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## **Gorham Maine Annual Financial Audit Report 2018**

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# TOWN OF GORHAM, MAINE

## Comprehensive Annual Financial Report For Fiscal Year Ended June 30, 2018



Shaw Park through the Seasons  
~Photos courtesy of GOCAM~

# **TOWN OF GORHAM, MAINE**

## **Comprehensive Annual Financial Report**

**For the Fiscal Year Ended June 30, 2018**

**Prepared by:**

**Sharon LaFlamme, Finance Director**

**TOWN OF GORHAM, MAINE**  
**Comprehensive Annual Financial Report**  
**June 30, 2018**

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**June 30, 2018**

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**Comprehensive Annual Financial Report**  
**June 30, 2018**

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## ***INTRODUCTORY SECTION***

# Town of Gorham

Finance Department  
Municipal Center  
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Gorham, Maine 04038-1382

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(207) 839-5048 Fax  
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**Sharon LaFlamme**  
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**Christine Hyland**  
Assistant. Finance Director  
[chyland@gorham.me.us](mailto:chyland@gorham.me.us)

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December 19, 2018

To the Gorham Town Council and the Citizens of the Town of Gorham:

This comprehensive annual financial report of the Town of Gorham for the fiscal year ending June 30, 2018 is hereby submitted as required by Town Charter and State law.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures rests with the Town. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Town on a government-wide and fund basis. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

*Internal Controls:* The Town's Finance Office is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Town are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls being used are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the costs of control procedures are weighed against the expected benefits to be derived, and that the evaluation of costs and benefits requires estimates and judgments by management. As a recipient of federal, state, and local financial assistance, the Town is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations related to these programs.

*Independent Audit:* State statutes require an annual audit by independent certified public accountants. The accounting firm of Runyon Kersteen Ouellette, Certified Public Accountants, performed the annual audit for fiscal year ending June 30, 2018 for the Town Council. The auditor's report on the basic financial statements and combined and individual fund financial statements are included in the financial section of this report. In the opinion of the independent auditor, the Town of Gorham's basic financial statements, as of June 30, 2018, present fairly, in all material respects, the financial position of the Town, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The auditors were required to do a single audit under the Uniform Guidance as the Town expended more than \$750,000 in federal funds. Information related to this single audit, including a report on internal controls, report on compliance with requirements applicable to each major program, schedule of expenditures of federal awards, notes to schedule of expenditures of federal awards, and schedule of findings and questioned costs, are included in a separately issued single audit report. This report is available at the Finance Office at the Municipal Center.



Accounting principles generally accepted in the United States of America (GAAP) require 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 the MD&A and should be read in conjunction with it. The Town of Gorham, Maine's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The Town of Gorham is located in Cumberland County, approximately nine miles west of downtown Portland and is bordered by the Towns of Scarborough, Buxton, Standish, Windham, and the City of Westbrook. The land area is 59.88 square miles with a population of 16,381 residents according to the 2010 U.S. Census. The Town is a suburban community and is comprised of a mix of residential, local business, industrial, and commercial activity. The University of Southern Maine has a campus located within walking distance of the Village Center. Routes 25 and 114 provide convenient access to Gorham.

The Town operates under a charter initially adopted in 1967, providing for a Council-Manager form of government. The Town Council is comprised of seven members, elected at large for three-year staggered terms. The Charter grants to the Town Council all powers to enact, amend, or repeal rules, ordinances and resolutions relating to the Town's property, affairs and government, to preserve the public peace, health and safety, to establish personnel policies and giving effect to any vote of the Town and to authorize the issuance of debt subject to referendum approval by the voters of the Town. The Town Manager is the chief executive officer and is responsible for the administration of council policy.

The Town provides general governmental services for the territory within its boundaries, including police and fire protection, maintenance of highways, streets and sidewalks, parks, recreation, and library. The Town operates its education program for grades K through 12 under its own supervision. The Town's Charter provides that the Department of Education for the Town be administered by a School Committee comprised of seven members elected at large for three-year staggered terms. Portland Water District provides the management and maintenance of the Town's sewer service and wastewater treatment.

*Budgeting Controls:* Article V of the Town's Charter provides for a budget process. The fiscal year or budget year of the Town begins on the first day of July and ends on the thirtieth day of June of the following calendar year. The Charter provides that the Town and School budgets be submitted by the Town Manager to the Council on or before 60 days prior to the first day of each fiscal year. The Superintendent of Schools must submit to the Town Manager the Schools' budget request in both budget category summary and in detailed analysis on or before 70 days prior to the first day of each fiscal year. The summary shall be compatible for incorporation into the Town budget. Upon receipt of the Town Manager's budget, the Council shall set a time and place for a public hearing on the Town budget as received by the Council. Following the public hearing, the Council shall consider all relevant information received and adopt a budget for the fiscal year. Upon adoption of the Town budget by the Council, a referendum must be held to allow the voters to validate or reject the total School budget as adopted. The Town must hold a budget validation referendum on or before the 10th calendar day following Council adoption of the budget.

If the voters do not validate the School budget approved by the Council, the Council shall hold another budget meeting at least 10 days after the rejected referendum vote was taken to adopt another School budget. The newly adopted School budget must then go out to a referendum vote to validate the School budget within 10 days of the Council adopting the new School budget. This process is repeated until the voters approve a School budget.

If a School budget is not approved and validated before the first day of the fiscal year, the latest School budget approved by the Council and submitted to the voters for validation at a referendum is automatically considered the School budget for operational expenses for the ensuing year until a final budget is approved. If the Council fails to adopt a budget on or before the first day of each fiscal year, the municipal budget as submitted by the Town Manager shall become the adopted budget of the Town for the fiscal year.

The municipal budget is prepared by fund, function (e.g. public safety), and department (e.g. police). Department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the governing council. The School budget is prepared by budget categories. The School Committee may transfer an amount not exceeding 5% of the total appropriation for any budget category to another budget category or among other budget categories without voter approval.

### **Local Economy**

The Town's total taxable valuation for tax year 2017-2018 is \$1,570,284,293 (excludes the valuation attributable to the State Homestead Exemption and BETE personal property reimbursement), resulting in an increase of about 2.4% from the 2016-2017 total taxable valuation. Approximately 18% of the tax base is commercial and industrial with the remainder being residential (these figures include vacant parcels as well as developed parcels). The Town's rate of tax collection continues to be strong, equaling 97.5% for last fiscal year and 97.4% for this fiscal year. The Town's legal debt margin is set by State law at 15% of its state assessed value. Currently, the Town's outstanding debt is 2.0% of the state assessed value.

During fiscal year 2018, the Code Office issued permits for 101 single-family/condo dwellings and 33 commercial/institutional structures. The department issued a total of 1,391 permits during fiscal year 2018.

On September 1, 2017, the Town's manager, David Cole, retired after over 23 years of being the Town of Gorham's Town Manager. We appreciate his service and contributions to the Town. On the same day the Town welcomed the new Town Manager, Ephrem Paraschak. He comes to the Town with over 10 years of experience as a Town Manager.

