



CUMBERLAND MAINE



**Town of Cumberland Maine
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

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TOWN OF CUMBERLAND, MAINE
Comprehensive Annual Financial Report
For the Fiscal Year ended June 30, 2019

Prepared by: Helene DiBartolomeo, CPA
Director of Finance

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TOWN OF CUMBERLAND, MAINE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2019

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INTRODUCTORY SECTION



TOWN OF CUMBERLAND, MAINE

290 Tuttle Road

Cumberland Center, Maine 04021-9321

Telephone (207) 829-5559 · Fax (207) 829-2214

December 24, 2019

Dear Members of the Town Council and Citizens of the Town of Cumberland:

State law and Town charter requires that the Town publish after the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States of America (“GAAP”), and audited in accordance with auditing standards generally accepted in the United States of America by a licensed certified public accountant. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report (“CAFR”) of the Town of Cumberland, Maine (the “Town”) for the fiscal year ended June 30, 2019.

This report consists of management’s representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal framework that is designed both to protect the Town’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town’s comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The audit staff of Runyon Kersteen Ouellette, Certified Public Accountants, has audited the Town’s financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2019, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the Town’s financial statements for fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town’s MD&A can be found immediately following the independent auditor’s report.

PROFILE OF THE GOVERNMENT

The Town of Cumberland, incorporated on March 19, 1821, is governed using the council-manager form of government. Policy making and legislative authority is vested in a seven-member elected Town Council (“Council”). The Council is responsible for passing ordinances, adopting the budget, appointing committees, and hiring the Town Manager (“Manager”). The Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the Town, and for appointing the heads of the Town’s departments.

The geographic boundaries of the Town are within the county of Cumberland, Maine. Services provided by the Town include police, ambulance and fire protection; sanitation services; construction and maintenance of highways, streets, and infrastructure; emergency preparedness; municipal planning and code enforcement; human services; senior housing; wastewater system; recreational activities (including a golf course) and cultural events. Other than these general government activities, it has been determined that the Town is not financially accountable for any other entity, board or commission.

ECONOMIC CONDITION AND OUTLOOK

Cumberland is a quaint small-town located on the coast of Southern Maine. The Town has a total area of 26.25 square miles, of which 22.88 square miles of it is land and 3.37 square miles is water. The Town is located 11 miles northeast of the City of Portland and 11 miles southwest of Freeport. The Town was established in 1821 and officially named by Ephraim Studivant, a ship captain and the Town’s first treasurer. Cumberland has a rich farming history that still remains a vital part of the community. Since 1868, the Town’s local farmers club has put on the Cumberland Fair at the end of September, which is one of the State's largest agricultural fairs.

The Town is included among one of the wealthiest and safest places to live in the State of Maine. The Town is home to the Maine School Administrative District (MSAD) #51 that provides education to students K-12. The school district is comprised of Cumberland & North Yarmouth residents operating three schools and is ranked as a top performing school district in the state of Maine by Backgroundchecks.org and Niche.com.

Since 2012, the Town has been named “Certified Business Friendly” by the Maine Department of Economic and Community Development.

MAJOR INITIATIVES AND LONG TERM PLANNING

The Town completed, during 2018-19, a new pier at Board Cove Reserve offering access to nearly 2,000 feet of water frontage, the completion of a two-mile sidewalk project around the center of Town, the renovation of the Central Fire Station, an extension of sewer lines along Route One, and road improvements to Middle Road and Route 9.

The Town has an established Pavement Management Plan to maintain and upgrade the Town’s facilities and infrastructure. The Plan has a schedule of planned road maintenance and improvement projects that extends through 2024. While this schedule will be amended along the way, it is an important component of a comprehensive road improvement plan that can be used to create sustainable budgets for future road upkeep.

There are major capital projects underway at the end of fiscal year 2019 to include a 474.8 kilowatt solar array energy project to include 1,376 solar panels. In six years, the Town will have the option to purchase the solar array for 60% of its initial cost and once owned by the Town, there will be a potential to save over \$80,000 in electricity costs each year.

The Town also began an initiative to improve town facilities, including renovation to the Town Hall and Town garage, a new compost and brush area, and the purchase of a new ladder truck for the Fire Department.

In addition, the Town began working with the Federal Railroad Association and the Maine Department of Transportation to establish quiet zones near railroad crossing throughout the Town.

The Town continues to make a concerted effort to provide assistance for older residents to remain in their homes, enriching the community with their experiences and abilities. For the past few years, the Council has funded the Aging in Place project, to develop resources to assist senior residents. The Town has been recognized by several State and national organizations for the innovative programs. These programs include:

- The Cumberland Area Ride (CAR) program – This program coordinates volunteers to drive residents who have limited transportation options;
- The Friendly Visitor program – This program provides companionship for seniors who are housebound and alone; and
- The Handyman program - To help with light maintenance including yard work, pet walking, shoveling and other chores (done in conjunction with Greely Middle and High Schools);

Health classes, monthly social gatherings, loans of durable medical goods, and a daily call-in program run by the Fire Department are also made available to the Town's senior residents. When the State of Maine ended their Senior Property Tax Relief program, the Town established a similar program for senior residents within Cumberland. Through an application process, Cumberland seniors have the ability to qualify for up to \$750 of property tax rebates. For 2018-19, 161 senior residents benefited from the Town's program.

FINANCIAL POLICIES

The Town operates in accordance with State law and has developed a long-range comprehensive plan (Plan). The Plan sets forth goals and objectives for progress in all areas of the Town operations and outlines steps to be taken for their achievement. As part of the comprehensive plan for the Town, the Council adopts goals and objectives to serve as a guide for planning in all areas of operations. The Plan is updated and reviewed by the Council at least every 10 years.

The Town has an investment policy in place for the investment of temporarily idle funds. The purpose of the policy is to outline the responsibility, authority, and general guidelines of the investment management of the Town's cash reserves and to ensure compliance with Maine Statutes. See related Notes to the Basic Financial Statements for more information on the investment policy.

BUDGETARY CONTROLS

The annual budget serves as the basis for the Town's financial planning and control and the level of budgetary control is established at the org and object level. Activities of the General Fund are included in the annual appropriation budget.

Budgetary information is integrated into the accounting system. In order to provide budgetary control for salaries, the Town utilizes a centralized position control system. Additionally, support and administrative positions are created based upon established criteria.

Because many municipal facilities and important pieces of infrastructure have required attention, a strategic decision was made in FY2017 to allow the General Fund balance to decrease slightly in order to fund capital reserve funds. In addition, a five year plan has been implemented that allows two major funds to run short term deficit balances: both the TIF fund and the Senior Housing enterprise fund are projected to have increasing deficits for the next few years, then gradually recover. This is being done to accommodate necessary capital spending without resorting to long-term borrowing.

REPORTING ACHIEVEMENT

Certificate of Achievement for Excellence in Financial Reporting - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This is the twenty-sixth consecutive year that the Town has received this prestigious award. The Certificate is a national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such CAFRs must satisfy both generally accepted accounting principles and applicable legal requirements.

A GFOA Certificate of Achievement is valid for a period of one year. We believe our current report continues to meet the requirements of the Certificate of Achievement Program. Accordingly, we are submitting it to GFOA for consideration for the award.

ACKNOWLEDGEMENTS

A comprehensive financial report of this nature could not have been prepared without the efficient and dedicated efforts of the Finance Department staff. We would like to express appreciation to all members of the Finance Department and those other staff members who assisted in providing a wealth of information for the preparation of this report.

In closing, we would also like to thank the members of the Council for their leadership and support in establishment of policies and approving processes for financial operations of the Town.

Sincerely,



William R. Shane, P.E.
Town Manager



Helene DiBartolomeo, C.P.A.
Director of Finance



Government Finance Officers Association

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

Presented to

**Town of Cumberland
Maine**

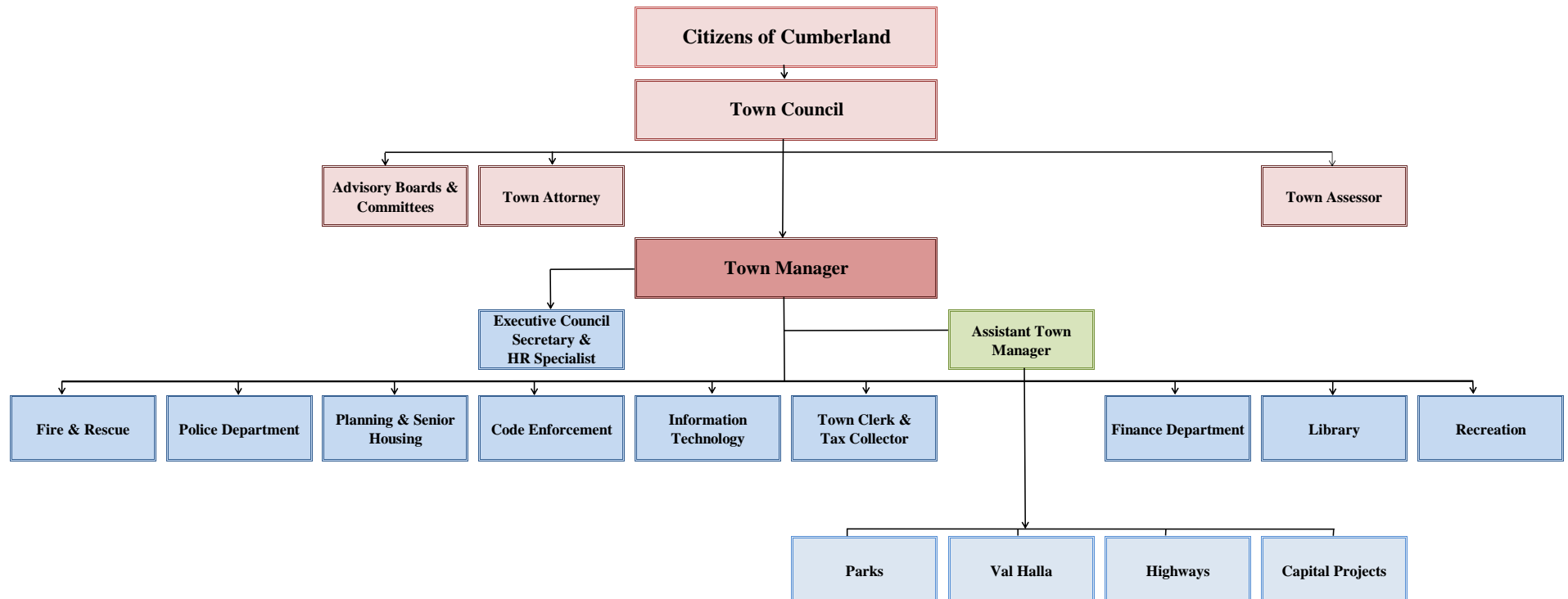
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

Town of Cumberland, Maine Organizational Chart



TOWN OF CUMBERLAND, MAINE
List of Principal Officials – Elected



Shirley Storey-King
Council Chair



William Stiles
Council Vice Chair



Ronald Copp, Jr.
Council Chair



Michael Edes
Council Chair



Thomas Gruber
Council Chair



George Turner
Council Chair



Robert Vail
Council Chair

TOWN OF CUMBERLAND, MAINE
List of Principal Officials – Appointed



William R. Shane, P.E.
Town Manager



Christopher Bolduc
Assistant Town Manager



Tamara O'Donnell
Town Clerk



Helene DiBartolomeo, C.P.A.
Finance Director



Carla Nixon
Town Planner



William Longley
Code Enforcement Officer



John Brushwein
Town Assessor



Peter Bingham, Jr.
Recreation Director



Charles J. Rumsey IV
Police Chief



Daniel Small
Fire Chief

Not Shown

Thomas Bennett
Library Director

FINANCIAL SECTION

Independent Auditor's Report

Town Council
Town of Cumberland, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cumberland, Maine as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Cumberland, Maine's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cumberland, Maine as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Town Council
Town of Cumberland, Maine

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2019, on our consideration of the Town of Cumberland, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Cumberland, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Cumberland, Maine's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Remya Kristen Ouellette". The signature is written in a cursive, flowing style.

December 24, 2019
South Portland, Maine

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis
June 30, 2019

The management of the Town of Cumberland has prepared the following discussion and analysis of financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to assist the reader in focusing on significant financial issues, provide an overview and analysis of the Town's financial activities, identify changes in the Town's financial position, identify material deviations from the prior fiscal year, and highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is to highlight significant transactions, events, and conditions, it should be considered in conjunction with the Town's financial statements and notes to the basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

This report also contains supplementary information intended to furnish additional details to support the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances in a manner similar to those of a private-sector business and consist of the following two statements:

- The *statement of net position* presents information on most of the Town's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is strengthening or weakening.
- The *statement of activities* presents information showing how the government's net position changed during the 2018-19 fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide statements present the Town's activities in the following categories:

- Governmental activities – This represents most of the Town's services, including the general government, public safety, public services, health and public assistance, recreation, Val Halla Golf Center, education, and the library. Property taxes, intergovernmental revenue, and user fees provide most of the resources that support these activities.
- Business-type activities – The Town charges fees to cover the cost of certain services it provides. The activities are for its Senior Housing and Sewer System.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2019

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide detailed information about the Town's financial activities, focusing on its most significant or "major" funds rather than fund types. All of the Town's funds may be classified within one of the broad categories discussed below.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide information on *near-term inflows and outflows of spendable resources*, as well as *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the Town's most significant funds. The Town's major funds are the General, Bond, TIF, and Debt Service Funds. Data from the other three types of governmental funds is 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 in the supplementary information section of this report.

The Town adopts an annual budget for its General Fund. Budgetary to actual comparisons have been provided for this fund to demonstrate budgetary compliance.

Proprietary Funds

Proprietary funds may be established to account for activities in which a fee is charged for services. When the Town charges customers for the services it provides – whether to outside customers or to other units of the Town – these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *statement of net position* and the *statement of activities*. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements, but provide more detail.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2019

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as scholarships for students of the community. Fiduciary funds are not reflected in the government-wide statements because the resources of those funds are not available to support the Town's own programs. In its fiduciary capacity, the Town is responsible for ensuring that the assets reported in these funds are used only for the intended purposes. The Town reports the following fiduciary fund types:

- Private-purpose Trust Funds – to account for resources of various scholarship trust funds.
- Agency Funds – to account for resources of the Cumberland Community Food Pantry.

Notes to the Basic Financial Statements

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2018-19 fiscal year are as follows:

Government-wide Statements

- The Town's assets and deferred outflows exceed its liabilities and deferred inflows at June 30, 2019, by \$35 million (*net position*), which represents an increase of \$0.7 million or 2.1 percent from 2017-18 fiscal year.
- The Town's total net position for governmental activities increased by \$1.3 million, which represents a 4.1 percent increase from the 2017-18 fiscal year. This change is attributable to revenues exceeding expenses.
- General revenues total \$30 million, or 84.2 percent of all revenues. Program revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions total \$5.6 million, or 15.8 percent. The increase in general revenue was due to the 5 percent increase in the tax rate and for the program revenues there was growth in the after school program within recreation.
- Expenses total \$35 million; \$5.6 million of these expenses are offset by program specific charges, with the remainder paid from the general revenues. Total revenues exceed total expenses by \$0.7 million.

Fund Statements

- At June 30, 2019, the Town's ending fund balance for the General Fund totals \$2.7 million or 9 percent of total General Fund revenues, an increase of five percent over the prior year's fund balance.
- At June 30, 2019, the Town's business-type activities ending balance in unrestricted net position decreased by \$0.5 million. The decrease is primarily due to the assessment for the Town's share of state projects.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2019

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

The following is a summary of the Town's net position as of June 30, 2019, compared to the net position as of June 30, 2018:

Town of Cumberland, Maine - Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current & other assets	\$ 4,451,508	\$ 6,012,406	\$ 674,904	\$ 1,395,045	\$ 5,126,412	\$ 7,407,451
Capital assets	49,513,483	48,203,822	2,819,911	2,790,367	52,333,394	50,994,189
Total assets	53,964,991	54,216,228	3,494,815	4,185,412	57,459,806	58,401,640
Deferred outflows	548,204	469,752	-	-	548,204	469,752
Long-term liabilities	20,419,631	22,166,179	828,590	977,861	21,248,221	23,144,040
Other liabilities	1,365,408	1,243,910	73,530	45,586	1,438,938	1,289,496
Total liabilities	21,785,039	23,410,089	902,120	1,023,447	22,687,159	24,433,536
Deferred inflows	283,066	117,969	-	-	283,066	117,969
Net position:						
Net investment in capital assets	30,529,130	28,666,371	1,994,078	1,814,746	32,523,208	30,481,117
Restricted - other	387,279	355,130	-	-	387,279	355,130
Unrestricted	1,528,681	2,136,421	598,617	1,347,219	2,127,298	3,483,640
	<u>\$ 32,445,090</u>	<u>\$ 31,157,922</u>	<u>\$ 2,592,695</u>	<u>\$ 3,161,965</u>	<u>\$ 35,037,785</u>	<u>\$ 34,319,887</u>

The largest portion of the Town's net position (\$32.5 million) reflects its investment in capital assets (e.g. land, buildings, infrastructure, vehicles, equipment, and furniture) less any related outstanding debt used to acquire those assets. The Town uses these capital assets to provide services to the community; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

An additional portion of the Town's net position, \$0.4 million, represents resources that are subject to external restrictions on how they may be used. The Town's unrestricted net position balance is \$2.2 million. Unrestricted net position can be utilized to finance daily operations without constraints established by debt covenants, enabling legislation, or any other legal requirements.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2019

The key elements of the changes in the Town's net position for the fiscal years ended June 30, 2019, and June 30, 2018 are as follows:

