Community Coordinator • 1.5 FTE Mentoring Coordinator • Non-salary reductions • Cell phone stipends	Requested, Not Funded: • AED replacements • Junior Journey/Senior Quest, Casco Bay • DHS Co-Curricular Supplies • DHS/PHS Athletics Stipends • 1.0 FTE, Community School Coordinator, Talbot (grant pending) • 2.5 FTE, Teachers, PAE • 1.0 FTE, Teacher, Longfellow (not in ratio)	Prior ESSERF, Not Funded: • 1.0 FTE, Nurse (backfill for full release nursing coordinator) • 0.5 FTE, Office Assistant, Adult Ed • 0.2 FTE Physical Therapist (reallocate SSS budget) • 0.2 FTE Health Assistant (reallocate SSS budget) • 0.4 FTE Chapter 104²⁵ Teacher (reallocate SSS budget)
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Staffing Synthesis

New Positions	Reduced Positions
• 2.0 FTE PreK • 0.4 FTE Intake Specialist • 1.0 FTE Intake Administrator • 0.2 FTE Language Access Coordinator • 1.0 FTE Multilingual Case Manager • 1.5 FTE ESOL Teacher, Deering HS • 1.0 FTE ELL Tchr King MS • 1.9 FTE Classroom Teachers (Net) • 0.5 FTE, AP, Presumpscot • 1.0 FTE, Teacher, Casco Bay • 3.0 FTE HR Generalists • 2.0 FTE Custodians	• 3.8 FTE Community Coordinators • 1.5 FTE Mentoring Coordinators • 2.0 FTE BCBA (never filled) • 5.0 FTE Living Schoolyard Teachers • 1.0 Breathe Self-Contained Ed Tech • 1.0 FTE PreK DLL Teacher (never filled) • 1.0 FTE Portuguese World Language Teacher (split 0.5 at PHS and DHS) • 1.0 FTE HR Benefits Assistant • 0.5 FTE, Transportation Admin Support • 1.0 FTE, Nurse (backfill for full release nursing coordinator) • 0.5 FTE, Office Assistant, Adult Ed (never filled)
Total: 15.5	Total: 18.3

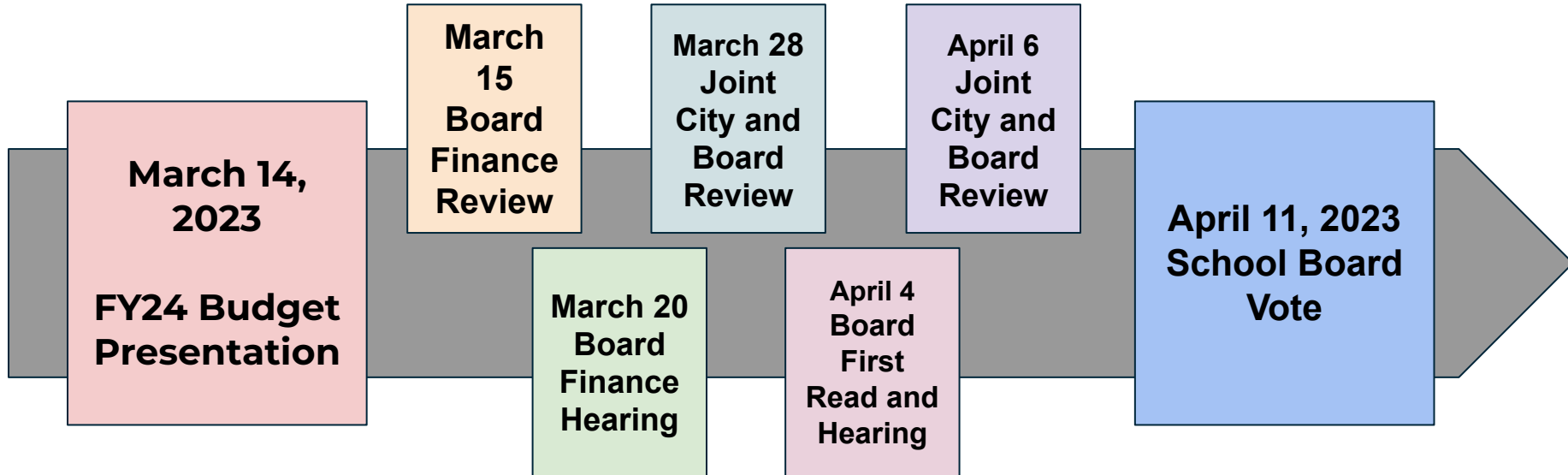
FY25 Outlook Summary

Potential EPS loss (pessimistic case)	\$5,700,000
Core Programming on ESSERF 3	\$2,550,000
Remaining ESSERF Programming	\$5,250,000
Rollover Costs	\$5,700,000
Debt Service	\$1,700,000
Total Potential Gap (prelim est)	\$20,900,000
<i>Implied “all else equal” tax rate increase</i>	<i>17.9%</i>

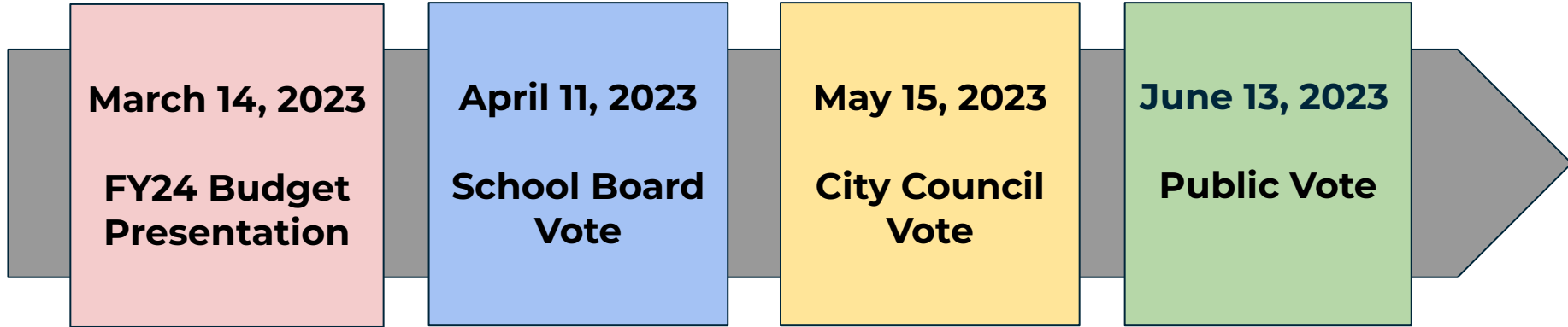
Future Structural Moves

- Elementary reconfiguration (~1M)
- Elementary class size increase (~900K)
- Middle School model (~3M)
- High School class size (~600K)
- High School consolidation (more research needed)
- Reduce non-classroom FTEs (e.g. change ratio-based methodology - ESOL, SpEd, SW; reduce other roles - youth development, coaching, etc.)
- Transportation and bell schedule (~350K)
- Athletics/co-curricular (~2M)
- Admin office relocation (some cost savings potential, more research needed)
- Island schools (more research need to determine, possible tax revenue impacts)
- COLA Reductions (must be negotiated)(roughly 850K per %)
- Reduce School Year (must be negotiated) (roughly 350K per day)
- Pursue changes in state formulas to increase revenue

Portland Public Schools FY24 Budget Timeline - Board Dates



Portland Public Schools FY24 Budget Timeline - Key Dates



Questions