During fiscal year 2018, the Town contracted with the Cumberland County Regional Assessing to manage the Town's assessing functions due to the retirement of the Town Assessor. This arrangement was a great success for the first year and the contract has been renewed for fiscal year 2019.

The Town met with Greater Portland METRO to add a new bus line to run from the Gorham USM Campus to Westbrook and Portland. There is at least one stop in each direction within easy walking distance of the Village Center. This service launched on August 27, 2018.

During fiscal year 2018, the Town of Gorham continued to experience growth in businesses. Grand openings were held for the new Sebago Brewing Company and TNT Quickstop buildings. Construction started on the Railroad Avenue LLC project to build a 5 story multi-use building with approximately 40 residential apartments with commercial property on the ground floor and top floor. Two manufacturing companies, National Attachment and The Bait Lady, have buildings under construction.

The Town of Gorham opened two new multi-purpose fields with parking in the Little Falls Recreation Area. The Town continued with the construction of the third multi-purpose field set to open in FY 2019. This improvement to the Little Falls Recreation Area was funded by the recreation area impact fees.

### **Fiscal Year 2018 Budget**

The Town of Gorham's gross budget for 2018 showed an increase of 3.7% from 2017. The gross budget increased by 1,861,134 and the mil rate increased from \$17.00 in fiscal year 2017 to \$17.10 in fiscal year 2018.

The following is a comparison of the fiscal year 2017 mil rate to the fiscal year 2018 mil rate.

	Fiscal year 2017	Fiscal year 2018	\$ Incr/(Decr)	% Chg
Town's Tax Rate	\$ 5.38	\$ 5.37	(\$0.01)	-0.19%
School's Tax Rate	\$10.96	\$11.04	\$0.08	0.73%
County's Tax Rate	\$ 0.66	\$ 0.69	\$0.03	4.55%

This is the 13<sup>th</sup> year that the Town and School had to develop budgets under the State of Maine's Property Tax Initiative known as LD 1. The purpose of LD 1 is to curb government spending and reduce the tax burden, particularly the property tax burden. LD 1, passed in June 2004, proposed to:

- increase the state's share of education funding each year, achieving 55% in 2009,
- cap spending growth at all government levels, and
- direct more money to tax relief programs such as the Maine Residents Property Tax Relief Program, which provides property tax rebates to eligible Maine citizens.

The Town's gross expenditure budget increased by \$461,596 or 3.4%. The major increases were due to an additional cost for the METRO, a new position for a Recreation Programmer, additional expenses at the new Little Falls Recreation Area, and increased debt service due to addition of the \$1,290,000 fire truck bond.

The Town's non-property tax revenues also saw an increase of 4.3%. The major increase was the result of a \$220,000 increase in auto excise. There was also an increase in recreation fees of \$53,100, which is funded from recreation reimbursable to cover the new Recreation Programmer position.

As a result of the increase in the gross budget, net of the increase in non-property tax revenues for the municipal budget, the amount required from property taxes was up \$173,211 or 2.4%.

The School gross expenditure budget of \$37,621,592 increased by \$1,330,414 or 3.7%. The major increase in this budget was the result of increases in salaries due to contractual obligations, the addition of six teachers and four Ed Tech III positions, and an increase in regular instruction for K-5 5<sup>th</sup> "Special" for required common planning time.

### **Major Initiatives**

The Town of Gorham has a fund balance policy (see Note 2, STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, A. BUDGETARY INFORMATION) and the amount in excess of the required fund balance can be used for one-time capital equipment/project purchases. During fiscal year 2018, there was \$1,394,848 in funds available for allocation to capital equipment and capital project needs. On June 6, 2017, the Town Council approved the use of \$1,394,848 excess unassigned fund balance for the following purposes:

- \$62,000 to repair and upgrade fuel depot;
- \$144,000 to replace 6-wheel plow truck;
- \$60,000 to replace pipe arch culvert on Buck Street;
- \$54,000 to replace corrugated metal pipe culvert on Dingley Spring Road;
- \$18,000 for a consultant to evaluate/negotiate new cable TV franchise agreement;

- \$49,000 to replace 7 air pack breathing units;
- \$8,500 to replace fence/guard rail and extend electricity at Shaw Park;
- \$12,000 to update cemetery information;
- \$25,000 for pedestrian trail from New Portland Road to Libby Avenue;
- \$10,000 to purchase a stormwater data collection compliance program;
- \$117,000 to extend fiber optic line to Public Works;
- \$5,348 to be allocated at a later date by the Town Council;
- \$830,000 to fund road projects.

### **Other Information**

*Awards:* 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 of Gorham, Maine for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the 15<sup>th</sup> year in a row that the Town achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

*Acknowledgements:* I would like to express my gratitude to the various departments for providing the necessary information needed to complete sections of the Town's comprehensive annual financial report. I would also like to extend my thanks to the Town Manager, Ephrem Paraschak, and Gorham Town Council for their continued support of my efforts to improve the Town's level of financial reporting. I would like to acknowledge our independent auditors, Runyon Kersteen Ouellette, for the professional audit work provided and their continued support and assistance.

Sincerely,

A handwritten signature in cursive script, reading "Sharon LaFlamme".