	Town of Cumberland, Maine - Change in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program revenues:						
Charges for services	\$ 3,112,812	\$ 2,956,765	\$ 1,415,240	\$ 1,367,254	\$ 4,528,052	\$ 4,324,019
Operating grants & contributions	111,406	165,973	-	-	111,406	165,973
Capital grants & contributions	972,642	2,057,401	-	-	972,642	2,057,401
General revenues:						
Property taxes	26,819,246	25,107,202	-	-	26,819,246	25,107,202
Motor vehicle excise tax	2,162,878	2,120,226	-	-	2,162,878	2,120,226
Interest and penalties	31,902	24,352	-	-	31,902	24,352
Homestead exemption	490,171	371,704	-	-	490,171	371,704
State revenue sharing	468,849	458,304	-	-	468,849	458,304
Investment earnings (loss)	69,631	42,277	325	(74)	69,956	42,203
Miscellaneous revenues	59,621	73,410	-	-	59,621	73,410
Total revenues	34,299,158	33,377,614	1,415,565	1,367,180	35,714,723	34,744,794
Program expenses:						
General government	3,347,435	3,600,128	-	-	3,347,435	3,600,128
Public safety	2,962,840	2,760,514	-	-	2,962,840	2,760,514
Public services	4,533,495	3,391,362	-	-	4,533,495	3,391,362
Recreation	2,116,841	2,000,118	-	-	2,116,841	2,000,118
Education	18,690,271	17,208,107	-	-	18,690,271	17,208,107
Library	588,005	554,395	-	-	588,005	554,395
Health & public assistance	178,167	179,542	-	-	178,167	179,542
Interest on debt	594,936	638,207	-	-	594,936	638,207
Senior Housing	-	-	300,636	295,442	300,636	295,442
Sewer system	-	-	1,684,199	975,371	1,684,199	975,371
Total expenses	33,011,990	30,332,373	1,984,835	1,270,813	34,996,825	31,603,186
Change in net position	1,287,168	3,045,241	(569,270)	96,367	717,898	3,141,608
Net position - July 1	31,157,922	28,112,681	3,161,965	3,065,598	34,319,887	31,178,279
Net position - June 30	\$ 32,445,090	\$ 31,157,922	\$ 2,592,695	\$ 3,065,598	\$ 35,037,785	\$ 34,319,887

Governmental activities

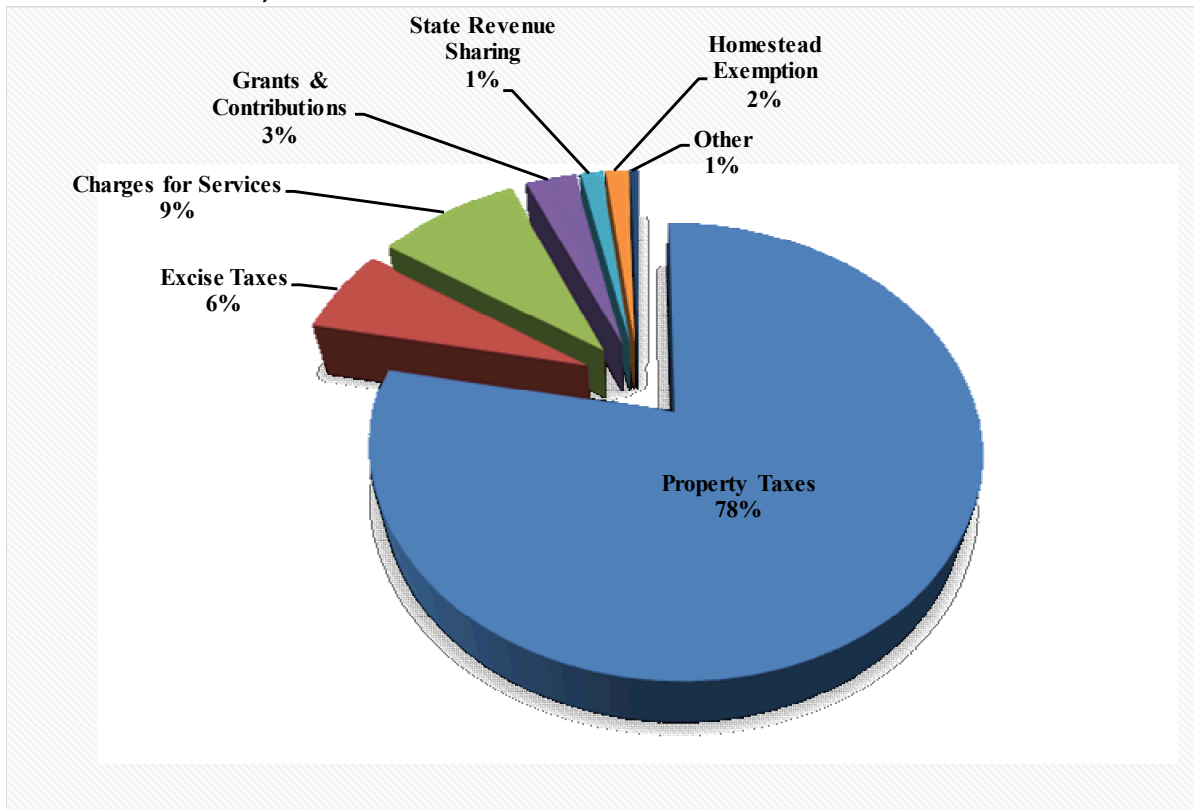
During the current fiscal year, increased revenues assisted in offsetting the increase in the expenses for Education and net position increased \$1.3 million from the prior fiscal year for an ending balance of \$32.4 million.

Business-type activities

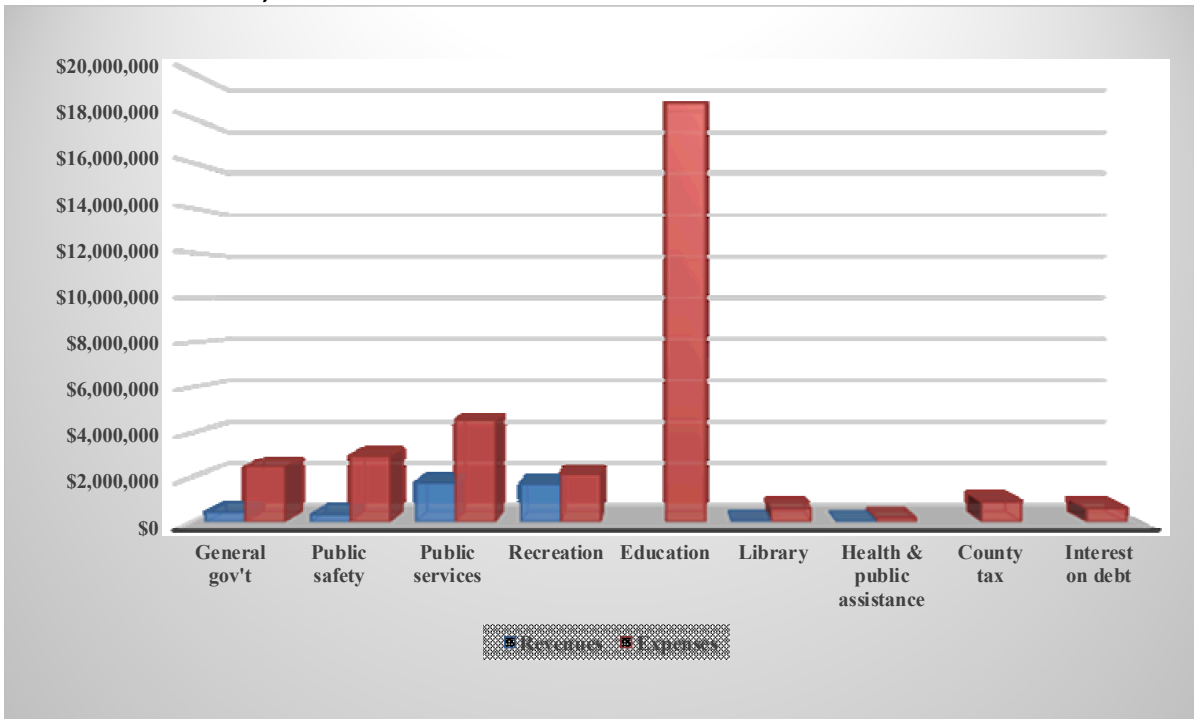
For the Town of Cumberland, Maine's business activities, the results for the current year were a decrease of \$0.6 million in the overall net position. The decrease is attributable to sewer expansions and improvements reducing the net position from \$3.1 million to \$2.6 million.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2019

Revenue by Source – Governmental Activities
For the Year Ended June 30, 2019

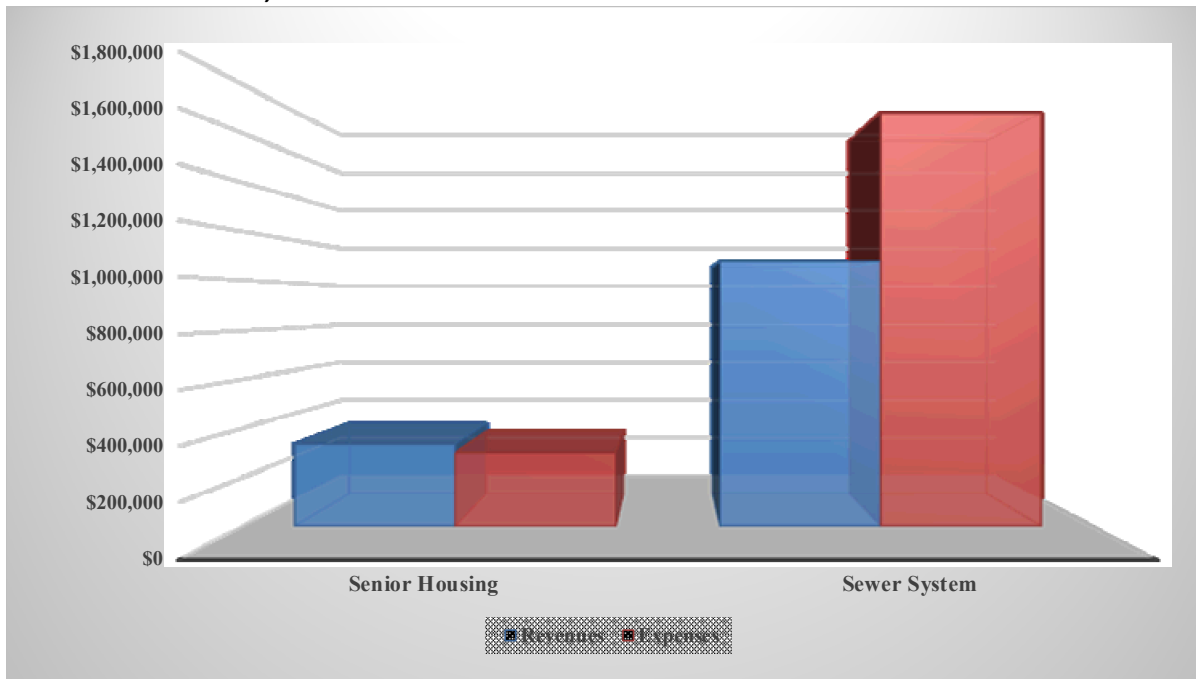


Expenses and Program Revenues – Governmental Activities
For the Year Ended June 30, 2019



TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2019

Revenues by Source – Business-type Activities
For the Year Ended June 30, 2019



FUND FINANCIAL ANALYSIS

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

Governmental Funds

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful when assessing the Town's financing requirements. For example, *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 Town, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Town of Cumberland, Maine's Council.

Town of Cumberland, Maine
Fund Balance

	<u>2019</u>	<u>2018</u>
Fund balance:		
Nonspendable	\$ 121,095	154,527
Restricted	288,038	255,889
Committed	630,383	1,951,238
Assigned	939,885	1,187,904
Unassigned	976,553	1,121,211
Total fund balance	\$ 2,955,954	4,670,769

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2019

As of the end of the 2018-19 fiscal year, the Town's governmental funds reported combined ending fund balances of \$3 million, a decrease of \$1.7 million in comparison with the prior fiscal year.

Major Governmental Funds

The General Fund, Bond Fund, TIF Fund, and Debt Service Fund were reported as major funds.

The General Fund is the chief operating fund of the Town. The General Fund had an increase in fund balance of \$0.1 million, primarily due to excess budgetary allocations in revenue. Total fund balance is \$2.7 million, of which \$2.5 million is unassigned. Total fund balance represents 9 percent of total General Fund operating revenues.

The Bond Fund had a decrease of \$0.8 million in fund balance. This was primarily due to the use of the remaining bond funds for the renovation of the Central Fire Station.

The TIF Fund had a decrease of \$0.5 million in fund balance. This was primarily due to the transfer of funds to fund infrastructure for economic development within the Town.

The Debt Service Fund had a decrease of \$0.03 million in fund balance. This was the result of the net of the assignment of additional funds for the payment of future debt service and the assignment for payment of current debt service.

The Other Governmental Funds, had a decrease of \$0.5 million. This was due mainly to the expenditure of funds as related projects progressed and the purchase of capital assets.

Proprietary Funds

The Town's proprietary funds, Senior Housing and the Sewer System, provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position of the two enterprise funds totaled \$2.6 million, an overall decrease of \$0.5 million. Net position increased \$0.04 million for Senior Housing primarily due to revenue exceeding expenses. Net position for the Sewer System decreased by \$0.5 million due to the assessment for the Town's share of state projects. The majority of the Sewer Fund's net position is invested in the capital assets of the sewer system.

GENERAL FUND BUDGETARY HIGHLIGHTS

For the 2018-19 fiscal year, actual revenues exceeded budgeted amounts by \$0.5 million as taxes, charges for services, growth permits and fees, and miscellaneous revenues exceeded expectations. Licenses and permits and intergovernmental revenues were slightly less than anticipated. Overall, total revenue collections were 102 percent of budget and 0.7 percent lower than prior year's collection.

Expenditures were \$0.1 million over amounts budgeted. The primary areas contributing to this variance were general government and recreation. The Administrative and Council expenditures under general government were over budget due to additional salary and benefits associated with staff turnover. The Assessor was over budget due to the contracted services of real property records audit and legal expenditures were over budget due to the legal challenges in code enforcement and planning. Recreation programs were over budget primarily due to the increase in expenditures due to the increase demand in the after-school programs.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's capital assets, net of accumulated depreciation, for its governmental and business-type activities as of June 30, 2019, total \$32.5 million. Capital assets include books; construction in progress; land and land improvements; buildings and improvements; machinery and equipment; furniture and office equipment; computer equipment; vehicles; and infrastructure. The Town experienced an increase of total net capital assets compared to the previous fiscal year of approximately \$2.0 million or 6.7 percent.

Town of Cumberland, Maine - Capital Assets						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Books & collections	\$ 990,116	\$ 990,116	\$ -	\$ -	\$ 990,116	\$ 990,116
Construction in progress	4,521,652	7,334,928	-	4,275	4,521,652	7,339,203
Land	6,985,072	6,985,072	-	-	6,985,072	6,985,072
Land improvements	4,044,070	4,014,593	63,170	63,170	4,107,240	4,077,763
Buildings & building improvements	13,099,931	8,786,870	2,183,106	2,183,106	15,283,037	10,969,976
Machinery & equipment	2,541,506	2,299,371	3,006	3,006	2,544,512	2,302,377
Furniture & office equipment	67,798	72,187	-	-	67,798	72,187
Computer equipment	192,677	173,159	-	-	192,677	173,159
Vehicles	4,129,181	4,041,550	-	-	4,129,181	4,041,550
Infrastructure	32,784,703	31,847,685	4,127,596	3,937,449	36,912,299	35,785,134
Total capital assets	69,356,706	66,545,531	6,376,878	6,191,006	75,733,584	72,736,537
Accumulated depreciation	(19,843,223)	(18,341,709)	(3,556,968)	(3,400,639)	(23,400,191)	(21,742,348)
Capital assets, net of depreciation	49,513,483	48,203,822	2,819,910	2,790,367	52,333,393	50,994,189
Associated bonds and notes payable	18,984,353	20,302,680	825,833	975,621	19,810,186	20,513,072
Unspent bond proceeds	-	(765,229)	-	-	-	(765,229)
Capital assets, net of debt	\$ 30,529,130	\$ 28,666,371	\$ 1,994,077	\$ 1,814,746	\$ 32,523,207	\$ 30,481,117

Construction in progress decreased due to the completion of the Central Fire Station, Mill Road, Route 9, Tuttle Road, Middle Road and Main Street improvements, the pier at Broad Cove Reserve, and the Route One sewer extension. Additional information on the Town's capital assets can be found in the Notes to the Basic Financial Statements.

Long-Term Debt

At June 30, 2019, the Town has long-term debt outstanding of \$19.8 million, comprised of general obligation bonds and a note payable.

Town of Cumberland, Maine - Outstanding Debt						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 18,898,580	\$ 20,134,447	\$ 825,833	\$ 975,621	\$ 19,724,413	\$ 21,110,068
Notes payable	85,773	168,233	-	-	85,773	168,233
Total	\$ 18,984,353	\$ 20,302,680	\$ 825,833	\$ 975,621	\$ 19,810,186	\$ 21,278,301

The Town's outstanding debt decreased by \$1.4 million during the 2018-19 fiscal year. The decrease was primarily due to scheduled principal payments. Additional information on the Town's debt may be found in the Notes to the Basic Financial Statements.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2019

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Local property taxes are the Town's primary source of revenue. The tax rate for 2019-20 fiscal year is \$19.85, an increase of \$0.15 or 0.8 percent. General Fund revenues are projected to be at \$31 million and expenditures are expected to be \$30.7 million.

	2019	2020	1 Year Change	
Town	\$ 5.28	\$ 5.74	\$ 0.46	8.7%
County	0.65	0.65	-	0.0%
MSAD #51	13.77	13.46	(0.31)	-2.3%
Total tax rate	<u>\$ 19.70</u>	<u>\$ 19.85</u>	<u>\$ 0.15</u>	<u>0.8%</u>

The following economic factors currently affect the Town of Cumberland, Maine and were considered and included in developing the 2018-2019 fiscal year budgets:

- Increases in revenues
- Expenses for which the Town has limited control
- Taxable assessed values
- State budget deliberations

In adopting the budget for the 2020 year, Town 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

REQUESTS FOR INFORMATION

This financial report is designed to provide users with a general overview of the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Town of Cumberland, Maine, Finance Department, 290 Tuttle Road, Cumberland, ME 04021. Additional financial information can be found on our website (www.cumberlandmaine.com).