Sharon LaFlamme  
Finance Director



Government Finance Officers Association

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

Presented to

**Town of Gorham  
Maine**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

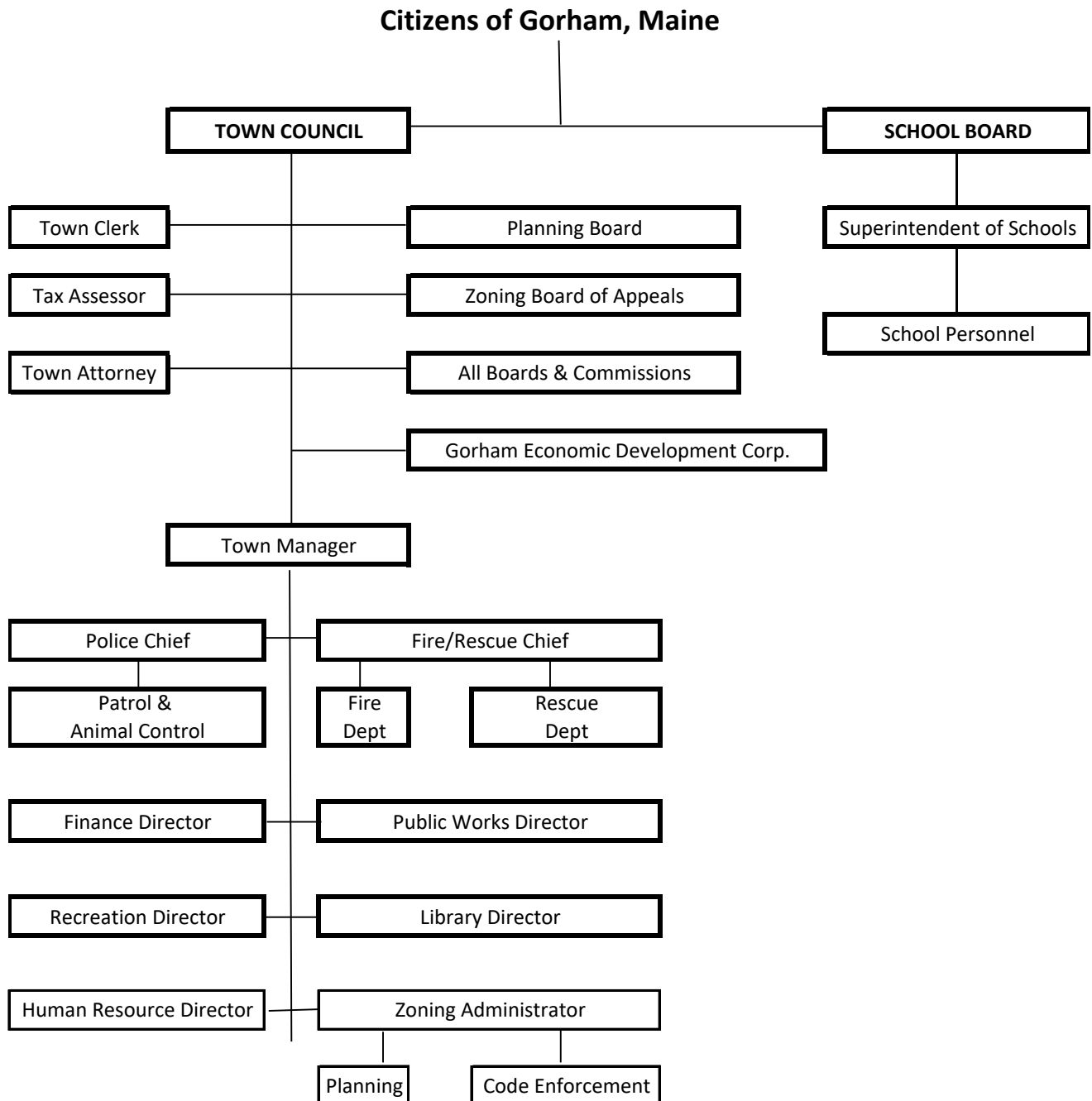
**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

# Town of Gorham, Maine

## Organizational Chart



**TOWN OF GORHAM, MAINE**  
**List of Principal Officials**  
**June 30, 2018**

---

Benjamin Hartwell, Chairman, Town Council

Sherrie Benner, Vice Chairman	Paul Smith
Marla Stelk	James Hager Jr.
Suzanne Phillips	Ronald Shepard

---

Ephrem Paraschak, Town Manager

Laurie Nordfors, Town Clerk	Sharon LaFlamme, Finance Director
Robert S. Lefebvre, Fire Chief	James Rathbun, Library Director
Daniel Jones, Police Chief	Robert J. Burns, Jr., Public Works Dir.
Cynthia A. Hazelton, Recreation Director	David Galbraith, Zoning Administrator
Christie Young, Human Resource Director	Thomas E. Ellsworth, Econ. Dev. Dir.

Renee Lachapelle, Cumberland County Tax Assessor

---

Darryl B. Wright, Chairman, School Board

Stewart McCallister, Vice Chairman	William Benson
Kyle Currier	Kate Livingston
Dennis Libby	Jennifer Whitehead

---

Heather Perry, School Superintendent

Hollis S. Cobb, School Finance Officer

## ***FINANCIAL SECTION***



## Independent Auditor's Report

Town Council  
Town of Gorham, Maine

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Gorham, Maine, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town'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, each major fund, and the aggregate remaining fund information of the Town of Gorham, Maine as of June 30, 2018, and the respective changes in financial position and the budgetary comparison for the General Fund and the School Operations Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described on page 82 in the notes to basic financial statements, in 2018, the Town adopted new accounting guidance, GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section are presented for the purpose 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.

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 19, 2018 on our consideration of the Town of Gorham, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Gorham, Maine's internal control over financial reporting and compliance.



December 19, 2018  
South Portland, Maine

**TOWN OF GORHAM, MAINE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2018**

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This section of the Town of Gorham's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year that ended on June 30, 2018. We encourage the readers to consider the information presented in conjunction with the Town's financial statements, which follow this section.

**Financial Highlights**

- The total assets and deferred outflows of resources of the Town of Gorham exceed its liabilities and deferred inflows of resources by \$61,001,316, an increase of \$2,411,513 or 4.12%, when compared to the restated beginning net position figure of \$58,589,803.
- The ending fund balance for Governmental Funds is \$19,904,032. The revenues and other financing sources exceeded expenditures and other financing uses by \$377,880.
- The General Fund's ending fund balance is \$15,592,204, an increase of \$655,692 from the prior year's ending fund balance of \$14,936,512. Of the \$15,592,204, only \$7,846,520 is unassigned. A detailed listing of the nonspendable, restricted, committed, and assigned fund balances can be found in exhibit A-3.
- The Town of Gorham has a fund balance policy. The Town must maintain a combined General Fund and Special Revenue Fund (School Operations Fund) unassigned fund balance of at least 8.5% of the succeeding year's School, Town, and Cumberland County appropriations. The combined General Fund and Special Revenue Fund – School Operations Fund unassigned fund balances as of June 30, 2018 was \$6,471,482 or 11.8% of the total fiscal year 2019 budgeted appropriations, NOTE 17, BUDGETARY VS. GAAP ACCOUNTING. The Town Council uses any excess funds to fund the capital needs of the community as deemed appropriate. The Town Council generally reviews and approves the capital projects during the annual budget process. It is anticipated that the Town Council will have approximately \$1,051,114 to allocate to the Capital Part II budget during the fiscal year 2020 budget process.
- The Town of Gorham's general obligation debt decreased by \$3,468,125 or 9.7% in the outstanding bonded debt total.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Town of Gorham's basic financial statements. The Town of Gorham's basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains supplementary information and other information.

**Government-wide Statements**

The Government-wide Financial Statements present the financial picture of the Town from the economic resources measurement focus using the accrual basis of accounting, which is similar to what private-sector companies use.

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

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

**TOWN OF GORHAM, MAINE**  
**Management's Discussion and Analysis, Continued**

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These statements are generally divided into two categories: governmental activities and business-type activities.

- *Governmental activities* – Most of the Town's basic services are included here (except fiduciary funds), such as the police, fire, public works, education, and general administration. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – The Town of Gorham currently does not have any business-type activities to report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Gorham, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Town of Gorham has two kinds of funds – governmental and fiduciary.

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

Because the focus of *governmental funds* is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 Town of Gorham maintains twenty-seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, School Operations Fund, and Public Safety Capital Project Fund, which are all considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

In accordance with the Charter for the Town of Gorham, an annual appropriated budget is adopted for the Town's General Fund and the School Operations Fund, a Special Revenue Fund. A budgetary comparison statement has been provided for both these funds to demonstrate compliance with their budgets.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town of Gorham's own programs.

The Town of Gorham is the trustee, or fiduciary, for the various School activity accounts, various public safety activity accounts, various recreation activity funds, and Trust Funds that are set up primarily as scholarships. These assets, because of a trust arrangement, can only be used for trust beneficiaries. All of the Town's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 44 and 45. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**TOWN OF GORHAM, MAINE**  
**Management's Discussion and Analysis, Continued**

**Reporting the Town as a Whole**

**Net Position**

The following is a condensed version of the Statement of Net Position.

	<u>Governmental Activities</u>			
	<u>2018</u>	<u>Restated 2017</u>	<u>\$ Change</u>	<u>% Change</u>
Current and other assets	\$ 31,590,043	28,880,029	2,710,014	9.38%
Capital assets, net	78,571,772	80,419,217	(1,847,445)	-2.30%
Total assets	110,161,815	109,299,246	862,569	0.79%
Deferred outflows of resources	1,643,340	2,306,284	(662,944)	-28.75%
Long-term debt outstanding	38,753,175	43,604,663	(4,851,488)	-11.13%
Other liabilities	11,221,200	8,911,235	2,309,965	25.92%
Total liabilities	49,974,375	52,515,898	(2,541,523)	-4.84%
Deferred inflows of resources	829,464	499,829	329,635	65.95%
Net investment in capital assets	45,751,261	45,097,589	653,672	1.45%
Restricted	3,740,750	4,208,437	(467,687)	-11.11%
Unrestricted	11,509,305	9,283,777	2,225,528	23.97%
<b>Total net position</b>	<b>\$ 61,001,316</b>	<b>58,589,803</b>	<b>2,411,513</b>	<b>4.12%</b>

The increase of \$2,710,014 in the current and other assets category is primarily due to the large increase in performance bonds in fiscal year 2018. Cash also increased \$1,002,273 due to better interest rates and a higher overlay.

The capital asset disclosure in the notes to the financial statements (see Note 6) shows how the \$1,847,445 decrease resulted.

The long-term debt disclosure in the notes to the financial statements (see Note 11) shows how the \$4,851,488 decrease in long-term debt outstanding resulted.

The increase in the other liabilities of \$2,309,965 is primarily due to the increase in performance guarantees and letter of credits for new developments (\$2,064,994), increase in accounts payable (\$109,383), and an increase in accrued wages and benefits (\$81,895).

**TOWN OF GORHAM, MAINE**  
**Management's Discussion and Analysis, Continued**

The increase in net investment in capital assets is the result of the change in the following:

	<b>2018</b>	<b>2017</b>	<b>\$ Change</b>	<b>% Change</b>
Capital assets	\$ 150,737,351	149,008,906	1,728,445	1.16%
Accumulated depreciation	(72,165,579)	(68,589,689)	(3,575,890)	(5.21%)
Deferred charge on refunding	479,550	563,135	(83,585)	(14.84%)
Bonds payable (includes premium)	(33,440,581)	(37,047,529)	3,606,948	9.74%
Notes payable	(198,853)	(204,621)	5,768	2.82%
Capital leases	(454,000)	(372,207)	(81,793)	(21.98%)
Add back unspent bond proceeds	793,373	1,739,594	(946,221)	(54.39%)
<b>Net investment in capital assets</b>	<b>\$ 45,751,261</b>	<b>45,097,589</b>	<b>653,672</b>	<b>1.45%</b>

**Changes in Net Position**

The following is a condensed version of the Statement of Activities.

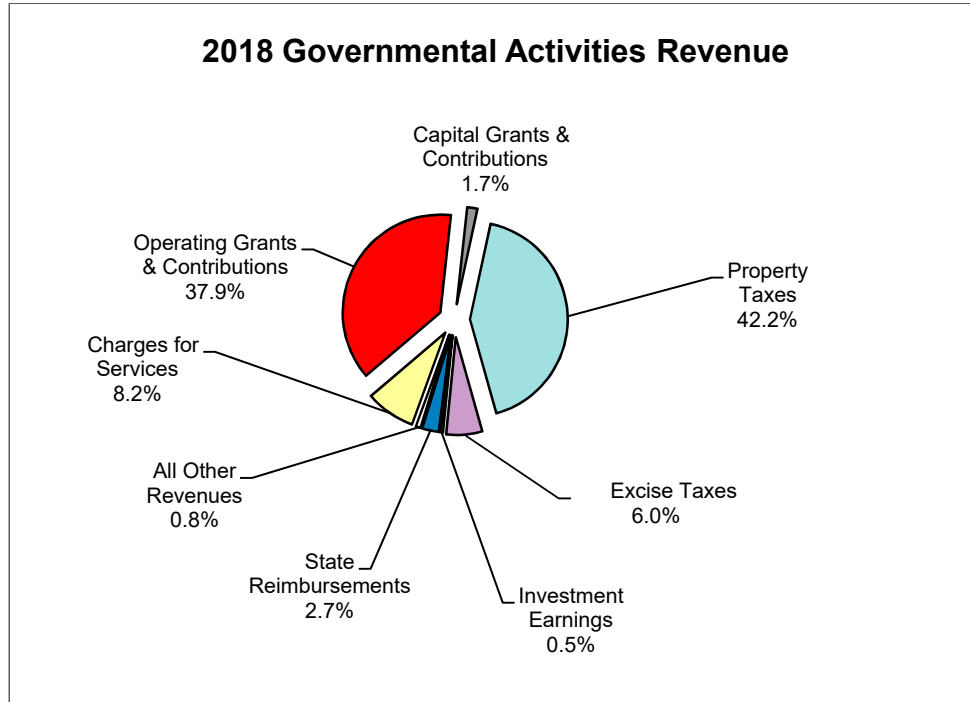
	<b>2018</b>	<b>2017*</b>	<b>\$ Change</b>	<b>% Change</b>
<b>REVENUES</b>				
Program Revenues:				
Charges for services	\$ 5,191,233	4,994,581	196,652	3.94%
Operating grants and contributions	23,999,725	22,828,112	1,171,613	5.13%
Capital grants and contributions	1,058,000	1,191,087	(133,087)	(11.17%)
General Revenues:				
Property taxes	26,632,400	26,074,860	557,540	2.14%
Payment in lieu of taxes	43,717	43,971	(254)	(0.58%)
Motor vehicle and boat excise taxes	3,745,638	3,515,752	229,886	6.54%
Grants and contributions not restricted to specific programs:				
Homestead exemption	601,666	435,362	166,304	38.20%
BETE reimbursement	299,868	305,366	(5,498)	(1.80%)
Other state aid	40,767	38,785	1,982	5.11%
State Revenue Sharing	778,497	738,529	39,968	5.41%
Unrestricted investment earnings	288,927	200,467	88,460	44.13%
Miscellaneous revenues	436,450	241,923	194,527	80.41%
Gain on sale of property	27,249	225,455	(198,206)	(87.91%)
<b>Total revenues</b>	<b>63,144,137</b>	<b>60,834,250</b>	<b>2,309,887</b>	<b>3.80%</b>
<b>EXPENSES</b>				
General government	5,369,140	5,487,400	(118,260)	(2.16%)
Public safety	4,779,796	4,827,053	(47,257)	(0.98%)
Public works	6,087,262	6,115,530	(28,268)	(0.46%)
Health and welfare	37,848	44,098	(6,250)	(14.17%)
Recreation	1,897,893	1,729,112	168,781	9.76%
Development	299,326	312,953	(13,627)	(4.35%)
Education	41,177,926	39,773,685	1,404,241	3.53%
Interest on debt	1,083,433	1,157,647	(74,214)	(6.41%)
<b>Total expenses</b>	<b>60,732,624</b>	<b>59,447,478</b>	<b>1,285,146</b>	<b>2.16%</b>
<b>Change in net position</b>	<b>2,411,513</b>	<b>1,386,772</b>	<b>1,024,741</b>	<b>73.89%</b>
Net position - beginning as restated	59,589,803	58,561,087	1,028,716	1.76%
<b>Net position ending</b>	<b>\$ 62,001,316</b>	<b>59,947,859</b>	<b>2,053,457</b>	<b>3.43%</b>