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BASIC FINANCIAL STATEMENTS

TOWN OF CUMBERLAND, MAINE
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,909,009	-	3,909,009
Investments	230,335	8,311	238,646
Receivables:			
Accounts	312,300	189,678	501,978
Rescue	27,093	-	27,093
Intergovernmental	148,306	-	148,306
Taxes - current year	142,914	-	142,914
Taxes - prior years	136,612	-	136,612
Prepaid expenses	3,653	-	3,653
Inventory	18,201	-	18,201
Internal balances	(476,915)	476,915	-
Capital assets not being depreciated	12,496,840	-	12,496,840
Capital assets being depreciated, net	37,016,643	2,819,911	39,836,554
Total assets	53,964,991	3,494,815	57,459,806
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	548,204	-	548,204
Total deferred outflows of resources	548,204	-	548,204
LIABILITIES			
Accounts payable	883,397	38,365	921,762
Accrued payroll	173,161	2,286	175,447
Other liabilities	175,054	26,325	201,379
Accrued interest payable	133,796	6,554	140,350
Noncurrent liabilities:			
Due within one year	1,421,602	176,036	1,597,638
Due in more than one year	18,998,029	652,554	19,650,583
Total liabilities	21,785,039	902,120	22,687,159
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	283,066	-	283,066
Total deferred inflows of resources	283,066	-	283,066
NET POSITION			
Net investment in capital assets	30,529,130	1,994,078	32,523,208
Restricted for:			
Restricted grants and donations	106,519	-	106,519
Expendable permanent funds	181,519	-	181,519
Nonexpendable permanent funds	99,241	-	99,241
Unrestricted	1,528,681	598,617	2,127,298
Total net position	\$ 32,445,090	2,592,695	35,037,785

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Activities
For the year ended June 30, 2019

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Total
					Governmental activities	Business-type activities	
Primary government:							
Governmental activities:							
General government	\$ 3,347,435	425,366	-	-	(2,922,069)	-	(2,922,069)
Public safety	2,962,840	315,351	6,762	-	(2,640,727)	-	(2,640,727)
Public services	4,533,495	677,927	68,644	972,642	(2,814,282)	-	(2,814,282)
Recreation	2,116,841	1,657,575	12,545	-	(446,721)	-	(446,721)
Education and libraries	19,278,276	36,593	3,455	-	(19,238,228)	-	(19,238,228)
Health and public assistance	178,167	-	20,000	-	(158,167)	-	(158,167)
Interest on debt	594,936	-	-	-	(594,936)	-	(594,936)
Total governmental activities	33,011,990	3,112,812	111,406	972,642	(28,815,130)	-	(28,815,130)
Business-type activities:							
Senior Housing	300,636	335,360	-	-	-	34,724	34,724
Sewer System	1,684,199	1,079,880	-	-	-	(604,319)	(604,319)
Total business-type activities	1,984,835	1,415,240	-	-	-	(569,595)	(569,595)
Total primary government	\$ 34,996,825	4,528,052	111,406	972,642	(28,815,130)	(569,595)	(29,384,725)
General revenues:							
Property taxes, levied for general purposes					\$ 24,521,616	-	24,521,616
TIF district taxes					2,221,671	-	2,221,671
Outer island property taxes					44,041	-	44,041
Payments in lieu of taxes					31,918	-	31,918
Motor vehicle excise taxes					2,162,878	-	2,162,878
Interest and penalties					31,902	-	31,902
Grants and contributions not restricted to specific programs:							
Homestead and BETE exemptions					490,171	-	490,171
State Revenue Sharing					468,849	-	468,849
Unrestricted investment earnings (loss)					69,631	325	69,956
Miscellaneous revenues					59,621	-	59,621
Total general revenues					30,102,298	325	30,102,623
Change in net position					1,287,168	(569,270)	717,898
Net position - beginning					31,157,922	3,161,965	34,319,887
Net position - ending					\$ 32,445,090	2,592,695	35,037,785

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Balance Sheet
Governmental Funds
June 30, 2019

	General	Bond Fund	TIF Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 3,858,584	-	-	-	50,425	3,909,009
Investments	-	-	-	-	230,335	230,335
Receivables:						
Accounts	86,480	-	-	-	225,820	312,300
Rescue	27,093	-	-	-	-	27,093
Intergovernmental	144,283	-	4,023	-	-	148,306
Taxes - prior years	136,612	-	-	-	-	136,612
Taxes - current year	142,914	-	-	-	-	142,914
Prepaid items	3,653	-	-	-	-	3,653
Inventory	18,201	-	-	-	-	18,201
Interfund loans receivable	-	3,907	-	712,115	759,112	1,475,134
Total assets	\$ 4,417,820	3,907	4,023	712,115	1,265,692	6,403,557
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	233,223	10,015	573,347	-	63,042	879,627
Accrued payroll	162,133	-	10,631	-	397	173,161
Escrow liabilities	130,865	-	-	-	-	130,865
Taxes paid in advance	44,189	-	-	-	-	44,189
Interfund loans payable	854,198	-	915,195	-	186,426	1,955,819
Total liabilities	1,424,608	10,015	1,499,173	-	249,865	3,183,661
Deferred inflows of resources:						
Unavailable revenue - property taxes	263,942	-	-	-	-	263,942
Total deferred inflows of resources	263,942	-	-	-	-	263,942
Fund balances (deficits):						
Nonspendable	21,854	-	-	-	99,241	121,095
Restricted	-	-	-	-	288,038	288,038
Committed	-	-	-	-	630,383	630,383
Assigned	227,770	-	-	712,115	-	939,885
Unassigned	2,479,646	(6,108)	(1,495,150)	-	(1,835)	976,553
Total fund balances (deficits)	2,729,270	(6,108)	(1,495,150)	712,115	1,015,827	2,955,954
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,417,820	3,907	4,023	712,115	1,265,692	
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.						49,513,483
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable revenues in the funds.						263,942
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:						
Bonds and notes payable					(18,260,089)	
Unamortized premiums on bonds					(724,264)	
Accrued interest					(133,796)	
Accrued compensated absences					(209,889)	
Net pension liability, including related deferred inflows/outflows					(870,251)	
Landfill post closure care costs					(90,000)	
						(20,288,289)
Net position of governmental activities						\$ 32,445,090

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2019

	General	Bond Fund	TIF Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 26,738,541	-	2,221,671	-	-	28,960,212
Licenses, permits and fees	153,384	-	-	-	128,634	282,018
Intergovernmental	1,207,851	-	200,000	-	775,751	2,183,602
Charges for services	2,500,324	-	-	-	52,638	2,552,962
Investment income (loss)	-	-	-	-	69,631	69,631
Other	172,796	-	-	-	44,308	217,104
Total revenues	30,772,896	-	2,421,671	-	1,070,962	34,265,529
Expenditures:						
Current:						
General government	1,501,370	6,108	668,064	-	20,744	2,196,286
Public safety	2,507,780	-	-	-	32,872	2,540,652
Public services	2,175,731	-	-	-	60,237	2,235,968
Recreation	1,877,997	-	-	-	4,456	1,882,453
Library	491,453	-	-	-	17,078	508,531
Health and public assistance	146,325	-	-	-	30,394	176,719
Unclassified	287,524	-	-	-	-	287,524
Insurance	234,469	-	-	-	-	234,469
Education	18,690,271	-	-	-	-	18,690,271
County tax	878,954	-	-	-	-	878,954
Capital outlay	10,000	827,729	896,221	-	2,702,514	4,436,464
Debt service:						
Principal	680,832	-	602,723	-	-	1,283,555
Interest	364,016	-	286,199	-	-	650,215
Total expenditures	29,846,722	833,837	2,453,207	-	2,868,295	36,002,061
Excess (deficiency) of revenues over (under) expenditures	926,174	(833,837)	(31,536)	-	(1,797,333)	(1,736,532)
Other financing sources (uses):						
Proceeds from note issuance	10,000	-	-	-	-	10,000
Sale of assets	-	-	-	-	11,718	11,718
Transfers in	75,825	-	-	50,000	1,592,115	1,717,940
Transfers out	(872,803)	-	(500,000)	(75,825)	(269,312)	(1,717,940)
Total other financing sources (uses)	(786,978)	-	(500,000)	(25,825)	1,334,521	21,718
Net change in fund balances	139,196	(833,837)	(531,536)	(25,825)	(462,812)	(1,714,814)
Fund balances (deficits), beginning of year	2,590,074	827,729	(963,614)	737,940	1,478,639	4,670,768
Fund balances (deficits), end of year	\$ 2,729,270	(6,108)	(1,495,150)	712,115	1,015,827	2,955,954

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2019

Net change in fund balances - total governmental funds (from Statement 4)	\$	(1,714,814)
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Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

These are the changes related to capital assets:

Capital outlay	2,989,235	
Depreciation expense	(1,635,443)	
Book value of disposed capital assets	(44,131)	1,309,661

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in unavailable revenues - property taxes.

21,912

Expenses in the statement of activities that do not consume current financial resources are not reported as expenditures in the funds:

These are the changes related to long-term liabilities:

Landfill closure costs	6,000	
Accrued interest payable	10,506	
Accrued compensated absences	(4,069)	
Net pension liability	426,290	
Deferred inflows and outflows related to the net pension liability	(86,645)	352,082

The issuance of debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These are the changes in long term debt:

Issuance of note payable	(10,000)	
Principal payments	1,283,555	
Amortization of bond premium	44,772	1,318,327

Change in net position of governmental activities (see Statement 2)	\$	1,287,168
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See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the year ended June 30, 2019

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 26,562,642	26,562,642	26,738,541	175,899
Licenses and permits	154,974	154,974	153,384	(1,590)
Intergovernmental	1,212,279	1,212,279	1,207,851	(4,428)
Charges for services	1,977,869	2,027,869	2,308,401	280,532
Other	133,117	133,117	172,796	39,679
Total revenues	30,040,881	30,090,881	30,580,973	490,092
Expenditures:				
Current:				
General government	1,269,374	1,269,374	1,332,737	(63,363)
Public safety	2,522,617	2,570,617	2,507,780	62,837
Public services	1,983,742	1,985,742	1,981,046	4,696
Recreation	1,752,827	1,752,827	1,877,997	(125,170)
Library	494,236	494,236	491,453	2,783
Health and public assistance	86,328	86,328	69,769	16,559
Unclassified	273,171	273,171	287,524	(14,353)
Insurance	236,554	236,554	234,469	2,085
Education	18,690,208	18,690,208	18,690,271	(63)
County tax	878,854	878,854	878,954	(100)
Capital projects (transfers to reserves)	749,300	749,300	749,300	-
Debt service	1,045,825	1,045,825	1,044,848	977
Total expenditures	29,983,036	30,033,036	30,146,148	(113,112)
Excess of revenues over expenditures	57,845	57,845	434,825	376,980
Other financing sources (uses):				
Transfers in	75,825	75,825	75,825	-
Transfers to General Fund reserves	-	-	(43,958)	(43,958)
Transfers out	-	-	(123,503)	(123,503)
Total other financing sources (uses)	75,825	75,825	(91,636)	(167,461)
Net change in fund balance	133,670	133,670	343,189	209,519
Fund balance, beginning of year - budgetary basis			2,140,110	
Fund balance, end of year - budgetary basis	\$		2,483,299	
Reconciliation to GAAP:				
Change in reserves			(203,993)	
Fund balance, beginning of year - GAAP basis			2,590,074	
Fund balance, end of year - GAAP basis	\$		2,729,270	

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2019

Business-type Activities - Enterprise Funds			
	Senior Housing Fund	Sewer System	Totals
ASSETS			
Current assets:			
Investments	\$ 8,311	-	8,311
Accounts receivable	-	189,678	189,678
Interfund loans receivable	170,954	305,961	476,915
Total current assets	179,265	495,639	674,904
Noncurrent assets:			
Property, plant, and equipment	2,238,614	4,138,265	6,376,879
Less accumulated depreciation	(1,353,377)	(2,203,591)	(3,556,968)
Total noncurrent assets	885,237	1,934,674	2,819,911
Total assets	1,064,502	2,430,313	3,494,815
LIABILITIES			
Current liabilities:			
Accounts payable	2,275	36,090	38,365
Accrued interest payable	6,554	-	6,554
Accrued payroll	1,975	311	2,286
Security deposit	26,325	-	26,325
Accrued compensated absences, current	1,250	-	1,250
Bonds and premiums, current	174,786	-	174,786
Total current liabilities	213,165	36,401	249,566
Noncurrent liabilities:			
Accrued compensated absences	1,507	-	1,507
Bonds and premiums payable	651,047	-	651,047
Total noncurrent liabilities	652,554	-	652,554
Total liabilities	865,719	36,401	902,120
NET POSITION			
Net investment in capital assets	59,404	1,934,674	1,994,078
Unrestricted	139,379	459,238	598,617
Total net position	\$ 198,783	2,393,912	2,592,695

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2019

Business-type Activities - Enterprise Funds			
	Senior Housing Fund	Sewer System	Totals
Operating revenues:			
Rental income	\$ 335,360	-	335,360
Charges for services	-	1,046,680	1,046,680
Sewer connection permits	-	27,600	27,600
Other	-	5,600	5,600
Total operating revenues	335,360	1,079,880	1,415,240
Operating expenses:			
Wages and benefits	102,739	15,776	118,515
Utilities	29,443	-	29,443
Maintenance	15,556	-	15,556
Contracted services	27,158	27,919	55,077
Tools and equipment	304	26,573	26,877
Wastewater assessment	-	905,184	905,184
Other assessments	-	625,381	625,381
General costs	8,873	-	8,873
Capital outlay	20,371	-	20,371
Depreciation	72,963	83,366	156,329
Total operating expenses	277,407	1,684,199	1,961,606
Operating income (loss)	57,953	(604,319)	(546,366)
Nonoperating income (expense):			
Investment income (loss)	325	-	325
Interest expense	(23,229)	-	(23,229)
Total nonoperating income (expense)	(22,904)	-	(22,904)
Change in net position	35,049	(604,319)	(569,270)
Total net position, beginning of year	163,734	2,998,231	3,161,965
Total net position, end of year	\$ 198,783	2,393,912	2,592,695

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2019

Business-type Activities - Enterprise Funds				
	Senior Housing Fund	Sewer System	Totals	
Cash flows from operating activities:				
Receipts from customers and users	\$ 371,061	1,679,405	2,050,466	
Payments to suppliers	(94,893)	(1,477,765)	(1,572,658)	
Payments to employees	(102,467)	(15,767)	(118,234)	
Net cash provided by (used in) operating activities	173,701	185,873	359,574	
Cash flows from capital and related financing activities:				
Purchase of capital assets	-	(185,873)	(185,873)	
Bond principal payments	(140,000)	-	(140,000)	
Interest paid	(33,701)	-	(33,701)	
Net cash provided by (used in) capital and related financing activities	(173,701)	(185,873)	(359,574)	
Change in cash	-	-	-	
Cash, beginning of year	-	-	-	
Cash, end of year	\$ -	-	-	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 57,953	(604,319)	(546,366)	
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	72,963	83,366	156,329	
(Increase) decrease in accounts receivable	-	11,164	11,164	
(Increase) decrease in interfund loans receivable	35,454	588,361	623,815	
(Increase) decrease in prepaid expenses	10,010	75,477	85,487	
Increase (decrease) in accounts payable	(3,198)	31,815	28,617	
Increase (decrease) in accrued payroll	(246)	9	(237)	
Increase (decrease) in accrued compensated absences	518	-	518	
Increase (decrease) in security deposit	247	-	247	
Net cash provided by (used in) operating activities	173,701	185,873	359,574	

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Private-purpose Trust Fund (Scholarships)	Agency Fund (Food Pantry Component Unit)
ASSETS		
Cash and cash equivalents	\$ -	124,771
Investments	154,199	-
Accounts receivable	-	20,000
Due from general fund	2,500	1,270
Total assets	156,699	146,041
LIABILITIES		
Accounts payable	2,963	165
Due to others	-	145,876
Total liabilities	2,963	146,041
NET POSITION		
Held in trust	\$ 153,736	-

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2019

	Private-purpose Trust Fund (Scholarships)
Additions:	
Donations	\$ 150
Investment income (loss)	6,321
Total additions	6,471
Deductions:	
Scholarships awarded	4,250
Total deductions	4,250
Change in net position	2,221
Net position, beginning of year	151,515
Net position, end of year	\$ 153,736

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Cumberland conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant of such policies:

Reporting Entity

The Town of Cumberland was incorporated in 1821 and operates under a Council-Manager form of government. The Town is located in Cumberland County.

In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth by accounting principles generally accepted in the United States of America. The criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, the Town has reported the following component unit:

Cumberland Food Pantry is a component unit of the Town. Although it is legally separate from the Town, the Food Pantry is reported as if it were part of the primary government because Town management makes up the entire Pantry's board. In addition, the Town has the ability to significantly affect the activities and level of services provided by the food pantry. There are no separately issued financial statements for this component unit and it is reported as an agency fund.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Measurement Focus, Basis of Accounting, and Basis of Presentation

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

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

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

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

The Town reports the following major governmental funds:

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

The Bond Fund is a capital projects fund that accounts for the bond proceeds and other related revenues, as well as related capital expenditures for various Town projects.

The Tax Increment Financing Fund (TIF) is a capital projects fund that accounts specifically for the taxes raised through the Town's TIF districts and the related capital and economic development expenditures.

The Debt Service Fund accounts for all financial resources that have been set aside to offset future debt service payments.

The Town reports the following major proprietary funds:

The Senior Housing Fund accounts for the construction and operation of senior housing units in Cumberland overseen by the Cumberland Housing Authority.

The Sewer System accounts for the operation of a sewer system in Cumberland.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Additionally, the Town reports the following fiduciary fund types:

Private-purpose Trust Funds are used to report the activity for bequests left for charitable payments of scholarship awards. These assets are held by the Town in a trustee capacity, whereby the original bequest is preserved as nonexpendable and the accumulated interest earnings are available to provide for educational awards. Fiduciary funds use an economic resources measurement focus.