**TOWN OF GORHAM, MAINE**  
**Management's Discussion and Analysis, Continued**

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\*This table has not been restated for the effects of Governmental Accounting Standards Board (GASB) 75. GASB 75 requires that the total Other Postemployment Benefits (OPEB) liabilities be recognize in the financial statements. The effects of GASB 75 implementation on individual revenues and expenses during 2017 could not be determined.

The following pie chart shows the sources of revenue for fiscal year 2018.



Overall, revenues were up \$2,309,887 or 3.8% when compared to fiscal year 2017. There were a number of reasons for the increase in the revenues and they are highlighted below.

Approximately 42.2% of the Town's revenues come from property taxes, while 37.9% comes from operating grants and contributions. Approximately 80.8% of the operating grants and contributions revenue source comes from state aid to education and state construction aid. The operating grants and contributions program revenues were up 5.13% or \$1,171,613, primarily because the School Department received approximately \$1,070,328 more in state/federal aid and Maine PERS on-behalf payments.

The capital grants and contributions were down \$133,087 or 11.2% because the Town did not receive money from Maine DOT for roads. In FY 2017, the Town received \$170,823 from Maine DOT for New Portland Road and County Road.

The \$557,540 increase in property tax revenue was due to the increase in the mil rate from \$17.00 in fiscal year 2017 to \$17.10 in fiscal year 2018.

The other large revenue increase was seen in homestead exemption and investment earnings. The homestead exemption increased from \$15,000 in fiscal year 2017 to \$20,000 in fiscal year 2018. Investment income saw an increase due to an interest rate increase.

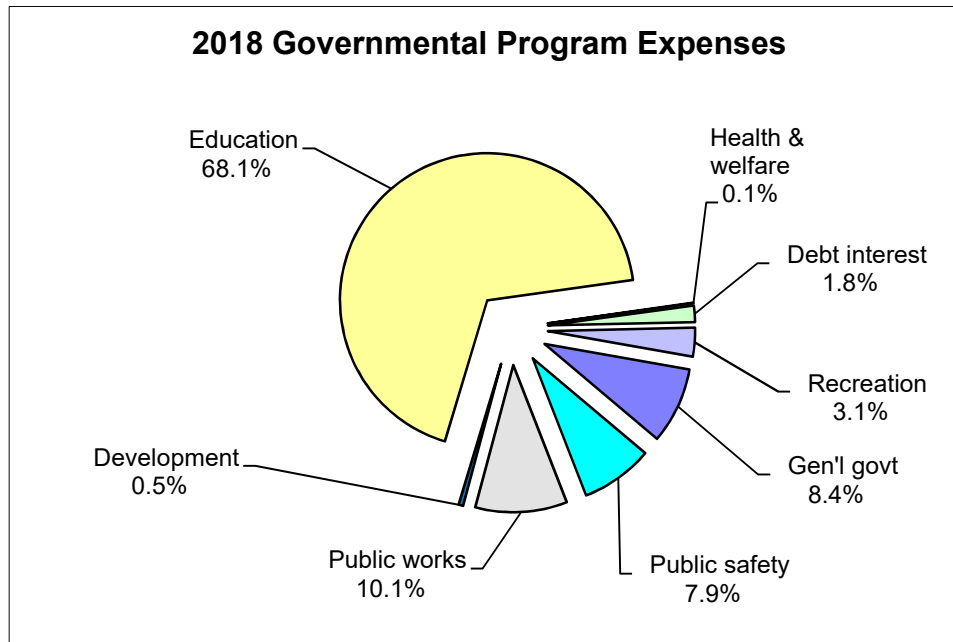
Special item-sale of property decreased by \$198,206 because there were less properties sold in FY18.



**TOWN OF GORHAM, MAINE**  
**Management's Discussion and Analysis, Continued**

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The following pie chart shows functional expenses for fiscal year 2018.



Education makes up 68.1% of expenses for fiscal year 2018, an increase of 3.53% or \$1,404,241 from fiscal year 2017.

Fiscal year 2018 recreation expenses are higher than fiscal year 2017 by 9.76% or \$168,781. The primary reason for this increase is that there were more expenses for Little Falls Recreation Area in fiscal year 2018 than fiscal year 2017.

#### **Governmental Activities**

The cost of all governmental activities was \$60,732,624. The Town's governmental activities include general government, public safety, public works, health and welfare, recreation (includes library and museum), development, education, and interest on debt. The general government activity also includes public agencies, insurance, employee benefits, unclassified and county tax expenditures. Fiscal year 2018 expenses were \$1,285,146 or 2.16% over fiscal year 2017 expenses.

As shown on the Statement of Activities, the amount that the taxpayers of Gorham ended up financing through property taxes was \$26,632,400 or 42.17%, because some of the cost was paid by those who directly benefit from the programs (\$5,191,233), by other governments and organizations that subsidized certain programs with operating grants and contributions (\$23,999,725), and by capital grants and contributions (\$1,058,000). The Town also received \$6,262,779 in other general revenues, such as state revenue sharing, motor vehicle and boat excise taxes, homestead exemption, BETE reimbursement and interest earnings, to fund operations during fiscal year 2018.

As a result of the governmental activities' revenues (\$63,144,137) exceeding the expenses (\$60,732,624), the Town of Gorham realized an increase in its net position of \$2,411,513. Approximately \$987,981 of the increase can be attributed to the collection of excise tax, permits, cable TV franchise fee, FEMA reimbursement, sale of property, and interest income, which were higher than anticipated or not anticipated. Approximately \$293,328 was saved from employee benefits increases that were lower than anticipated.

**TOWN OF GORHAM, MAINE**  
**Management's Discussion and Analysis, Continued**

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**The Town's Funds**

The following is an analysis of the balances in the Town's major individual funds.

**General Fund Major Governmental Functions**

The following table summarizes the fiscal year 2018 revenues by source for the General Fund with the 2017 information for comparison. Information is from Statement 4.