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Town's agency fund accounts for the Cumberland Food Pantry.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and charges between the Town's sewer fund and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity

Cash, Cash Equivalents, and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits and time deposits. Investments are stated at fair value. For statement of cash flow purposes, the Town considers cash and cash equivalents to be demand deposits, certificates of deposit with maturities of less than three months, and money market mutual funds.

The Town has established a formal investment policy that governs the investment of all of its funds. Pursuant to its investment policy and applicable Maine law (Title 30-A, Section 5706 et. Seq. of the Maine Revised Statutes, as amended) all investments of the Town must be made with care, prudence, and skill. The goals of the investment policy are to provide safety of principal through diversification of assets and to provide a high degree of liquidity in the investments. The Town is not invested in any obligations typically referred to as derivatives.

Inventory - The General Fund reports fuel inventory, which is valued at cost, using the first-in, first-out method. The cost of inventory is recorded as expenditures when consumed rather than when purchased.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Interfund Loans Receivable/Payable - Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund loans or as interfund advances (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at an estimated amount that would be paid for a similar asset as of the acquisition date. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Land improvements	15-40 years
Buildings and building improvements	20-40 years
Machinery and equipment	4-30 years
Furniture and office equipment	10-20 years
Computer equipment	3-7 years
Vehicles	4-30 years
Infrastructure	20-50 years

Deferred Inflows and Outflows of Resources - In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental funds only report a deferred inflow of resources, unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental activities have deferred outflows and inflows that relate to the net pension liability, which include the Town’s contributions subsequent to the measurement date, which is recognized as a reduction of the net pension liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between Town contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Vacation and Sick Leave - Under terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service and are accrued ratably over the year. Regular part-time employees receive vacation and sick leave on a pro-rated basis. Accumulated vacation time has been recorded as a liability in the government-wide and proprietary funds.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. 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.

Long-term Obligations - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, if material to basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

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

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Town Council is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. For assigned fund balance amounts, the Town Manager has the authority to assign unspent budgeted amounts to specific purposes in the General Fund at year end. The Town Council approves the assigned amounts either before or after year end.

It is the policy of the Town of Cumberland to maintain unassigned fund balance in the general fund at 12% of general fund revenues measured on a GAAP basis. In the event that the unassigned fund balance drops below this level, the Town Manager will develop a plan, implemented through the annual budgetary process, to bring the balance to the target level over a period of no more than five (5) years. Amounts in excess of the target shall be used to offset negative balances in capital projects funds, offset intergovernmental loans, and to build capital project fund levels for future purchases, as determined by the Town Council and Town Manager. If the first three purposes are met, then the Town may use excess balances to offset future tax levy amounts through a stabilization fund.

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the Town's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the Town's intent to use committed or assigned resources first, and then unassigned resources as they are needed.

Interfund Transactions - Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Use of Estimates - Preparation of the Town's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Comparative Data/Reclassifications - Comparative data for the prior year has been presented only for certain funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Net Position - The net position amount represents the difference between assets, deferred outflows, liabilities, and deferred inflows of resources. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Town's net investment in capital assets was calculated as follows at June 30, 2019:

	<u>Governmental activities</u>	<u>Business-type activities</u>
Capital assets	\$ 69,356,706	6,376,879
Accumulated depreciation	(19,843,223)	(3,556,968)
Unamortized premium on bonds	(724,264)	(60,832)
Bonds payable	(18,174,316)	(765,001)
Notes from direct borrowings and direct placements	(85,773)	-
Net investment in capital assets	\$ 30,529,130	1,994,078

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Town utilizes a formal budgetary accounting system to control revenues and expenditures. Budgets are established in accordance with the various laws which govern the Town's operations. For each of the funds for which a formal budget is adopted, the same basis of accounting is used to reflect actual revenues and expenditures recognized on the basis of accounting principles generally accepted in the United States of America.

Budgets are adopted for the General Fund only and are adopted on a basis consistent with generally accepted accounting principles (GAAP) in the United States of America. The level of control (level at which expenditures may not exceed budget) is the Department. Generally, all unexpended budgetary accounts lapse at the close of the fiscal year.

The Town Manager is authorized to transfer budgeted amounts between general classifications of expenditures within a department; however, the gross appropriation for each department shall not be exceeded except by consent of the Council. Encumbrance accounting is not employed by the Town.

The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2019, the following General Fund expenditures exceeded appropriations in the following departments:

Administration and council	\$ 39,789	Val Halla golf course	30,090
Assessor	13,122	Recreation programs	95,080
Technology	8,804	Conservation commission	1,212
Legal services	15,949	Cemetery association	1,750
Code enforcement	9,068	Fire hydrant charges	4,731
Waste disposal	12,317	Municipal building	11,401
Parks	20,567	Abatements	3,671
West Cumberland Hall/ Historical society building	1,443	MSAD #51	63
		County tax	100

These over expenditures lapsed to fund balance at year-end.

C. Deficit Fund Balances

At June 30, 2019, the following funds had deficit fund balances:

Bond fund	\$ 6,108
TIF fund	1,495,150
Fire grant fund	1,835

These fund deficits will be covered by future revenue sources or transfers from the General Fund.

DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk-Town Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy is to have its deposits covered by F.D.I.C. insurance or by additional insurance purchased on behalf of the Town by the respective banking institution.

As of June 30, 2019, the Town reported deposits of \$4,033,780 with a bank balance of \$4,301,105. Of the Town's bank balances of \$4,301,105, none was exposed to custodial credit risk as it was covered by the F.D.I.C. or by additional insurance purchased on behalf of the Town by the respective banking institutions.

Deposits have been reported as follows:

Reported in governmental funds	\$ 3,909,009
Reported in fiduciary funds	<u>124,771</u>
Total deposits	<u>\$ 4,033,780</u>

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

DEPOSITS AND INVESTMENTS, CONTINUED

B. Investments

At June 30, 2019, the Town had the following investments and maturities:

	Fair value	Less than <u>1 year</u>	<u>1-5 years</u>	More than <u>5 years</u>
U. S. Government securities	\$ 38,506	-	30,443	8,063
U. S. Treasury notes	330,417	9,951	248,037	72,429
Money markets	23,922	-	-	-
Total investments	\$ 392,845	9,951	278,480	80,492

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town has the following recurring fair value measurements as of June 30, 2019:

- U.S. governmental securities and U.S. treasury notes are valued using quoted market prices (level 1 inputs).

Custodial Credit Risk-Town Investments: For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town's policy is to have its investments covered by F.D.I.C. insurance or by additional insurance purchased on behalf of the Town by the respective financial institution.

Investments have been reported as follows:

Reported in governmental funds	\$ 230,335
Reported in proprietary funds	8,311
Reported in fiduciary funds	154,199
Total investments	\$ 392,845

Interest Rate Risk: The Town does not have a policy related to interest rate risk.

Credit Risk: The Town's investment policy authorizes the Town to invest in short term and fixed income investments, limited to one of the highest grade ratings ((A – AAA) (AAA for U.S. Treasury and Agency issues, and money market funds; AA- for prime Commercial paper)).

The U.S. Government securities include Federal Home Loan Mortgage Corp. (Freddie Mac) and Federal National Mortgage Association (Fannie Mae) bonds with fair values of \$38,506 and are rated AA+ by Standard & Poor's.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

PROPERTY TAX

The Town's property tax is levied on the assessed value listed as of the prior April 1 for all real and taxable personal property located in the Town. Assessed values are periodically established by the Assessor at 100% of the assumed market value.

Property taxes were levied August 2, 2018 on the assessed values of real property as of April 1, 2018. Taxes were due September 15, 2018 and March 15, 2019. This assessed value of \$1,357,731,600 was 100% of the estimated market value and 102% of the 2019 state valuation of \$1,328,750,000.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$133,670 for the year ended June 30, 2019.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as unavailable revenue.

The following summarizes the periods ended June 30, 2019 and 2018 levies:

	<u>2019</u>	<u>2018</u>
Valuation:		
Land	\$ 552,737,600	562,794,900
Buildings	790,629,700	755,049,700
Personal property	14,364,300	13,298,600
Total assessed valuation	<u>1,357,731,600</u>	<u>1,331,143,200</u>
Assessed value	1,357,731,600	1,331,143,200
Tax rate (per \$1,000)	19.70	18.80
Commitment	26,747,313	25,025,492
Less: collections and abatements	26,604,399	24,861,317
Receivable at June 30	<u>\$ 142,914</u>	<u>164,175</u>
Due date(s)	9/17/2018 3/15/2019	9/15/2017 3/15/2018
Interest rate charged on delinquent taxes	8.00%	7.00%
Collection rate	99.47%	99.34%

As of July 1, 2007, per H.P. 1243 – L.D. 1735 *an Act to Authorize Chebeague Island to Secede from the Town of Cumberland*, Chebeague Island must pay to the Town of Cumberland 50% of the property taxes committed to the Town of Chebeague Island from the Outer Islands for a period of 50 years; to be paid on an annual basis. As of June 30, 2019 and 2018, Chebeague Island has paid \$44,041 and \$43,774, respectively.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance June 30, <u>2019</u>
Governmental activities:				
Capital assets, not being depreciated:				
Books and collections	\$ 990,116	-	-	990,116
Construction in progress	7,334,928	2,389,503	5,202,779	4,521,652
Land	6,985,072	-	-	6,985,072
<u>Total capital assets, not being depreciated</u>	<u>15,310,116</u>	<u>2,389,503</u>	<u>5,202,779</u>	<u>12,496,840</u>
Capital assets, being depreciated:				
Land improvements	4,014,593	29,477	-	4,044,070
Buildings and building improvements	8,786,870	4,313,061	-	13,099,931
Machinery and equipment	2,299,371	279,412	37,277	2,541,506
Furniture and office equipment	72,187	-	4,389	67,798
Computer equipment	173,159	19,518	-	192,677
Vehicles	4,041,550	224,025	136,394	4,129,181
Infrastructure	31,847,685	937,018	-	32,784,703
<u>Total capital assets being depreciated</u>	<u>51,235,415</u>	<u>5,802,511</u>	<u>178,060</u>	<u>56,859,866</u>
Less accumulated depreciation for:				
Land improvements	2,466,941	149,312	-	2,616,253
Buildings and building improvements	4,231,644	352,533	-	4,584,177
Machinery and equipment	1,574,996	146,987	6,524	1,715,459
Furniture and office equipment	67,992	1,119	4,389	64,722
Computer equipment	126,504	15,348	-	141,852
Vehicles	2,547,752	345,179	123,016	2,769,915
Infrastructure	7,325,880	624,965	-	7,950,845
<u>Total accumulated depreciation</u>	<u>18,341,709</u>	<u>1,635,443</u>	<u>133,929</u>	<u>19,843,223</u>
 <u>Total capital assets being depreciated, net</u>	 <u>32,893,706</u>	 <u>4,167,068</u>	 <u>44,131</u>	 <u>37,016,643</u>
 <u>Governmental activities capital assets, net</u>	 <u>\$ 48,203,822</u>	 <u>6,556,571</u>	 <u>5,246,910</u>	 <u>49,513,483</u>

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

Governmental activities:	
General government	\$ 85,778
Public safety	378,057
Public services, including depreciation of general infrastructure assets	856,298
Health and public assistance	1,448
Recreation	234,388
Education and libraries	79,474
 <u>Total depreciation expense – governmental activities</u>	 <u>\$ 1,635,443</u>

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS, CONTINUED

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 4,275	163,476	167,751	-
Total capital assets, not being depreciated	4,275	163,476	167,751	-
Capital assets, being depreciated:				
Land improvements	63,170	-	-	63,170
Buildings and building improvements	2,183,106	-	-	2,183,106
Machinery and equipment	3,006	-	-	3,006
Infrastructure, sewer	3,937,449	190,148	-	4,127,597
Total capital assets being depreciated	6,186,731	190,148	-	6,376,879
Less accumulated depreciation for:				
Land improvements	46,161	3,158	-	49,319
Buildings and building improvements	1,236,934	70,188	-	1,307,122
Machinery and equipment	2,471	430	-	2,901
Infrastructure, sewer	2,115,073	82,553	-	2,197,626
Total accumulated depreciation	3,400,639	156,329	-	3,556,968
Total capital assets being depreciated, net	2,786,092	33,819	-	2,819,911
Business-type activities capital assets, net	\$ 2,790,367	197,295	167,751	2,819,911

Depreciation expense was charged to the business-type activities as follows:

Business-type activities:	
Senior Housing	\$ 72,963
Sewer System	83,366
Total depreciation expense – business-type activities	\$ 156,329

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Interfund transfers consist of budgeted transfers to and from other funds to fund certain activities accounted for in those funds and transfers to close out capital project funds that are no longer needed. Transfers were also made from the General Fund to the capital project funds to offset deficit fund balances.

Individual interfund loan receivables, payables, and transfers at the year ended June 30, 2019 were as follows:

<u>Fund</u>	<u>Interfund loans receivable</u>	<u>Interfund loans payable</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ -	854,198	75,825	872,803
Bond Fund	3,907	-	-	-
TIF Fund	-	915,195	-	500,000
Debt Service Fund	712,115	-	50,000	75,825
Other Governmental Funds:				
Special Revenue	162,166	1,505	-	-
Capital Projects	596,931	184,921	1,592,115	269,312
Permanent	15	-	-	-
Total Other Governmental Funds	759,112	186,426	1,592,115	269,312
Proprietary Funds:				
Senior Housing	170,954	-	-	-
Sewer System	305,961	-	-	-
Total Proprietary Funds	476,915	-	-	-
Fiduciary Funds:				
Private-purpose Trusts	2,500	-	-	-
Agency	1,270	-	-	-
Total Fiduciary Funds	3,770	-	-	-
Totals	\$ 1,955,819	1,955,819	1,717,940	1,717,940

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2019 was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
General obligation bonds	\$ 19,365,411	-	1,191,095	18,174,316	1,290,776
Unamortized bond premium	769,036	-	44,772	724,264	44,772
Total bonds payable	20,134,447	-	1,235,867	18,898,580	1,335,548
Notes from direct borrowings	168,223	10,000	92,460	85,773	10,091
Accrued compensated absences	205,820	209,889	205,820	209,889	69,963
Net pension liability	1,561,679	-	426,290	1,135,389	-
Landfill post closure care costs	96,000	-	6,000	90,000	6,000
Total governmental activity					
long-term liabilities	\$ 22,166,179	219,889	1,966,437	20,419,631	1,421,602

The accrued compensated absences and the net pension liabilities are normally fully liquidated by the General Fund.

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Business-type activities:					
Bonds payable	\$ 905,001	-	140,000	765,001	165,001
Unamortized bond premium	70,620	-	9,788	60,832	9,785
Total bonds payable	975,621	-	149,788	825,833	174,786
Accrued compensated absences	2,240	2,757	2,240	2,757	1,250
Total business-type activity					
long-term liabilities	\$ 977,861	2,757	152,028	828,590	176,036
Total long-term governmental and business-type activities	\$ 23,144,040	222,646	2,118,465	21,248,221	1,597,638

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT

Bonds and Notes Payable

Bonds payable at June 30, 2019 are comprised of the following:

	<u>Originally Issued</u>	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance</u>
Bonds payable:					
Governmental activities:					
Economic development	\$ 4,100,000	5/27/10	11/1/2029	3.36-5.75%	2,516,712
Fire truck purchase	478,560	10/28/99	11/1/2019	4.28-5.91%	38,211
Infrastructure/Val Halla	2,775,802	5/15/08	11/1/2027	2.00-5.50%	1,235,802
Infrastructure improvements	4,000,000	5/28/09	11/1/2029	2.08-5.58%	2,613,591
2015 improvements and refunding bonds	5,730,000	1/14/15	6/30/2034	2.00-4.00%	4,835,000
2017 improvements	7,300,000	1/18/17	4/1/2038	2.50-3.50%	6,935,000
<u>Total governmental activities bonds payable</u>					<u>18,174,316</u>
Notes from direct borrowings:					
Paynter property note	90,000	5/11/18	12/1/2027	5.00%	85,773
<u>Total governmental activities notes payable</u>					<u>85,773</u>
Business-type activity debt:					
Senior Housing	890,000	4/20/11	4/20/2019	2.00-5.00%	115,001
Senior Housing roofing/refunding	740,000	1/14/15	6/30/2034	2.00-4.00%	650,000
<u>Total business-type activity debt</u>					<u>765,001</u>
<u>Total bonds and notes payable</u>					<u>\$ 19,025,090</u>

All governmental activities long-term debt service requirements are paid by the General Fund or TIF Fund. Business-type debt is paid by the proprietary enterprise funds.

The annual debt service requirements to amortize bonds and notes payable are as follows:

	<u>Governmental activities</u>		<u>Notes from direct borrowings</u>	
	<u>Bonds payable</u>			
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 1,290,776	614,599	10,091	4,057
2021	1,438,200	569,903	10,091	3,553
2022	1,479,740	509,056	10,091	3,048
2023	1,542,579	460,516	10,191	2,544
2024	1,367,196	413,382	10,191	2,039
2025-2029	6,219,937	1,339,993	35,318	3,164
2030-2034	3,375,888	550,603	-	-
2035-2038	1,460,000	126,840	-	-
<u>Totals</u>	<u>\$ 18,174,316</u>	<u>4,584,892</u>	<u>85,773</u>	<u>18,405</u>

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

	<u>Business-type activities</u>	
	<u>Bonds payable</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 165,001	27,175
2021	60,000	22,800
2022	60,000	21,000
2023	40,000	19,200
2024	40,000	17,600
2025-2029	200,000	64,000
2030-2034	200,000	24,000
Totals	\$ 765,001	195,775

In accordance with 30-A MRSA, Section 5701, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. Additionally, no municipality shall incur debt in the aggregate in excess of 15% of its state assessed valuation. June 30, 2019, the Town's outstanding debt did not exceed these limits. As of June 30, 2019, the total outstanding bonds and notes payable for the Town are 1.48% of the state valuation of \$1,328,750,000.

DEFEASED DEBT

In prior years, the government defeased general obligation public improvement bonds and a note payable by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds and note payable. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At June 30, 2019, \$1,685,000 of defeased bonds remain outstanding.

LANDFILL CLOSURE AND POSTCLOSURE COSTS

Under State law, Maine communities had until December 31, 1994 to close existing landfills under a DEP approved plan. The Town currently has one demolition debris landfill. Although the landfill was closed to receiving additional debris in the early 1990's, the landfill was not properly capped or officially closed. The Town submitted a closure plan to the Environmental Protection Agency, which was approved, and the final closure costs were incurred in FY 2018. The Town has estimated post-closure costs of \$90,000, which have been recognized as a liability on the government-wide financial statements. The actual costs of post closure monitoring may be higher or lower due to inflation, changes in technology, engineering estimates, or changes in landfill laws and regulations.

The following is a summary of the estimated post-closure costs for the Town's landfill as of June 30, 2019:

Post-closure costs

Annual monitoring: \$6,000 per year for 15 years \$ 90,000

Total post-closure costs **\$ 90,000**

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

CONDUIT DEBT

During FY 2015, Town issued \$2,300,000 in revenue bonds to provide financial assistance to the Friends School of Portland to help fund the construction of a new school in Cumberland. Upon repayment of the bonds, ownership of the acquired assets transfers to the School. Neither the Town, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2019, the outstanding principal balance of the revenue bonds was \$1,975,992.

OVERLAPPING DEBT AND OTHER CONTINGENCIES

Overlapping Debt

The Town is subject to an annual assessment of its proportional share of Cumberland County expenses, including debt repayment, as determined by the percentage of the Town's State valuation to the County's State valuation. For the year ended June 30, 2019, the Town's State valuation of \$1,328,750,000 was 2.83% of the County's State valuation of \$46,892,350,000. The Town's share is 2.83% or \$1,072,771 of Cumberland County's \$37,894,000 long-term debt outstanding at June 30, 2019.

The Town's proportionate share of Maine School Administrative District #51 debt of \$25,751,103 is \$18,053,741 (70.11%). This debt service is included in the annual assessments to the Town.

Contingencies

Portland Water District - The Town is also served by the Portland Water District. At June 30, 2019, the Town's share of self-supporting bonded water debt is 4.2% or \$2,248,671 of total debt of \$53,286,036. In addition, the Town's share of direct wastewater debt is 0.13% or \$50,000 of total debt of \$39,114,203.

Total Debt and Contingencies

	June 30, 2019				
	Direct debt				
Governmental Unit	Governmental activities	Business-type activities	Overlapping debt	Contingent debt	Total debt
Town of Cumberland	\$ 18,984,353	825,833	-	-	19,810,186
Cumberland County	-	-	1,072,771	-	1,072,771
M.S.A.D. #51	-	-	18,053,741	-	18,053,741
Portland Water District:					
Water and waste water debt	-	-	-	2,298,671	2,298,671
Totals	\$ 18,984,353	825,833	19,126,512	2,298,671	41,235,369

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

JOINTLY GOVERNED ORGANIZATION

The Town of Cumberland participates in a jointly governed organization, which is not part of the Town's reporting entity.

ecomaine is a solid waste management corporation serving 40 municipalities in Cumberland, Oxford, and York counties in Maine. Owned and controlled by 21 member communities, ecomaine creates electricity through its processing of waste and also operates an extensive recycling program.

The Town is a member community in ecomaine. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced within the community to ecomaine for processing and to make service payments and pay tipping fees for such processing.

The Town has no explicit, measurable equity interest and therefore has not reported an asset in these financial statements in connection with its participation in ecomaine. Selected balance sheet information for ecomaine for the year ended June 30, 2019, includes total assets of \$63,227,321, total liabilities of \$18,166,889 and unrestricted net position of \$14,041,866. The liabilities include an accrual for landfill closure and postclosure care amounting to \$15,082,777. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2011 and a projected closing date. The separate audited financial statements of ecomaine may be obtained at their administrative office: ecomaine, 64 Blueberry Rd., Portland, Maine 04102.

LEASES

The Town has one lease purchase agreement for a Town-owned building with Bateman Partners, LLC. The terms of the lease are an acquisition fee of \$480,000 in the year of signing the lease, then \$1 annually for 99 years, expiring in 2110. The Town's investment in property held for lease for the year ended June 30, 2019 was \$1,810,383, with accumulated depreciation of \$965,539.

NET PENSION LIABILITY

General Information about the Pension Plan

Plan Description - Employees of the Town are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan), a cost-sharing multiple-employer defined benefit pension plan, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute; in the case of the PLD Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Maine State Legislature to amend the terms. MPERS issues a publicly available financial report that can be obtained at www.maineopers.org.

Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014). The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations.

Employees are required to contribute 8.0% for the 2C plan and 9.5% for the 3C plan of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2019, were 10.5% for the 2C plan and 12.7% for the 3C plan of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$230,331 for the year ended June 30, 2019.

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

At June 30, 2019, the Town reported a liability of \$1,135,389 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating local districts, actuarially determined. At June 30, 2018, the Town's proportion was 0.4149%.

For the year ended June 30, 2019, the Town recognized pension expense (gain) of \$(109,314).

At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	8,916
Changes of assumptions	181,216	-
Net difference between projected and actual earnings on pension plan investments	-	274,150
Changes in proportion and differences between Town contributions and proportionate share of contributions	136,657	-
Town contributions subsequent to the measurement date	230,331	-
Total	\$ 548,204	283,066

\$230,331 is reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2020	\$ 240,422
2021	51,745
2022	(186,504)
2023	(70,856)

Actuarial Assumptions - The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	2.75% to 9.00% per year
Investment return	6.75% per annum, compounded annually
Cost of living benefit increases	1.91% per annum

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	30.0%	6.0%
US government	7.5%	2.3%
Private equity	15.0%	7.6%
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	4.2%
Diversifiers	10.0%	5.9%

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

Discount Rate - The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Town's proportionate share of the net pension liability	\$ 2,675,961	1,135,389	(304,623)

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

Payables to the Pension Plan - None as of June 30, 2019.

457 RETIREMENT PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Town matches employee contributions up to 7% of annual compensation for those employees who do not participate in the MPERS retirement plan. The Town contributed \$80,986 and \$73,012 for the years ended June 30, 2019 and 2018, respectively, on behalf of Town employees.

The Town amended the plan in accordance with the provisions of IRS Section 457(g). Assets of the plan were placed in trust for the exclusive benefit of participants and their beneficiaries. The requirements of that IRS Section prescribes that the Town no longer owns the amounts deferred by employees, including the related income on those amounts. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on their plan assets, were removed from the Town's financial statements.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

FUND BALANCE

The General Fund unassigned fund balance total of \$2,479,646 represents a fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund. Negative unassigned fund balances have also been reported in the Bond Fund of \$6,108, in the TIF Fund of \$1,495,150, and in the other governmental funds of \$1,835, for a total unassigned fund balance of \$976,553 (see statement 3).

As of June 30, 2019, fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General fund				
Prepaid expenditures	\$ 3,653	-	-	-
Inventory	18,201	-	-	-
Circuit breaker program	-	-	-	38,553
Aging in place program	-	-	-	36,549
Future retirement contributions	-	-	-	16,117
HR reserve	-	-	-	92,367
Fuel reserve	-	-	-	44,184
Debt service fund				
Future debt service	-	-	-	712,115
Other governmental funds:				
Permanent fund principal	99,241	-	-	-
Permanent fund earnings	-	181,519	-	-
Other special revenues (grants/donations)	-	19,300	-	-
Fuel assistance program	-	63,019	-	-
Police programs	-	24,200	-	-
Twin brooks recreation area	-	-	3,674	-
Library programs	-	-	51,286	-
Capital projects	-	-	575,423	-
Totals	\$ 121,095	288,038	630,383	939,885

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

TAX INCREMENT FINANCING DISTRICTS AND TAX ABATEMENTS

Under the State of Maine Title 30-A M.R.S., the Town has established seven Tax Increment Financing Districts (TIFs) to finance development programs located in the Town of Cumberland. The Town of Cumberland has entered into five Credit Enhancement Agreements (CEAs) with individual organizations as permitted within its seven TIF districts, as follows:

Organization	TIF District	Agreement Expires	Maximum	Taxes Abated
BFTE Properties LLC Norton Financial Services	1	6/30/2026	\$500,000	\$22,247
BBW Real Estate LLC Seafax	2	6/30/2026	\$500,000	\$30,860
LGC North America Maine Standards	3	6/30/2033	\$500,000	\$40,737
CGM Ventures Exactitude	3	6/30/2033	\$500,000	\$20,853
FMC Development LLC Memory Care	1	6/30/2027	\$500,000	\$18,938
Casco Systems	5	6/30/2036	\$500,000	\$1,342

The CEAs outline conditions for reimbursement of fifty percent of tax revenues generated through the increased values of certain parcels within the districts, up to a maximum amount. The developers agree that all payments made pursuant to the CEAs will be used to either pay debt service on indebtedness incurred to finance project costs, or to pay directly, amortize, or reimburse the developers for payments on qualified project costs up to a maximum amount or defined number of years, whichever occurs first.

The agreements and payments are intended to promote economic development through real estate development and job creation, as well as infrastructure improvements. Based on the terms of the agreements, the incremental tax is remitted to the District over the life of the TIF District to assist in financing the development projects.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

TAX INCREMENT FINANCING DISTRICTS AND TAX ABATEMENTS

For the fiscal year ended June 30, 2019 the Town remitted a total of \$134,977 in Credit Enhancement payments. The following is a summary of the amounts by TIF district:

	Original Assessment Value	Captured Assessed Value	Taxes Remitted to Districts	Taxes Abated
TIF District (capital projects funds)				
Route One North District 1	\$ 355,000	41,385,200	815,288	41,185
Route One South District 2	339,400	10,845,600	213,658	30,860
Route One South District 3	3,717,000	28,989,700	571,097	61,590
Route 100 District 4	2,866,400	11,662,700	229,755	-
Route 100 District 5	5,867,800	4,893,800	96,408	1,342
Summit Natural Gas District 6	-	6,960,900	137,130	-
Summit Natural Gas District 7	108,000	6,709,500	132,178	-
Taxable Personal Property in TIF Districts:				
Route One North District 1	-	810,700	15,971	-
Route One South District 2	-	191,700	3,776	-
Route One South District 3	13,800	335,200	6,603	-
Route 100 District 5	224,000	(9,800)	(193)	-
Total	\$ 13,491,400	112,775,200	2,221,671	134,977

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town either carries commercial insurance or participates in public entity risk pools. Currently, the Town participates in a public entity pool for workers' compensation sponsored by Maine Municipal Association in which participants in the pool share risk in proportion to their contributions.

Based on the coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2019. There were no significant reductions in insurance coverage from that of the prior year. Settled claims have not exceeded insurance coverage for any of the past three fiscal years. As of June 30, 2019, there were no unpaid claims.

COMMITMENTS

As of June 30, 2019, the Town had ongoing commitments for the Route 9 improvements. The contract had a remaining balance of approximately \$244,040. In addition, the Town had some minor projects for which the contracts will be completed in the next fiscal year.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

CONTINGENT RECEIVABLES

The Town entered into an agreement with a local developer to build affordable housing for those with moderate income at the Small's Brook Crossing Subdivision. The Town subsidized the development by contributing \$20,000 per home. In return, the Town received a silent second mortgage on each home. Interest on the mortgages accrues at a rate of 4% annually and is only paid when the house is sold, except that the interest accumulation shall terminate after twenty years. Should one of the homes be sold, the buyer must be a "qualified buyer" in accordance with the income and asset criteria, which is based on the median income for the Portland metropolitan statistical area. If the buyer is not eligible, the Town will collect from the seller the full amount of the silent second mortgage, plus any accrued interest, at the closing. The Town has not recognized receivables or revenues related to the silent second mortgages as it cannot reasonably estimate the amount that will be repaid to the Town, if any, as amounts are contingent on the terms mentioned above.

SUBSEQUENT EVENTS

On July 8, 2019, the Town Council approved the issuance of \$7 million in general obligation bonds. The proceeds will be used to finance improvements to Town facilities, including renovating the Town Hall and Garage, a new compost and brush area, and for the purchase of a new ladder truck for the Fire Department.

On July 8, 2019, the Town Council approved the issuance of a Tax Anticipation Note (TAN) of \$2 million. The proceeds will be used for operating purposes for the fiscal year end June 30, 2020.

TOWN OF CUMBERLAND, MAINE
Required Supplementary Information

Schedule of Town's Proportionate Share of the Net Pension Liability
Maine Public Employees Retirement System Consolidated Plan

	Last 10 Fiscal Years*				
	2019**	2018**	2017**	2016**	2015**
Town's proportion of the net pension liability	0.4149%	0.3814%	0.3555%	0.3399%	0.3108%
Town's proportionate share of the net pension liability	\$ 1,135,389	1,561,679	1,888,928	1,084,542	478,298
Town's covered payroll	2,047,217	1,946,735	1,756,120	1,590,688	1,373,904
Town's proportionate share of the net pension liability as a percentage of its covered payroll	55.46%	80.22%	107.56%	68.18%	34.81%
Plan fiduciary net position as a percentage of the total pension liability	91.14%	86.43%	81.60%	88.27%	94.10%

** This schedule is intended to show information for ten years, but only five years' of information is available.
Additional years' information will be displayed as it becomes available.*

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

TOWN OF CUMBERLAND, MAINE
Required Supplementary Information

Schedule of Town Contributions
Maine Public Employees Retirement System Consolidated Plan

Last 10 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 230,331	222,689	194,047	175,653	140,342
Contributions in relation to the contractually required contributions	(230,331)	(222,689)	(194,047)	(175,653)	(140,342)
Contributions deficiency (excess)	\$ -	-	-	-	-
Town's covered payroll	\$ 2,033,084	2,047,217	1,946,735	1,756,120	1,590,688
Contributions as a percentage of covered payroll	11.33%	10.88%	9.97%	10.00%	8.82%

** This schedule is intended to show information for ten years, but only five years' of information is available.
Additional years' information will be displayed as it becomes available.*

TOWN OF CUMBERLAND, MAINE
Notes to Required Supplementary Information

Last 10 Fiscal Years*

Changes of benefit terms - None

Changes of assumptions - The following are changes in actuarial assumptions used in the most recent valuations:

	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Discount rate	6.750%	6.875%	7.125%	7.250%
Inflation rate	2.75%	2.75%	3.50%	N/A
Salary increases	2.75%-9.00%	2.75% - 9.00%	3.50% - 9.50%	N/A
Cost of living increases	1.91%	2.20%	2.55%	3.12%

Mortality rates:

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

In 2016 and going forward, mortality rates were based on the RP2014 Total Data Set Health Annuitant Mortality Table.

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

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GENERAL FUND

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

TOWN OF CUMBERLAND, MAINE
General Fund
Comparative Balance Sheets
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 3,858,584	6,161,311
Receivables:		
Accounts	86,480	132,763
Rescue	27,093	41,054
Intergovernmental	144,283	139,962
Taxes - prior years	136,612	133,879
Taxes - current year	142,914	164,175
Prepaid items	3,653	43,358
Inventory	18,201	11,928
Total assets	\$ 4,417,820	6,828,430
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities:		
Accounts payable	233,223	238,135
Accrued payroll	162,133	148,901
Escrow liabilities	130,865	35,188
Taxes paid in advance	44,189	368,673
Interfund loans payable	854,198	3,205,429
Total liabilities	1,424,608	3,996,326
Deferred inflows of resources:		
Unavailable revenue - property taxes	263,942	242,030
Total deferred inflows of resources	263,942	242,030
Fund balance:		
Nonspendable	21,854	55,286
Assigned	227,770	449,964
Unassigned	2,479,646	2,084,824
Total fund balance	2,729,270	2,590,074
Total liabilities, deferred inflows of resources, and fund balance	\$ 4,417,820	6,828,430

TOWN OF CUMBERLAND, MAINE
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the year ended June 30, 2019
(With comparative actual amounts for the year ended June 30, 2018)

	2019		Variance	2018
	Final	Actual	positive	Actual
	Budget		(negative)	
Revenues:				
Taxes:				
Property taxes	\$ 24,525,642	24,521,616	(4,026)	23,003,724
Change in unavailable taxes	-	(21,912)	(21,912)	(66,129)
Outer island property taxes	42,000	44,041	2,041	43,774
Payments in lieu of taxes	31,000	31,918	918	30,688
Excise taxes	1,964,000	2,162,878	198,878	2,120,226
Total taxes	26,562,642	26,738,541	175,899	25,132,283
Licenses and permits:				
Town clerk licenses and fees	15,296	18,189	2,893	15,035
Snowmobile and boat registrations	1,098	904	(194)	907
Automobile registrations	21,406	21,763	357	22,030
Building permits	75,000	74,055	(945)	68,660
Electrical permits	21,634	22,441	807	25,610
Plumbing permits	18,789	15,056	(3,733)	18,253
Other permits	1,751	976	(775)	1,000
Total licenses and permits	154,974	153,384	(1,590)	151,495
Intergovernmental:				
State Revenue Sharing	453,207	468,849	15,642	458,304
Homestead and BETE reimbursements	484,881	490,171	5,290	371,704
Park fees	10,055	-	(10,055)	-
D.O.T. block grant	69,136	68,644	(492)	69,136
Municipal shared services	195,000	178,992	(16,008)	189,537
Public safety grants	-	1,195	1,195	-
Total intergovernmental	1,212,279	1,207,851	(4,428)	1,088,681
Charges for services:				
Recreation programs	818,116	1,040,273	222,157	1,005,734
Val Halla golf programs	621,421	617,302	(4,119)	650,562
Police permits and services	86,248	90,334	4,086	90,811
Fire services	18,000	18,120	120	20,486
Ambulance and medical services	172,700	180,581	7,881	173,895
Public services revenue	12,592	32,584	19,992	12,444
Waste disposal	294,292	324,786	30,494	321,954
Library income	4,500	4,421	(79)	4,568
Total charges for services	2,027,869	2,308,401	280,532	2,280,454