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues by source:				
Taxes	\$ 29,950,592	29,218,518	732,074	2.51%
Licenses and permits	824,494	728,782	95,712	13.13%
Intergovernmental	2,105,509	2,055,093	50,416	2.45%
Charges for services	2,188,120	2,152,687	35,433	1.65%
Other revenues	732,474	710,572	21,902	3.08%
<b>Total revenues</b>	<b>\$ 35,801,189</b>	<b>34,865,652</b>	<b>935,537</b>	<b>2.68%</b>

General Fund revenues increased by 2.68% or \$935,537 from fiscal year 2017 amounts. Below are some of the reasons for the changes in the revenue.

**Taxes:** In fiscal year 2018, the mil rate increased from \$17.00 to \$17.10. With an increased valuation and mil rate, property tax revenue after abatements and supplements was up by \$512,423, when compared to last fiscal year. The change in deferred property taxes was a negative \$800. Excise tax revenues were \$229,886 higher than in fiscal year 2017.

**Licenses and permits:** Building permit revenue and plumbing/electrical fees were \$41,050 higher than fiscal year 2017 and fluctuate year to year depending on if there are any large developments. Cable TV franchise fees were also \$49,764 higher than fiscal year 2017.

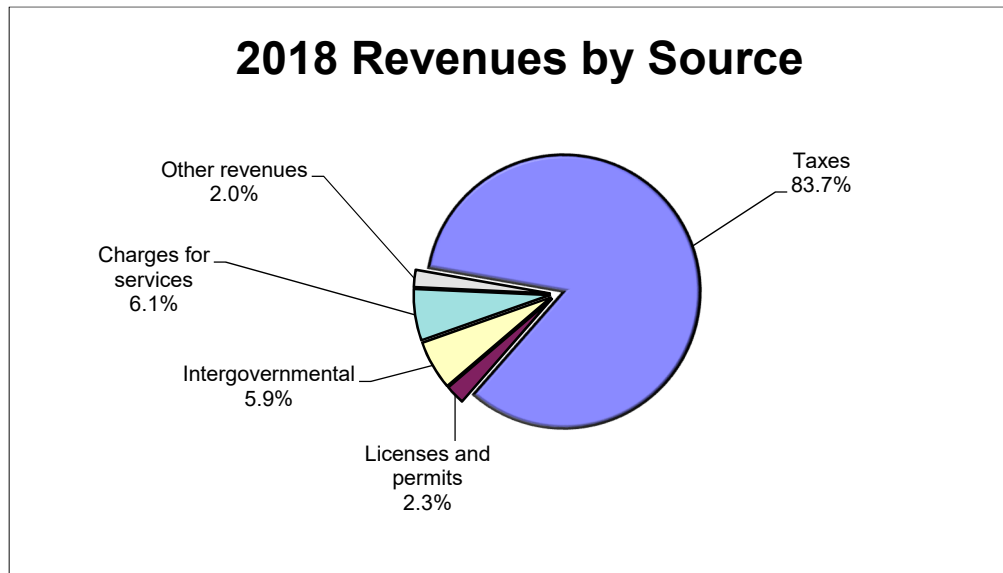
**Intergovernmental:** The major change in fiscal year 2018 was related to an increase in the homestead reimbursements of \$166,304 due to the exemption increasing from \$15,000 in fiscal year 2017 to \$20,000 in fiscal year 2018. The Town also saw a \$39,968 increase in state revenue sharing in from fiscal year 2017. The Town received \$170,823 in fiscal year 2017 from Maine DOT for work on New Portland Road and County Road which caused fiscal year 2018 to have a decrease.

**Charges for services:** In fiscal year 2018, recreation received \$25,983 more in revenues than in fiscal year 2017.

**Other revenues:** The major factor for the increase in this revenue category was investment income, which was approximately \$122,218 higher than fiscal year 2017. The Town also saw a decrease in fiscal year 2018 in sale of town property.

**TOWN OF GORHAM, MAINE**  
**Management's Discussion and Analysis, Continued**

The following pie chart depicts the General Fund revenues by source for fiscal year 2018.



The following table summarizes the General Fund expenditures by function for fiscal year 2018 with 2017 information for comparison. Information is from Statement 4.

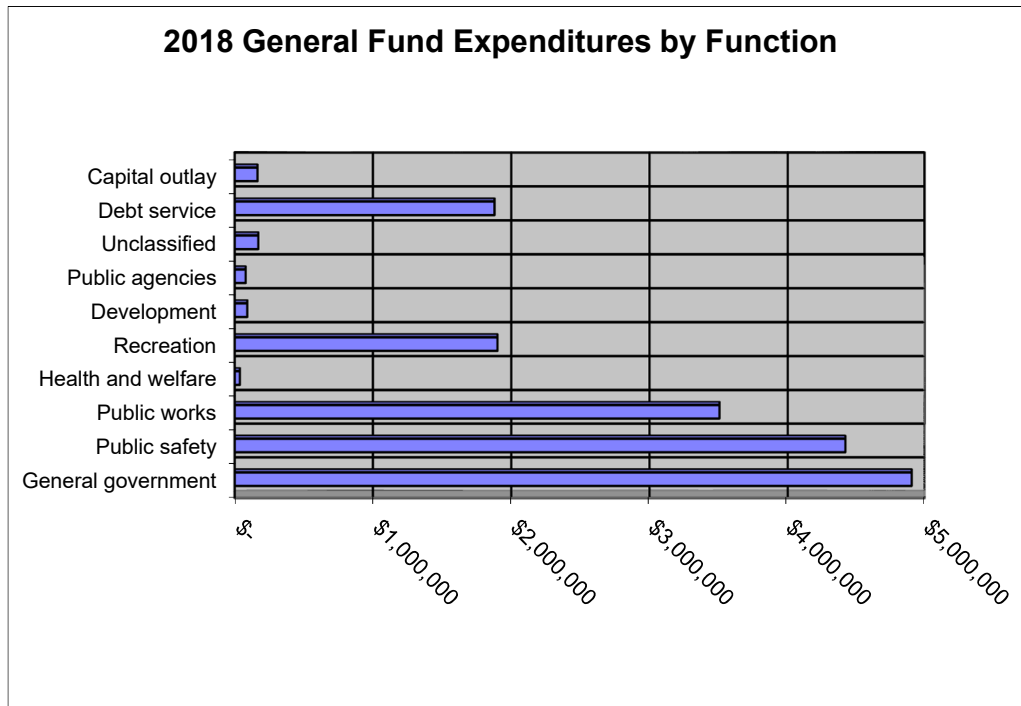
		<b>2018</b>	<b>2017</b>	<b>\$ Change</b>	<b>% Change</b>
Expenditures by function:					
General government	\$	4,907,121	4,964,782	(57,661)	(1.16%)
Public safety		4,419,673	4,548,080	(128,407)	(2.82%)
Public works		3,506,588	3,509,874	(3,286)	(0.09%)
Health and welfare		37,848	44,098	(6,250)	(14.17%)
Recreation		1,900,685	1,583,038	317,647	20.07%
Economic development		91,175	76,962	14,213	18.47%
Public agencies		79,353	44,269	35,084	79.25%
Unclassified		170,887	177,118	(6,231)	(3.52%)
Debt service		1,879,170	1,977,934	(98,764)	(4.99%)
Capital outlay		164,730	154,976	9,754	6.29%
<b>Total expenditures</b>	<b>\$</b>	<b>17,157,230</b>	<b>17,081,131</b>	<b>76,099</b>	<b>0.45%</b>

The General Fund expenditures increased 0.45% from fiscal year 2017 levels. The largest percentage increases are in public agencies and recreation category. Public agencies had an increase of 79.3% or \$35,084, which represents a METRO expenditure of \$36,000. Recreation increased \$317,647 or 20.07%, due to an increase of \$114,045 in recreation reimbursable expenditures in fiscal year 2018. Also, the Little Falls Recreation Area multi-purpose field expenditure was \$122,286 higher than fiscal year 2017.