TOWN OF CUMBERLAND, MAINE
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund, Continued

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
Revenues, continued:				
Other:				
Growth permits and fees	\$ 76,117	92,990	16,873	85,949
Interest and lien costs	30,000	31,902	1,902	24,352
Miscellaneous	27,000	47,904	20,904	36,910
Total other	133,117	172,796	39,679	147,211
Total revenues	30,090,881	30,580,973	490,092	28,800,124
Expenditures:				
Current:				
General government:				
Administration	588,736	628,525	(39,789)	618,426
Assessor	96,036	109,158	(13,122)	96,403
Town clerk	247,295	246,663	632	215,491
Technology	202,151	210,955	(8,804)	212,609
Elections	16,026	10,828	5,198	13,896
Planning	71,630	63,159	8,471	62,428
Legal services	47,500	63,449	(15,949)	59,053
Total general government	1,269,374	1,332,737	(63,363)	1,278,306
Public safety:				
Police	1,408,565	1,367,289	41,276	1,353,565
Fire	986,342	962,014	24,328	929,310
Code enforcement	132,952	142,020	(9,068)	136,084
Harbor master	11,650	5,746	5,904	6,058
Animal control	31,108	30,711	397	32,716
Total public safety	2,570,617	2,507,780	62,837	2,457,733
Public services:				
Public works	1,168,478	1,129,455	39,023	1,171,097
Waste disposal	512,350	524,667	(12,317)	506,021
Parks	292,754	313,321	(20,567)	298,550
West Cumberland Hall and Historical Society building	12,160	13,603	(1,443)	12,116
Total public services	1,985,742	1,981,046	4,696	1,987,784

TOWN OF CUMBERLAND, MAINE
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund, Continued

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Recreation:				
Val Halla golf course	\$ 759,782	789,872	(30,090)	743,354
Recreation programs	993,045	1,088,125	(95,080)	996,563
Total recreation	1,752,827	1,877,997	(125,170)	1,739,917
Prince Memorial Library	494,236	491,453	2,783	450,254
Health and public assistance:				
Senior services	37,453	24,794	12,659	186
Health services	13,875	13,875	-	13,875
General assistance	35,000	31,100	3,900	27,784
Total health and public assistance	86,328	69,769	16,559	41,845
Unclassified:				
Conservation Commission	5,000	6,212	(1,212)	5,217
Cemetery Association	26,700	28,450	(1,750)	31,165
Fire hydrant charges	75,624	80,355	(4,731)	76,381
Street lighting	45,000	37,248	7,752	43,693
Contingencies	10,000	9,340	660	8,365
Municipal building maintenance	90,847	102,248	(11,401)	102,009
Abatements	20,000	23,671	(3,671)	23,069
Total unclassified	273,171	287,524	(14,353)	289,899

TOWN OF CUMBERLAND, MAINE
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund, Continued

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Insurance	\$ 236,554	234,469	2,085	218,755
MSAD #51	18,690,208	18,690,271	(63)	17,208,107
County tax	878,854	878,954	(100)	813,904
Debt service:				
Principal	680,832	680,832	-	494,416
Interest	364,993	364,016	977	400,786
Total debt service	1,045,825	1,044,848	977	895,202
Budgeted transfers to reserve funds	749,300	749,300	-	860,471
Total expenditures	30,033,036	30,146,148	(113,112)	28,242,177
Excess of revenues over expenditures	57,845	434,825	376,980	557,947
Other financing sources (uses):				
Transfers in	75,825	75,825	-	-
Transfers to General Fund reserves	-	(43,958)	(43,958)	(274,262)
Transfers out	-	(123,503)	(123,503)	(203,997)
Total other financing uses	75,825	(91,636)	(167,461)	(478,259)
Net change in fund balance	133,670	343,189	209,519	79,688
Fund balance, beginning of year - budgetary basis		2,140,110		2,060,422
Fund balance, end of year - budgetary basis	\$	2,483,299		2,140,110
Reconciliation to GAAP:				
Change in reserves		(203,993)		74,358
Fund balance, beginning of year - GAAP basis		2,590,074		2,436,028
Fund balance, end of year - GAAP basis	\$	2,729,270		2,590,074

TOWN OF CUMBERLAND, MAINE
General Fund Reserves
Schedule of Revenues, Expenditures and Changes in Fund Balances
For year ended June 30, 2019

			Balance beginning of year	Charges for Services	Expenditures	Transfers in (out)	Balance end of year
100	Assessing	\$	98,542	-	92,500	(6,042)	-
106	Circuit breaker		114,704	-	76,151	-	38,553
109	Aging in place		36,954	-	405	-	36,549
110	MePERS IUUAL		53,762	-	37,645	-	16,117
208	HR reserve		80,855	-	38,488	50,000	92,367
255	Fuel		65,147	191,923	194,685	-	62,385
Total		\$	449,964	191,923	439,874	43,958	245,971

ALL OTHER GOVERNMENTAL FUNDS

TOWN OF CUMBERLAND, MAINE
All Other Governmental Funds
Combining Balance Sheet
June 30, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	-	50,425	50,425
Investments	-	-	230,335	230,335
Accounts receivable	-	225,820	-	225,820
Interfund loans receivable	162,166	596,931	15	759,112
Total assets	\$ 162,166	822,751	280,775	1,265,692
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	620	62,407	15	63,042
Accrued payroll	397	-	-	397
Interfund loans payable	1,505	184,921	-	186,426
Total liabilities	2,522	247,328	15	249,865
Fund balances:				
Nonspendable	-	-	99,241	99,241
Restricted	106,519	-	181,519	288,038
Committed	54,960	575,423	-	630,383
Unassigned	(1,835)	-	-	(1,835)
Total fund balances	159,644	575,423	280,760	1,015,827
Total liabilities and fund balances	\$ 162,166	822,751	280,775	1,265,692

TOWN OF CUMBERLAND, MAINE
All Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Intergovernmental	\$ 3,367	772,384	-	775,751
Licenses, permits and fees	-	128,634	-	128,634
Charges for services	52,638	-	-	52,638
Donations	38,200	-	-	38,200
Other revenue	5,850	258	-	6,108
Investment income (loss)	-	60,388	9,243	69,631
Total revenues	100,055	961,664	9,243	1,070,962
Expenditures:				
Current:				
General government	-	20,744	-	20,744
Public safety	32,872	-	-	32,872
Public services	-	60,237	-	60,237
Recreation	4,456	-	-	4,456
Library	17,078	-	-	17,078
Health and public assistance	30,394	-	-	30,394
Capital outlay	-	2,702,514	-	2,702,514
Total expenditures	84,800	2,783,495	-	2,868,295
Excess (deficiency) of revenues over (under) expenditures	15,255	(1,821,831)	9,243	(1,797,333)
Other financing sources:				
Sale of assets	-	11,718	-	11,718
Transfers from other funds	-	1,592,115	-	1,592,115
Transfers to other funds	-	(269,312)	-	(269,312)
Total other financing sources	-	1,334,521	-	1,334,521
Net change in fund balances	15,255	(487,310)	9,243	(462,812)
Fund balances, beginning of year	144,389	1,062,733	271,517	1,478,639
Fund balances, end of year	\$ 159,644	575,423	280,760	1,015,827

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specified purposes that are restricted by law or committed by administrative action.

Special Revenue Funds have been established for the following purposes:

Fire Grant Fund - To account for donations, grant funds and other dedicated fire related revenues and expenditures.

Police Fund - To account for donations, grant funds and other dedicated police related revenues and expenditures.

Twin Brook Fund - To account for donations collected and funds expended to maintain the cross-country ski trails at the Twin Brooks recreational area.

Other Special Revenues - To account for donations and other restricted resources and expenditures related to the community band and other special programs.

Library Fund - To account for donations, grant funds and other dedicated library related revenues and expenditures.

Fuel Assistance Fund - To account for donations and other revenue sources used to assist citizens with fuel purchases during the colder months of the year.

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TOWN OF CUMBERLAND, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2019
(with comparative totals for June 30, 2018)

	Fire Grant Fund	Police Fund	Twin Brook Fund	Other Special Revenues	Library Fund	Fuel Assistance Fund	Totals	
							2019	2018
ASSETS								
Accounts receivable	\$ -	-	-	-	-	-	-	1,418
Interfund loans receivable	-	24,200	3,674	19,300	51,353	63,639	162,166	168,482
Total assets	\$ -	24,200	3,674	19,300	51,353	63,639	162,166	169,900
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	-	-	-	-	-	620	620	25,219
Accrued payroll	330	-	-	-	67	-	397	292
Interfund loans payable	1,505	-	-	-	-	-	1,505	-
Total liabilities	1,835	-	-	-	67	620	2,522	25,511
Fund balances:								
Restricted	-	24,200	-	19,300	-	63,019	106,519	83,613
Committed	-	-	3,674	-	51,286	-	54,960	60,776
Unassigned	(1,835)	-	-	-	-	-	(1,835)	-
Total fund balances (deficit)	(1,835)	24,200	3,674	19,300	51,286	63,019	159,644	144,389
Total liabilities and fund balances	\$ -	24,200	3,674	19,300	51,353	63,639	162,166	169,900

TOWN OF CUMBERLAND, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2019
(with comparative totals for June 30, 2018)

	Fire Grant Fund	Police Fund	Twin Brook Fund	Other Special Revenues	Library Fund	Fuel Assistance Fund	Totals	
							2019	2018
Revenues:								
Intergovernmental	\$ -	867	-	-	2,500	-	3,367	1,818
Charges for services	25,186	-	-	1,011	26,441	-	52,638	45,133
Donations	-	4,700	-	12,545	955	20,000	38,200	66,562
Other revenue	-	1,130	-	-	4,720	-	5,850	3,001
Total revenues	25,186	6,697	-	13,556	34,616	20,000	100,055	116,514
Expenditures:								
Current:								
Public safety	31,492	1,380	-	-	-	-	32,872	49,379
Recreation	-	-	-	4,456	-	-	4,456	11,561
Library	-	-	-	-	17,078	-	17,078	26,113
Health and public assistance	-	-	-	-	-	30,394	30,394	19,182
Total expenditures	31,492	1,380	-	4,456	17,078	30,394	84,800	106,235
Excess (deficiency) of revenues over (under) expenditures	(6,306)	5,317	-	9,100	17,538	(10,394)	15,255	10,279
Other financing sources:								
Transfer from other funds	-	-	-	-	-	-	-	10,000
Total other financing sources	-	-	-	-	-	-	-	10,000
Net change in fund balances	(6,306)	5,317	-	9,100	17,538	(10,394)	15,255	20,279
Fund balances, beginning of year	4,471	18,883	3,674	10,200	33,748	73,413	144,389	124,110
Fund balances (deficit), end of year	\$ (1,835)	24,200	3,674	19,300	51,286	63,019	159,644	144,389

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

Capital Project Funds are established to account for resources obtained and expended for the acquisition of major capital facilities other than those employed in the delivery of services accounted for in Enterprise Funds.

The funds were established for the following purposes:

Town Building Reserves - To account for funds used for major repairs and maintenance or improvements to Town buildings.

Land Acquisition Fund - To account for funds set aside for the purchase of land.

Tennis Court Fund - To account for funds used to reconstruct the tennis courts.

Route 1 Parking Reserve - To account for funds set aside as a reserve for major or non-routine maintenance of the Route 1 parking lot.

Road Improvements - To account for funds set aside as a reserve for road resurfacing and reconstruction projects.

Equipment Reserves Fund - Reserve fund for the purchases of miscellaneous equipment.

Broad Cove - To account for improvements at Broad Cove, including any revenues dedicated to such purpose.

Village Green - To account for lien release payments received and the amount due to the Town for the long-term lease of the former Drowne Road School.

TOWN OF CUMBERLAND, MAINE
Nonmajor Capital Project Funds
Combining Balance Sheet
June 30, 2019
(with comparative totals for June 30, 2018)

	Town Building Reserves	Land Acquisition Fund	Tennis Court Fund	Rt 1 Parking Reserve	Road Improvements	Equip. Reserves Fund	Broad Cove	Village Green	Totals	
									2019	2018
ASSETS										
Accounts receivable	\$ 15,900	-	-	-	170,036	-	-	39,884	225,820	1,178
Interfund loans receivable	88,914	115,648	5,280	20,258	-	359,915	6,916	-	596,931	1,149,951
Total assets	\$ 104,814	115,648	5,280	20,258	170,036	359,915	6,916	39,884	822,751	1,151,129
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	-	7,797	-	-	24,999	22,695	6,916	-	62,407	88,396
Interfund loans payable	-	-	-	-	145,037	-	-	39,884	184,921	-
Total liabilities	-	7,797	-	-	170,036	22,695	6,916	39,884	247,328	88,396
Fund balances:										
Committed	104,814	107,851	5,280	20,258	-	337,220	-	-	575,423	1,062,733
Total fund balances	104,814	107,851	5,280	20,258	-	337,220	-	-	575,423	1,062,733
Total liabilities and fund balances	\$ 104,814	115,648	5,280	20,258	170,036	359,915	6,916	39,884	822,751	1,151,129

TOWN OF CUMBERLAND, MAINE
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2019
(with comparative totals for June 30, 2018)

	Town Building Reserves	Land Acquisition Fund	Tennis Court Fund	Rt 1 Parking Reserve	Road Improvements	Equip. Reserves Fund	Broad Cove	Village Green	Totals	
									2019	2018
Revenues:										
Intergovernmental	\$ -	-	-	-	532,500	-	200,000	39,884	772,384	-
Licenses, permits and fees	-	-	-	-	-	128,634	-	-	128,634	-
Interest income	-	-	-	-	-	60,388	-	-	60,388	43,952
Other revenue	-	-	-	258	-	-	-	-	258	295,901
Total revenues	-	-	-	258	532,500	189,022	200,000	39,884	961,664	339,853
Expenditures:										
Current:										
General government	13,054	7,690	-	-	-	-	-	-	20,744	21,211
Public services	-	-	-	-	-	-	-	60,237	60,237	323,094
Capital outlay	106,438	28,374	-	-	1,229,926	717,745	620,031	-	2,702,514	972,018
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	4,500
Interest	-	-	-	-	-	-	-	-	-	2,514
Total expenditures	119,492	36,064	-	-	1,229,926	717,745	620,031	60,237	2,783,495	1,323,337
Excess (deficiency) of revenues over (under) expenditures	(119,492)	(36,064)	-	258	(697,426)	(528,723)	(420,031)	(20,353)	(1,821,831)	(983,484)
Other financing sources (uses):										
Sale of assets	-	7,608	-	-	-	4,110	-	-	11,718	36,500
Transfer from other funds	248,289	-	-	-	650,000	533,300	140,173	20,353	1,592,115	1,284,497
Transfer to other funds	(85,000)	(184,312)	-	-	-	-	-	-	(269,312)	-
Total other financing sources (uses)	163,289	(176,704)	-	-	650,000	537,410	140,173	20,353	1,334,521	1,320,997
Net change in fund balances	43,797	(212,768)	-	258	(47,426)	8,687	(279,858)	-	(487,310)	337,513
Fund balances, beginning of year	61,017	320,619	5,280	20,000	47,426	328,533	279,858	-	1,062,733	725,220
Fund balances, end of year	\$ 104,814	107,851	5,280	20,258	-	337,220	-	-	575,423	1,062,733

NONMAJOR GOVERNMENTAL FUNDS

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.

Prince Fund - To support Greely High School. It is applied to MSAD #51 annual assessment.

Cumberland School Fund - To support the schools. It is applied to MSAD #51's annual assessment.

Paul Merrill Fund – To support the Library.

Sweetser Fund - To purchase non-fiction books for the Library.

Historical Society Fund - To maintain and support the Cumberland Historical Society.