The largest percentage decrease was in the health and welfare category, which was 14.17% or \$6,250. This was due to a decrease in general assistance claims processed by the Town during fiscal year 2018. This is attributed to the improvement in the economy.

**TOWN OF GORHAM, MAINE**  
**Management's Discussion and Analysis, Continued**

The following is a graph depicting the General Fund expenditures by function for fiscal year 2018.



The net result of operations in the General Fund for fiscal year 2018 was \$655,692 after transfers in of \$152,271 and transfers out of \$18,140,538. The following table summarizes the General Fund's fund balance for fiscal year 2018, with 2017 information provided for comparison.

	2018	2017	\$ Change	% Change
Fund balance:				
Nonspendable	\$ 139,898	\$ 168,417	(28,519)	-16.93%
Restricted	333,079	336,913	(3,834)	-1.14%
Committed	2,260,523	2,223,087	37,436	1.68%
Assigned	5,012,184	4,323,728	688,456	15.92%
Unassigned	7,846,520	7,884,367	(37,847)	-0.48%
<b>Total fund balance</b>	<b>\$ 15,592,204</b>	<b>14,936,512</b>	<b>655,692</b>	<b>4.39%</b>

The largest increase was in assigned fund balance, equal to \$688,456 or 15.9%. This was primarily due to capital part II funds assigned for the fiscal year's 2019 budget which is \$709,200 higher than budgeted for fiscal year's 2018 budget. The largest decrease (based on percent of balance) was in nonspendable fund balance, equal to \$28,519 or 16.9%, and was due to less prepaid expenditures in fiscal year 2018 than fiscal year 2017.

**The School's Funds**

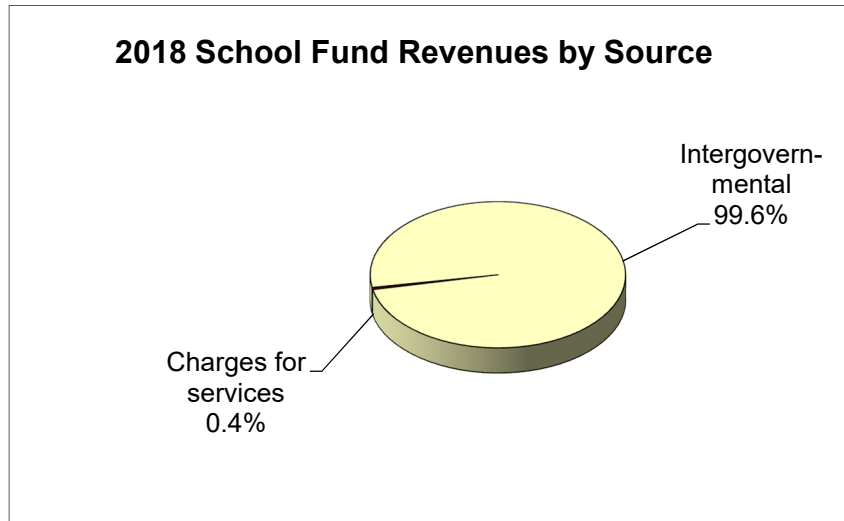
The following table summarizes fiscal year 2018 revenues by source for the Special Revenue Fund's School Operations Fund with 2017 information for comparison. The information is from Statement 4.

	2018	2017	\$ Change	% Change
Revenues by source:				
Intergovernmental	\$ 22,004,651	20,864,389	1,140,262	5.47%
Charges for services	78,652	34,133	44,519	130.43%
Other	30,521	10,103	20,418	202.10%
<b>Total revenues \$</b>	<b>22,113,824</b>	<b>20,908,625</b>	<b>1,205,199</b>	<b>5.76%</b>

**TOWN OF GORHAM, MAINE**  
**Management's Discussion and Analysis, Continued**

The 5.76% increase in School Operation Fund revenues was from the increase in state education subsidy (\$760,012) and Maine PERS on-behalf payments (\$380,250).

The following is a pie chart depicting the Special Revenue Fund - School Operations Fund revenues by source for fiscal year 2018.



The following table summarizes the School Operations Fund expenditures by function for fiscal year 2018 with 2017 information for comparison. Information is from Statement 4. The following table provides an explanation of the major changes.

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
Expenses by function:				
Regular instruction	\$ 16,172,090	15,719,860	452,230	2.88%
Special education	5,300,340	5,048,752	251,588	4.98%
CTE instruction	424,082	402,335	21,747	5.41%
Other instruction	898,546	862,591	35,955	4.17%
Student and staff support	3,133,890	2,717,183	416,707	15.34%
System administration	1,130,992	1,081,771	49,221	4.55%
School administration	1,981,877	1,808,833	173,044	9.57%
Transportation	2,096,223	1,755,984	340,239	19.38%
Facilities maintenance	3,517,942	3,662,956	(145,014)	(3.96%)
Adult education	222,187	225,827	(3,640)	(1.61%)
Maine PERS on-behalf payments	2,673,497	2,293,247	380,250	16.58%
Debt service	2,754,763	2,858,359	(103,596)	(3.62%)
<b>Total expenses \$</b>	<b>40,306,429</b>	<b>38,437,698</b>	<b>1,868,731</b>	<b>4.86%</b>

The School Operations Fund's expenditures were 4.86% or \$1,868,731 more than fiscal year 2017. The increase was due to an increase in wages and benefits due to contractual obligations. The School also added five K-5 teachers, four new Ed Tech III, and an increase in regular instruction for K-5 5<sup>th</sup> "Special" for required common planning time.

**TOWN OF GORHAM, MAINE**  
**Management's Discussion and Analysis, Continued**

The net results of operations for fiscal year 2018 were \$20,579 after transfers in of \$17,923,038, transfers out of \$49,054, and capital lease proceeds of \$339,200. The following table summarizes the School Operation Fund's fund balance for fiscal year 2018 with 2017 information for comparison.