TOWN OF CUMBERLAND, MAINE
Nonmajor Permanent Funds
Combining Balance Sheet
June 30, 2019

	Prince Fund	Cumberland School Fund	Paul Merrill Fund	Sweetser Fund	Historical Society Fund	Totals
ASSETS						
Cash and cash equivalents	\$ -	-	-	-	50,425	50,425
Investments	53,611	55,378	75,005	46,341	-	230,335
Interfund loans receivable	-	-	-	-	15	15
Total assets	53,611	55,378	75,005	46,341	50,440	280,775
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	-	-	-	-	15	15
Total liabilities	-	-	-	-	15	15
Fund balances:						
Nonspendable - principal	2,165	2,225	56,187	34,714	3,950	99,241
Restricted - accumulated earnings	51,446	53,153	18,818	11,627	46,475	181,519
Total fund balances	53,611	55,378	75,005	46,341	50,425	280,760
Total liabilities and and fund balances	\$ 53,611	55,378	75,005	46,341	50,440	280,775

TOWN OF CUMBERLAND, MAINE
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2019

	Prince Fund	Cumberland School Fund	Paul Merrill Fund	Sweetser Fund	Historical Society Fund	Totals
Revenues:						
Investment income (loss)	\$ 2,098	2,167	2,935	1,813	230	9,243
Total revenues	2,098	2,167	2,935	1,813	230	9,243
Expenditures:						
Current:						
Library	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Net change in fund balances	2,098	2,167	2,935	1,813	230	9,243
Fund balances, beginning of year	51,513	53,211	72,070	44,528	50,195	271,517
Fund balances, end of year	\$ 53,611	55,378	75,005	46,341	50,425	280,760

**FIDUCIARY FUNDS -
PRIVATE-PURPOSE TRUST FUNDS
AGENCY FUND**

TOWN OF CUMBERLAND, MAINE
Fiduciary Funds - Private-purpose Trust
Combining Statement of Fiduciary Net Position
June 30, 2019

		John M. and Lillian R. Kimball Award Trust	Eliphalet Greely Fund	Scholar- ship Fund	Lynne Pickard Scholar- ship	Carle Henry Music Scholar- ship	Louis Lambert Scholar- ship	Roy O'Looke Scholar- ship	Jessica Parker Fund	Tom Pollis Scholar- ship	Totals
ASSETS											
Investments	\$	17,528	86,251	2,557	-	773	4,829	51	1,201	41,009	154,199
Due from general fund		-	-	2,000	-	-	500	-	-	-	2,500
Total assets		17,528	86,251	4,557	-	773	5,329	51	1,201	41,009	156,699
LIABILITIES											
Accounts payable		-	-	2,000	463	-	500	-	-	-	2,963
Total liabilities		-	-	2,000	463	-	500	-	-	-	2,963
NET POSITION											
Held in trust		17,528	86,251	2,557	(463)	773	4,829	51	1,201	41,009	153,736
Total net position	\$	17,528	86,251	2,557	(463)	773	4,829	51	1,201	41,009	153,736

TOWN OF CUMBERLAND, MAINE
Fiduciary Funds - Private-purpose Trust
Combining Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2019

	John M. and Lillian R. Kimball Award Trust	Eliphalet Greely Fund	Scholar- ship Fund	Lynne Pickard Scholar- ship	Carle Henry Music Scholar- ship	Louis Lambert Scholar- ship	Roy O'Looke Scholar- ship	Jessica Parker Fund	Tom Pollis Scholar- ship	Totals
Additions:										
Donations	\$ -	-	-	-	150	-	-	-	-	150
Investment income (loss)	714	3,375	305	30	9	231	5	47	1,605	6,321
Total additions	714	3,375	305	30	159	231	5	47	1,605	6,471
Deductions:										
Scholarships awarded	500	-	3,000	250	-	500	-	-	-	4,250
Total deductions	500	-	3,000	250	-	500	-	-	-	4,250
Change in net position	214	3,375	(2,695)	(220)	159	(269)	5	47	1,605	2,221
Net position, beginning of year	17,314	82,876	5,252	(243)	614	5,098	46	1,154	39,404	151,515
Net position, end of year	\$ 17,528	86,251	2,557	(463)	773	4,829	51	1,201	41,009	153,736

TOWN OF CUMBERLAND, MAINE
Fiduciary Funds - Agency Funds
Food Pantry Component Unit
Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2019

	Balance			Balance
	July 1, 2018	Additions	Deductions	June 30, 2019
ASSETS				
Cash and cash equivalents	\$ 123,644	60,139	59,012	124,771
Accounts receivable	-	20,000	-	20,000
Due from general fund	16,499	-	15,229	1,270
Total assets	140,143	80,139	74,241	146,041
LIABILITIES				
Accounts payable	369	165	369	165
Due to others	139,774	60,138	54,036	145,876
Total liabilities	\$ 140,143	60,303	54,405	146,041

STATISTICAL SECTION

This part of the Town of Cumberland, Maine's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Tables
Financial Trends	1-4
<i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	
Revenue Capacity	5-9
<i>These schedules contain information to help the reader assess the Town's most significant local revenue source; property tax.</i>	
Debt Capacity	10-13
<i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	14-15
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	
Operating Information	16-19
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

TOWN OF CUMBERLAND, MAINE
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

		Fiscal Year									
		2010	2011	2012	2013	2014	2015	2016*	2017	2018	2019
Governmental activities:											
Net investment in capital assets	\$	11,713,982	12,802,336	14,008,107	14,926,352	17,201,613	17,444,794	24,607,681	26,426,553	28,666,371	30,529,130
Restricted		6,017,503	1,547,884	693,885	629,042	375,206	514,636	730,607	325,714	355,130	387,279
Unrestricted		(5,235,485)	1,053	2,205,304	3,066,957	2,943,496	3,195,467	1,346,278	1,360,414	2,136,421	1,528,681
Total governmental activities net position	\$	12,496,000	14,351,273	16,907,296	18,622,351	20,520,315	21,154,897	26,684,566	28,112,681	31,157,922	32,445,090
Business-type activities:											
Net investment in capital assets	\$	4,471,150	4,403,855	4,129,831	4,002,886	3,873,747	3,633,799	1,781,340	1,752,539	1,814,746	1,994,078
Unrestricted		(1,440,318)	(1,454,977)	(1,126,224)	(670,882)	183,177	840,271	1,098,893	1,313,059	1,347,219	598,617
Total business-type activities net position		3,030,832	2,948,878	3,003,607	3,332,004	4,056,924	4,474,070	2,880,233	3,065,598	3,161,965	2,592,695
Primary government:											
Net investment in capital assets	\$	16,185,132	17,206,191	18,137,938	18,929,238	21,075,360	21,078,593	26,389,021	28,179,092	30,481,117	32,523,208
Restricted		6,017,503	1,547,884	693,885	629,042	375,206	514,636	730,607	325,714	355,130	387,279
Unrestricted		(6,675,803)	(1,453,924)	1,079,080	2,396,075	3,126,673	4,035,738	2,445,171	2,673,473	3,483,640	2,127,298
Total primary government net position	\$	15,526,832	17,300,151	19,910,903	21,954,355	24,577,239	25,628,967	29,564,799	31,178,279	34,319,887	35,037,785

*In FY 2016, the Town ceased reporting the Val Halla golf course as an enterprise fund. All amounts are now reported in the General Fund and Governmental Activities.

Table 2

TOWN OF CUMBERLAND, MAINE										
Changes in Net Position										
Last Ten Fiscal Years										
(accrual basis of accounting)										
	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016*	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 3,285,510	2,915,710	2,999,452	3,341,630	2,712,115	2,576,262	2,947,324	3,791,286	3,791,286	3,347,435
Public safety	2,120,117	2,056,052	2,095,961	2,176,839	2,282,922	2,514,371	2,636,327	2,742,321	2,742,321	2,962,840
Public services	1,208,065	1,283,560	1,424,931	1,500,458	1,660,289	2,862,022	4,902,734	3,687,941	3,687,941	4,533,495
Recreation	650,799	618,226	866,166	913,637	991,973	948,009	1,855,156	1,905,086	1,905,086	2,116,841
Education and libraries	11,368,432	12,259,218	12,787,351	13,649,666	14,159,614	14,795,916	16,075,925	16,579,156	16,579,156	19,278,276
Health and public assistance	857,366	773,763	748,016	755,562	668,729	86,796	83,022	236,687	236,687	178,167
Interest on debt	648,993	619,316	557,285	616,399	526,065	605,148	486,383	486,260	486,260	594,936
Total governmental activities expenses	20,139,282	20,525,845	21,479,162	22,954,191	23,001,707	24,388,524	28,986,871	29,428,737	29,428,737	33,011,990
Business-type activities:										
Senior Housing	270,422	323,468	234,753	283,930	227,347	292,029	305,163	296,036	296,036	300,636
Sewer System	831,988	791,667	797,545	824,941	823,999	843,432	838,334	891,253	891,253	1,684,199
Val Halla Golf and Recreation Center	789,926	757,662	822,688	788,704	844,772	944,462	-	-	-	-
Total business-type activities expenses	1,892,336	1,872,797	1,854,986	1,897,575	1,896,118	2,079,923	1,143,497	1,187,289	1,187,289	1,984,835
Total primary government expenses	\$ 22,031,618	22,398,642	23,334,148	24,851,766	24,897,825	26,468,447	30,130,368	30,616,026	30,616,026	34,996,825
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 462,566	449,371	341,769	399,286	361,850	360,104	584,060	761,633	761,633	425,366
Public safety	207,097	213,768	257,097	299,106	288,322	410,695	311,392	334,833	334,833	315,351
Public services	16,687	6,864	5,544	24,885	2,300	320,850	444,332	453,460	453,460	677,927
Recreation	394,246	393,779	671,796	669,344	714,346	768,827	1,478,213	1,531,982	1,531,982	1,657,575
Education and libraries	7,852	140,098	146,298	156,665	158,260	167,135	24,971	28,515	28,515	36,593
Health and public assistance	222,240	282,515	279,185	278,811	283,564	-	-	-	-	-
Interest on debt	182,241	182,241	-	-	-	-	-	-	-	-
Operating grants and contributions	257,629	110,018	96,300	198,433	200,114	172,205	125,782	143,168	143,168	111,406
Capital grants and contributions	170,238	718,795	1,669,298	937,223	614,019	309,461	3,205,460	841,007	841,007	972,642
Total governmental activities program revenues	1,920,796	2,497,449	3,467,287	2,963,753	2,622,775	2,509,277	6,174,210	4,094,598	4,094,598	4,196,860
Business-type activities:										
Charges for services:										
Senior Housing	\$ 282,165	271,013	291,798	281,864	289,816	318,745	315,803	328,939	328,939	335,360
Sewer System	831,242	839,773	877,309	848,214	890,012	918,929	955,624	1,043,742	1,043,742	1,079,880
Val Halla Golf and Recreation Center	541,918	566,857	662,322	614,556	608,525	625,406	-	-	-	-
Capital grants and contributions	59,789	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	1,715,114	1,677,643	1,831,429	1,744,634	1,788,353	1,863,080	1,271,427	1,372,681	1,372,681	1,415,240
Total primary government program revenues	\$ 3,635,910	4,175,092	5,298,716	4,708,387	4,411,128	4,372,357	7,445,637	5,467,279	5,467,279	5,612,100
Net (expense)/revenue:										
Governmental activities	\$ (18,218,486)	(18,028,396)	(18,011,875)	(19,990,438)	(20,378,932)	(21,879,247)	(22,812,661)	(25,334,139)	(25,334,139)	(28,815,130)
Business-type activities	(177,222)	(195,154)	(23,557)	(152,941)	(107,765)	(216,843)	127,930	185,392	185,392	(569,595)
Total primary government net expense	\$ (18,395,708)	(18,223,550)	(18,035,432)	(20,143,379)	(20,486,697)	(22,096,090)	(22,684,731)	(25,148,747)	(25,148,747)	(29,384,725)

*In FY 2016, the Town ceased reporting the Val Halla golf course as an enterprise fund. All amounts are now reported in the General Fund and Governmental Activities.

TOWN OF CUMBERLAND, MAINE
Changes in Net Position, Continued
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 15,815,303	16,831,342	17,427,641	18,737,957	19,558,835	20,441,626	21,743,533	22,104,213	22,104,213	24,553,518
TIF District taxes	853,066	890,507	940,566	1,006,641	1,102,803	1,251,165	1,555,973	1,690,373	1,690,373	2,221,671
Excise taxes	1,372,271	1,377,972	1,364,192	1,460,329	1,633,132	1,693,482	1,856,148	1,959,451	1,959,451	2,162,878
Outer island property taxes	38,736	39,663	39,814	40,465	41,566	41,867	39,889	43,352	43,352	44,041
Payment in lieu of taxes	-	-	-	22,500	23,112	28,656	29,608	29,804	29,804	31,918
Unrestricted grants and contributions	751,799	706,932	791,033	829,482	603,229	611,559	620,550	694,761	694,761	959,020
Investment earnings	16,342	13,069	6,030	3,076	247	5,897	6,456	17,122	17,122	69,631
Miscellaneous	96,934	121,144	44,206	85,842	143,972	304,127	470,847	223,178	223,178	59,621
Gain (loss) on sale of assets	-	-	(258,405)	-	-	-	-	-	-	-
Transfers	(7,702)	(97,000)	212,861	(480,799)	(830,000)	(627,451)	1,721,844	-	-	-
Total governmental activities	18,936,749	19,883,629	20,567,938	21,705,493	22,276,896	23,750,928	28,044,848	26,762,254	26,762,254	30,102,298
Business-type activities:										
Investment income (loss)	-	-	-	539	2,685	6,538	77	(27)	(27)	325
Miscellaneous	-	16,200	-	-	-	-	-	-	-	-
Gain on sale of assets	-	-	291,147	-	-	-	-	-	-	-
Transfers	7,702	97,000	(212,861)	480,799	830,000	627,451	(1,721,844)	-	-	-
Total business-type activities	7,702	113,200	78,286	481,338	832,685	633,989	(1,721,767)	(27)	(27)	325
Total primary government	\$ 18,944,451	19,996,829	20,646,224	22,186,831	23,109,581	24,384,917	26,323,081	26,762,227	26,762,227	30,102,623
Change in Net Position										
Governmental activities	718,263	1,855,233	2,556,063	1,715,055	1,897,964	1,871,681	5,232,187	1,428,115	1,428,115	1,287,168
Business-type activities	(169,520)	(81,954)	54,729	328,397	724,920	417,146	(1,593,837)	185,365	185,365	(569,270)
Total primary government	\$ 548,743	1,773,279	2,610,792	2,043,452	2,622,884	2,288,827	3,638,350	1,613,480	1,613,480	717,898

Table 3

TOWN OF CUMBERLAND, MAINE
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Nonspendable	\$ -	-	1,503,847	1,161,834	477,451	5,849	116,294	42,039	55,286	21,854
Assigned	-	-	-	-	-	-	371,748	365,419	449,964	227,770
Unassigned	1,999,806	2,150,042	727,371	1,433,829	1,191,089	2,060,936	2,023,066	2,028,570	2,084,824	2,479,646
Total general fund	\$ 1,999,806	2,150,042	2,231,218	2,595,663	1,668,540	2,066,785	2,511,108	2,436,028	2,590,074	2,729,270
All Other Governmental Funds										
Nonspendable, reported in:										
Capital projects	\$ -	-	-	-	-	-	10,100	-	-	-
Permanent funds	99,241	99,241	99,241	99,241	99,241	99,241	99,241	99,241	99,241	99,241
Restricted, reported in:										
Permanent funds	162,356	166,258	175,263	172,751	174,474	172,839	174,914	174,361	172,276	181,519
Capital projects	5,755,906	1,282,345	419,381	322,607	49,438	242,556	420,343	-	-	-
Special revenue funds	-	-	-	34,443	52,053	-	36,109	52,112	83,613	106,519
Committed, reported in:										
Special revenue funds	52,230	25,200	19,689	65,313	97,335	87,761	57,872	71,998	60,776	54,960
Capital projects funds	-	-	-	-	-	850	733,735	7,054,109	1,890,462	575,423
Assigned, reported in:										
Capital projects funds	16,344	415,127	500,744	889,318	1,592,351	1,922,955	-	-	-	-
Debt service fund	-	-	-	-	-	392,130	474,937	655,469	737,940	712,115
Unassigned, reported in:										
Special revenue funds	-	(15,119)	(636)	-	(4,140)	-	-	-	-	(1,835)
Capital projects funds	(608,542)	(775,128)	(143,779)	(48,802)	(44,296)	(6,226)	(1,234,150)	(1,133,133)	(963,613)	(1,501,258)
Total all other governmental funds	\$ 5,477,535	1,197,924	1,069,903	1,534,871	2,016,456	2,912,106	773,101	6,974,157	2,080,695	226,684
Total governmental funds	\$ 7,477,341	3,347,966	3,301,121	4,130,534	3,684,996	4,978,891	3,284,209	9,410,185	4,670,769	2,955,954

Note: GASB 54 was implemented in 2011. Some of the total deficit fund balances have been restated as unassigned.

Table 4

TOWN OF CUMBERLAND, MAINE Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)										
	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 18,079,376	19,117,812	19,721,213	21,327,892	22,081,219	23,526,104	25,298,238	25,809,867	27,161,299	28,960,212
Licenses and permits	101,642	110,504	132,652	178,099	161,923	159,680	168,174	207,889	151,495	282,018
Intergovernmental	1,009,428	840,911	888,833	984,143	1,211,643	1,016,858	1,353,722	1,629,296	1,118,956	2,183,602
Charges for services	950,583	1,108,242	1,325,445	1,364,425	1,215,255	1,388,081	2,256,124	2,297,259	2,526,783	2,552,962
Investment income (loss)	-	-	-	-	-	-	-	-	-	69,631
Rental Income	182,241	182,241	-	-	-	-	-	-	-	-
Other	541,977	1,096,696	761,626	1,355,486	671,631	735,520	444,437	652,584	554,952	217,104
Total revenues	20,865,247	22,456,406	22,829,769	25,210,045	25,341,671	26,826,243	29,520,695	30,596,895	31,513,485	34,265,529
Expenditures										
General government	1,031,502	950,235	1,050,648	1,197,680	1,260,888	1,405,149	1,738,077	1,893,954	2,113,523	2,196,286
Public safety	1,949,939	1,835,525	1,875,363	1,929,209	2,042,544	2,274,019	2,403,779	2,486,136	2,507,112	2,540,652
Public services	866,539	915,444	875,317	943,702	898,293	1,749,724	1,839,511	2,081,177	2,502,789	2,235,968
Recreation	498,395	472,959	723,597	768,969	850,481	835,482	1,600,021	1,660,102	1,751,478	1,882,453
Education and libraries	11,291,481	12,182,332	12,710,146	13,572,445	14,083,574	14,718,516	15,999,440	16,501,645	17,684,884	19,198,802
Health and public assistance	856,075	772,472	745,484	752,371	665,538	85,348	81,574	235,239	178,094	176,719
Unclassified	1,737,315	1,654,289	1,377,654	1,479,000	1,536,203	1,270,640	1,299,214	1,284,793	1,322,558	1,400,947
Capital outlay	3,696,231	6,187,380	1,668,130	1,384,048	2,072,124	4,434,772	5,089,978	4,581,440	6,649,863	4,436,464
Debt service:										
Principal	797,063	1,094,279	1,186,508	1,300,312	1,010,161	1,001,602	997,192	1,034,696	939,915	1,283,555
Interest	615,893	619,316	576,657	596,465	537,403	479,821	541,061	436,216	729,185	650,215
Total expenditures	23,340,433	26,684,231	22,789,504	23,924,201	24,957,209	28,255,073	31,589,847	32,195,398	36,379,401	36,002,061
Excess (deficiency) of revenues over (under) expenditures	(2,475,186)	(4,227,825)	40,265	1,285,844	384,462	(1,428,830)	(2,069,152)	(1,598,503)	(4,865,916)	(1,736,532)
Other financing sources (uses)										
Transfers in	8,247,270	933,718	1,570,437	1,330,538	1,978,779	2,163,184	1,763,157	2,228,086	1,439,468	1,717,940
Transfers out	(854,972)	(1,030,718)	(1,357,576)	(1,811,337)	(2,808,779)	(2,790,635)	(1,785,458)	(2,228,086)	(1,439,468)	(1,717,940)
Sale of assets	-	-	-	-	-	-	396,861	115,717	36,500	11,718
Payment to refunded bond escrow agent	-	-	(299,971)	-	-	(2,931,919)	-	-	-	-
Bonds and notes issued	4,100,000	-	-	-	-	5,730,000	-	7,300,000	90,000	10,000
Premiums on bonds issued	-	-	-	-	-	601,379	-	308,762	-	-
Capital leases	77,500	195,450	-	24,368	-	-	-	-	-	-
Total other financing sources (uses)	11,569,798	98,450	(87,110)	(456,431)	(830,000)	2,772,009	374,560	7,724,479	126,500	21,718
Net change in fund balances	\$ 9,094,612	(4,129,375)	(46,845)	829,413	(445,538)	1,343,179	(1,694,592)	6,125,976	(4,739,416)	(1,714,814)
Debt service as a percentage of noncapital expenditures	7.04%	8.25%	8.16%	8.19%	6.40%	6.14%	5.88%	5.17%	5.53%	5.86%

Table 5

TOWN OF CUMBERLAND, MAINE
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollar amounts expressed in thousands)

Fiscal Year		Real estate	Personal property	Excise tax	Total
2010	\$	16,457	155	1,372	17,984
2011		17,480	187	1,378	19,045
2012		18,117	202	1,364	19,683
2013		19,457	227	1,460	21,144
2014		20,345	265	1,633	22,243
2015		21,492	270	1,693	23,455
2016		22,918	404	1,856	25,178
2017		23,324	439	1,959	25,722
2018		24,717	250	2,120	27,087
2019		26,438	283	2,163	28,884

Note: The table does not include outer island taxes, supplemental taxes, payments in lieu of taxes or interest and costs.

Table 6

TOWN OF CUMBERLAND, MAINE
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(dollar amounts expressed in thousands)

Fiscal Year Ended June 30		Real Property Residential and Commercial Property (1)	Personal Property (1)	Less: Tax Exempt Real Property (1)	Total Taxable Assessed Value (1)	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Assessed Value as a Percentage of Actual Value
2010	\$	1,204,984	10,661	73,908	1,141,737	3.96	1,131,350	100.9%
2011		1,214,634	12,167	73,370	1,153,431	4.01	1,084,700	106.3%
2012		1,220,096	12,754	73,421	1,159,429	4.07	1,068,500	108.5%
2013		1,249,248	13,723	73,589	1,189,382	4.41	1,056,700	112.6%
2014		1,270,281	15,590	73,494	1,212,377	4.59	1,057,800	114.6%
2015		1,305,746	15,495	76,970	1,244,271	5.13	1,099,350	113.2%
2016		1,341,466	22,333	81,519	1,282,280	5.39	1,144,550	112.0%
2017		1,362,438	24,069	85,265	1,301,242	5.31	1,171,250	111.1%
2018		1,403,144	13,298	85,299	1,331,143	5.26	1,264,650	105.3%
2019		1,424,708	14,364	81,340	1,357,732	5.28	1,328,750	102.2%

(1) Source - Cumberland Assessor's office

(2) Source - Maine Revenue Services

Note: The table does not include outer island taxes, payments in lieu of taxes or interest and costs.

Table 7

TOWN OF CUMBERLAND, MAINE
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

<u>Fiscal year</u>	<u>Town Direct and Overlapping Rates*</u>					
	<u>Direct</u>			<u>Overlapping</u>		
	<u>Town rate</u>		<u>Total direct rate</u>	<u>Education rate</u>	<u>County rate</u>	<u>Total rate</u>
	<u>Operating</u>	<u>Debt service</u>				
2010	3.85	0.16	4.01	9.98	0.56	14.55
2011	3.88	0.16	4.04	10.72	0.54	15.30
2012	3.91	0.16	4.07	11.19	0.54	15.80
2013	4.23	0.18	4.41	11.59	0.55	16.55
2014	4.43	0.16	4.59	11.83	0.58	17.00
2015	4.93	0.20	5.13	11.70	0.57	17.40
2016	4.94	0.45	5.39	12.13	0.58	18.10
2017	4.83	0.48	5.31	12.34	0.60	18.25
2018	4.74	0.52	5.26	12.93	0.61	18.80
2019	4.75	0.53	5.28	13.77	0.65	19.70

* Tax rates are based upon \$1,000 of assessed value

SOURCE: Cumberland assessor's office

Table 8

TOWN OF CUMBERLAND, MAINE
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Central Maine Power Company	\$ 48,987,900	1	3.61%	\$ 6,501,302	1	0.57%
Summit Natural Gas	14,426,000	2	1.06%			
C and A Holdings, LLC	7,408,000	3	0.55%			
LGC North America dba Maine Standards Company, LLC	4,899,500	4	0.36%			
Mirza, Zareen Taj	4,423,200	5	0.33%			
Maritime & Northeast Pipeline	3,936,700	6	0.29%	3,936,700	4	0.34%
Lemole, Emily Jane A-Trustee	3,858,100	7	0.28%	3,762,500	5	0.33%
Time Warner Cable Northeast	3,515,000	8	0.26%			
BBW Real Estate LLC	3,432,900	9	0.25%	3,188,600	7	0.28%
Mangenello, E Marie	3,279,600	10	0.24%			
Spears Hill, LLC				6,051,200	2	0.53%
Martin Joseph R.				5,024,200	3	0.44%
Dumont, Martha E.				3,414,900	6	0.30%
DBB Preserve LLC				2,899,100	8	0.25%
Forum Trust LLC				2,862,500	9	0.25%
Piaso, Shirley A.				2,852,100	10	0.25%
Totals	\$ 98,166,900		7.23%	\$ 40,493,102		3.54%

SOURCE: Cumberland assessor's office

Table 9

TOWN OF CUMBERLAND, MAINE Property Tax Levies and Collections Last Ten Fiscal Years (dollar amounts expressed in thousands)						
Fiscal Year Ended June 30	Total Tax Levy for 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
2010	\$ 16,612	16,341	98.37%	270	16,611	99.99%
2011	17,647	17,359	98.37%	285	17,644	99.98%
2012	18,319	17,942	97.94%	372	18,314	99.97%
2013	19,684	19,385	98.48%	294	19,679	99.97%
2014	20,610	20,329	98.64%	276	20,605	99.98%
2015	21,650	21,398	98.84%	247	21,645	99.98%
2016	23,209	23,014	99.16%	184	23,198	99.95%
2017	23,748	23,607	99.41%	127	23,734	99.94%
2018	25,025	24,861	99.34%	92	24,953	99.71%
2019	26,747	26,604	99.47%	-	26,604	99.47%

Note: excludes supplemental taxes.

Table 10

TOWN OF CUMBERLAND, MAINE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Notes Payable	Unamortized Bond Premium	Capital Leases	General Obligation Bonds	Unamortized Bond Premium	Notes Payable	Capital leases			
2010	\$ 17,090,601	744,600	-	101,600	960,000	-	218,009	62,234	19,177,044	5.847%	2,514
2011	16,079,055	661,867	-	230,623	890,000	-	201,881	31,854	18,095,280	5.910%	2,509
2012	14,766,489	579,134	-	160,147	780,000	42,853	185,428	108,116	16,622,167	5.216%	2,305
2013	13,583,751	496,400	-	131,840	690,000	37,496	168,858	86,210	15,194,555	4.246%	2,113
2014	12,691,163	413,667	-	66,179	600,000	32,139	151,734	65,756	14,020,638	3.503%	1,896
2015	14,737,134	330,934	571,310	13,843	1,245,000	99,984	-	44,587	17,042,792	3.341%	2,257
2016	13,846,146	248,201	541,241	31,624	1,135,001	90,196	-	-	15,892,409	3.070%	2,045
2017	20,218,093	165,468	813,808	3,896	1,025,001	80,408	-	-	22,306,674	4.229%	2,816
2018	19,365,411	168,233	769,036	-	905,001	70,620	-	-	21,278,301	3.913%	2,606
2019	18,174,316	85,773	724,264	-	765,001	60,832	-	-	19,810,186	3.643%	2,427
3.00											

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

(1) Based on population as provided by the U.S. Bureau of the Census, Greater Portland Council of Governments

Table 11

TOWN OF CUMBERLAND, MAINE
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year		General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2010	\$	18,050,601	1.60%	2,367
2011		16,969,055	1.56%	2,353
2012		15,589,342	1.46%	2,162
2013		14,311,247	1.35%	1,990
2014		13,323,302	1.26%	1,802
2015		16,653,428	1.51%	2,206
2016		15,612,584	1.36%	2,009
2017		22,137,310	1.89%	2,795
2018		21,110,068	1.67%	2,586
2019		19,724,413	1.48%	2,416

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

TOWN OF CUMBERLAND, MAINE
Direct and Overlapping Governmental Activities Debt
June 30, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping debt:			
Cumberland County	\$ 37,894,000	2.83%	1,072,771
MSAD #51	25,751,103	70.11%	18,053,741
Subtotal, overlapping debt			19,126,512
Direct debt:			
Bonds payable	18,174,316		18,174,316
Unamortized bond premium	724,264		724,264
Notes payable	85,773		85,773
Subtotal, direct debt			18,984,353
Total direct and overlapping debt			\$ 38,110,865

Note: the County's overlapping debt is determined by the Town's portion of the State's valuation of the county. The MSAD overlapping debt is determined by the relative valuations of participating members.

Table 13

TOWN OF CUMBERLAND, MAINE
Legal Debt Margin Information
Last Ten Fiscal Years
(dollar amounts expressed in thousands)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assessed value per State	\$ 1,131,350	1,084,700	1,068,500	1,056,700	1,057,800	1,099,350	1,144,550	1,171,250	1,264,650	1,328,750
Total debt limit - all purposes - 15% of assessed value	\$ 174,300	162,705	160,275	160,275	158,670	164,903	171,683	175,688	189,698	199,313
Less outstanding debt applicable to debt limit	19,013	17,832	16,311	14,939	13,857	16,313	15,229	21,409	20,439	19,025
Legal debt margin	\$ 155,287	144,873	143,964	145,336	144,813	148,590	156,454	154,279	169,259	180,288
Total outstanding debt applicable to the limit as a percentage of debt limit	10.91%	10.96%	10.18%	9.32%	8.73%	9.89%	8.87%	12.19%	10.77%	9.55%
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	\$ 87,150	81,353	80,138	80,138	79,335	82,451	85,841	87,844	94,849	99,656
Less outstanding debt applicable to debt limit	19,013	17,832	16,310	14,939	13,857	16,313	15,229	21,409	20,439	19,025
Debt margin for municipal purposes	\$ 68,137	63,521	63,828	65,199	65,478	66,138	70,612	66,435	74,410	80,631
Outstanding debt applicable to the limit as a percentage of debt limit for municipal purposes	21.82%	21.92%	20.35%	18.64%	17.47%	19.79%	17.74%	24.37%	21.55%	19.09%
School purposes - 10%										
Debt limit	\$ 116,200	108,470	106,850	106,850	105,780	109,935	114,455	117,125	126,465	132,875
Less outstanding debt applicable to debt limit	-	-	-	-	-	-	-	-	-	-
Debt margin for school purposes	\$ 116,200	108,470	106,850	106,850	105,780	109,935	114,455	117,125	126,465	132,875
Outstanding debt applicable to the limit as a percentage of debt limit for school purposes	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Storm and sanitary sewer purposes - 7.5%										
Debt limit	\$ 87,150	81,353	80,138	80,138	79,335	82,451	85,841	87,844	94,849	99,656
Less outstanding debt applicable to debt limit	-	-	-	-	-	-	-	-	-	-
Debt margin for sewer purposes	\$ 87,150	81,353	80,138	80,138	79,335	82,451	85,841	87,844	94,849	99,656
Outstanding debt applicable to the limit as a percentage of debt limit for sewer purposes	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%	\$ 169,703	162,705	160,275	158,505	158,670	164,903	171,683	175,688	189,698	199,313

Table 14

TOWN OF CUMBERLAND, MAINE
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Income Cumberland County (2)	Median Age (6)	High School Completion Rates (5)	School Enrollment (4)	State Unemployment Rate (3)
2010	7,627	327,968,627	43,001	39.4	96%	1,557	8.0%
2011	7,211	306,200,693	42,463	45.0	96%	1,534	7.6%
2012	7,211	318,661,408	44,048	45.0	96%	1,499	7.5%
2013	7,192	357,866,728	47,015	45.0	95%	1,477	6.9%
2014	7,393	400,232,133	55,503	45.0	93%	1,432	5.5%
2015	7,550	510,047,800	67,556	45.0	97%	1,422	4.7%
2016	7,772	517,622,972	66,601	45.0	97%	1,401	3.9%
2017	7,920	527,479,920	66,601	45.0	97%	1,388	3.2%
2018	8,164	543,730,564	66,601	45.0	97%	1,337	2.9%
2019	8,164	543,730,564	66,601	45.0	95%	1,371	3.2%

Sources:

(1) U.S. Bureau of the Census, Greater Portland Council of Governments

(2) U.S. Bureau of the Census, Greater Portland Council of Governments

(3) Maine Department of Labor (seasonally adjusted)

(4) Maine Department of Education

(5) State of Maine Department of Education

(6) U.S. Census Bureau (2010 Census latest available figures)

Table 15

TOWN OF CUMBERLAND, MAINE
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2019</u>			<u>2010</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>
MSAD 51	300-450	1	2.5%-6.3%		
Town of Cumberland	50-99	2	2.5%-6.3%	50-99	4
Seafax	50-99	3	1.3%-2.5%	50-99	5
Precision Access	50-99	4	1.3%-2.5%		
Norton Insurance	50-99	5	1.3%-2.5%	50-99	8
Sevee Maher Engineers	20-49	6	.5%-1.3%	20-49	9
AH Grover Inc	20-49	7	.5%-1.3%		
Connectivity Point Design	20-49	8	.5%-1.3%		
Drowne Road School	20-49	9	.5%-1.3%		
Main Line Fence Co.	20-49	10	.5%-1.3%	20-49	10
Cumberland Farmers Club				100-249	1
Greely Middle School				100-249	2
Cumberland Fire Department				50-99	3
Greely High School				50-99	6
Mabel I. Wilson School				50-99	7

Table 16

TOWN OF CUMBERLAND, MAINE
Full-time Equivalent Town Government Employees by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government:										
Management	3	3	3	3	2	2	2	2	2	2
Finance/Administration	7	6	6	6	8	10	10	10	9	10
Planning	2	2	2	2	2	2	2	3	3	3
Assessing	1	1	1	0	0	0	1	1	1	1
Public Safety:										
Fire	4	3	3	2	3	4	4	4	5	5
Police	12	12	12	12	12	12	12	12	12	12
Public Services:										
Public Works	9	9	9	9	7	7	7	7	7	7
Parks	3	3	3	3	3	3	3	3	3	3
Recreation & Other:										
Recreation	3	3	4	3	4	5	5	5	5	5
Library	2	2	2	2	4	4	4	4	5	5
Valhalla	3	3	3	3	3	3	3	3	3	3
Total Full-time Employees	49	47	48	45	48	52	53	54	55	56

Source: Town of Cumberland budget documents

Table 17

TOWN OF CUMBERLAND, MAINE
Operating Indicators by Function
Last Ten Calendar Years

Function	Calendar Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Code Enforcement:										
Building permits	151	180	314	220	251	268	266	302	302	321
Sign permits	4	5	13	16	9	21	15	18	18	7
Fire Protection:										
Number of calls answered	592	576	931	860	994	1,242	1,279	1,233	1,233	964
Number of inspections conducted	337	304	127	118	192	190	162	83	83	41
Police Protection:										
Number of law violations:										
Arrests	137	165	136	202	220	72	54	99	99	163
Traffic violations	3,485	3,069	2,964	2,144	1,393	740	852	2,919	2,919	2,152
Parking violations	27	32	108	91	43	4	4	2	2	27
Number of calls for service	12,223	11,702	11,737	9,090	8,928	6,534	8,216	8,244	8,244	9,106
Sewerage System:										
Number of service connections	1,020	1,041	1,176	1,070	1,108	1,806	1,092	1,136	1,136	1,179
Daily average treatment in gallons	202,000	249,382	253,000	227,000	228,892	234,932	211,973	204,000	204,000	234,157

Sources: Town of Cumberland Code Enforcement, Police, and Fire Departments; Portland Water District

Table 18

TOWN OF CUMBERLAND, MAINE
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	15	14	12	6	6	7	7	7	7	7
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	11	10	10	10	11	11	11	11	11	11
Public Works:										
Streets (miles)	78	79	79	79	79	79	80	80	80	81
Number of streetlights	203	203	203	203	203	203	203	204	204	205
Parks & Recreation:										
Parks	1	1	1	1	1	2	3	3	3	6
Parks (acreage)	250	250	250	250	250	272	487	487	487	1,100
Public skating rinks	1	1	1	1	1	1	1	1	1	1
Public tennis courts	4	4	4	4	4	4	4	4	4	4
Public golf courses	1	1	1	1	1	1	1	1	1	1
Sewer:										
Miles of sanitary sewers	20	20	20	20	25	25	25	29	29	29

Sources: Town of Cumberland Code Enforcement, Police, and Fire Departments; Portland Water District

Table 19

TOWN OF CUMBERLAND, MAINE
Miscellaneous Statistics
For the year ended June 30, 2019

Date of incorporation	1821
Form of government	Council/Manager
Number of full-time employees	56
All employees	335
Area in square miles	20
Name of government facilities and services:	
Miles of streets	81
Number of street lights	205
Culture and recreation:	
Parks	6
Park acreage	1,100
Skating rinks	1
Tennis courts	4
Golf course	1
Fire Protection:	
Number of fire personnel and officers	50 (Volunteers)
Police Protection:	
Number of police personnel and officers	12
Number of patrol units	7
Education:	
Number of elementary schools	1
Number of elementary school instructors	74
Number of secondary schools	2
Number of secondary school instructors	113