		<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
Fund balance:					
Unassigned	\$	(1,375,038)	(1,395,617)	20,579	1.47%
<b>Total fund deficit</b>	<b>\$</b>	<b>(1,375,038)</b>	<b>(1,395,617)</b>	<b>20,579</b>	<b>1.47%</b>

During the development of the fiscal year 2018 budget, the School Board authorized the use of budgetary fund balance in the amount of \$350,000 to help balance the fiscal year 2018 budget. The School Department also had \$403,458 assigned to encumbrances. These assigned amounts are not reflected in fund balance as the School Department had a deficit in fund balance due to the school recognizing summer salaries and benefits, which are required by generally accepted accounting principles (GAAP).

### **General Fund Budgetary Highlights**

The Town continues to meet its responsibilities for sound financial management. As shown in Statement 6, actual revenues exceeded budgeted revenues by \$1,554,029, while actual expenditures were under budgeted appropriations by \$449,483. This resulted in a positive net effect of \$2,003,512. The net change in fund balance was \$1,789,012 after transfers and changes in encumbrances.

Unassigned fund balance of \$7,846,520 is a healthy figure and represents 14.29% of the total General Fund and School Operations Fund budgeted appropriations for fiscal year 2019. The goal of the Town's fund balance policy is to maintain a General Fund and School Operations Fund unassigned fund balance of at least 8.5% of the yearly School, Town, and Cumberland County appropriations; however, when the \$1,375,038 School Operations Fund's deficit balance is factored in the percentage, it drops to 11.78%. The Town's management anticipates that during the fiscal year 2020 budget process, the Council will utilize the unassigned fund balance in excess of the 8.5% for the Town's Capital Budget Part II.

The original budget for fiscal year 2017-2018 was \$52,815,594 and there were no adjustments made to the original budget during fiscal year 2018 except for two reclassifications. The first being a move of \$10,000 from Gorham municipal center to transfers out to reflect how the transaction was posted. The second reclassification was a \$549,616 reduction in transfer to School Operations Fund which was offset by an increase in intergovernmental revenue due to an increase in state education subsidy.

### **Capital Asset and Debt Administration**

#### **Capital Assets**

The Town invested \$2,758,512 in a broad range of capital assets during fiscal year 2018. The following chart identifies the assets that were added during the year, including the construction in progress projects (Little Falls recreation multi-purpose field, Gorham rail trail project, Gorham HS expansion & renovation, Public Works/Great Falls School fiber optic project, 6-wheel plow truck and plow truck, less the removal of Little Falls recreation multi-purpose field reflected in previous fiscal years).

**TOWN OF GORHAM, MAINE**  
**Management's Discussion and Analysis, Continued**

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			Category Total
Land improvements-Parking lot			
Recreation	Little Falls Recreation Area parking lot	\$135,094	
			135,094
Land improvements			
Recreation	Construction in Progress – Little Falls multi-purpose field	8,180	
	Construction in Progress – Gorham rail trail	19,993	
	Little Falls Recreation Area field #1	8,021	
	Little Falls Recreation Area field #2	1,284	
			37,478
Buildings and building improvements			
Public Safety	Storage unit	56,375	
Recreation	Construction in Progress – Gorham HS expansion & renovation	67,448	
			123,823
Machinery and equipment			
Public Safety	Hose tower hanger rack	26,097	
Recreation	Pro Groomer grooming machine	5,364	
Public Works	Overhaul repair to trash compactor	11,500	
Education	2017 John Deer 1575 terrain cut	34,586	
	Village School field irrigation system	16,066	
			93,613
Furniture and office equipment			
Public Safety	Kyocera Taskalfa 4052ci color copier	5,895	
	Water treatment system	8,945	
General Gov't	Air handler for Shaw Gym	30,410	
Education	Narragansett water heater	27,685	
	Transportation Kohler generator	21,595	
			94,530
Vehicles			
Public Safety	Police – 2017 Ford Explorer	40,078	
	Police – 2017 Ford Explorer	40,463	
	Fire – 2017 Ferrara Inferno fire truck	837,956	
Public Works	Construction in Progress – 6-wheel plow truck	211	
	Construction in Progress – plow truck	2,884	
Education	2018 GMC TG33503 bus	48,800	
	2018 GMC TG33503 bus	48,800	
	2019 Blue Bird Vision 77 passenger bus	96,300	
	2020 Blue Bird Vision Type C 77 passenger bus	96,300	
			1,211,792

**TOWN OF GORHAM, MAINE**  
**Management's Discussion and Analysis, Continued**

Infrastructure

Construction in Progress – Public Works/Great Falls School fiber optic project	4,182
Accepted roads	1,058,000
	<u>1,062,182</u>
<b>Total assets added during fiscal year 2018</b>	<b><u>\$2,758,512</u></b>

During fiscal year 2018, assets were transferred from one function/activity to another function/activity. The following chart shows these transfers.

<b>Category</b>	<b>Function and Activity</b>	<b>Amount Transferred</b>
Vehicle	General Gov't – 2008 Ford Crown Victoria	\$(21,833)
	Public Works – 2008 Ford Crown Victoria	21,833
	Public Works – 2010 Ford Crown Victoria	22,923
	Public Safety – 2010 Ford Crown Victoria	(22,923)

The depreciation expense for 2018 was \$4,597,052.

The following is a summary of the Town of Gorham's capital assets, net of depreciation. This amount represents a net decrease (including additions and deductions) of \$1,847,445 or 2.3% under last fiscal year.

**Capital Assets**  
**(Net of depreciation)**

	<b>2018</b>	<b>2017</b>	<b>\$ Change</b>	<b>% Change</b>
Land	\$ 2,230,261	2,234,761	(4,500)	(0.20%)
Books/historical treasures/artwork	1,429,837	1,429,837	-	0.00%
Construction in progress	270,173	340,655	(70,482)	(20.69%)
Land improvements	5,739,143	5,778,522	(39,379)	(0.68%)
Buildings and building improvements	37,271,042	39,152,175	(1,881,133)	(4.80%)
Machinery and equipment	881,859	921,194	(39,335)	(4.27%)
Furniture and office equipment	649,821	841,312	(191,491)	(22.76%)
Computer equipment	30,118	38,225	(8,107)	(21.21%)
Vehicles	4,889,733	4,398,459	491,274	11.17%
Infrastructure	25,179,785	25,284,077	(104,292)	(0.41%)
<b>Totals \$</b>	<b><u>78,571,772</u></b>	<b><u>80,419,217</u></b>	<b><u>(1,847,445)</u></b>	<b><u>(2.30%)</u></b>

The Town has appropriated \$178,431 in fiscal year 2019 for the following capital expenditures: two police cruisers, lease payment for public works equipment, town-wide technology upgrades, and funds for road maintenance work.

Additionally, the Council allocated \$2,104,048 from unassigned fund balance, which was in excess of the 8.5% fund balance policy for the following purposes:

- \$245,000 to convert street lights to municipally owned LED street lights
- \$90,000 to replace 13 air pack breathing units
- \$10,000 to repair Municipal Building's main entryway floors
- \$88,000 to replace two ¾ utility pickups at Public Works
- \$20,000 to purchase additional books & printed material at Baxter Memorial Library



**TOWN OF GORHAM, MAINE**  
**Management's Discussion and Analysis, Continued**

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- \$6,300 to replace phone system at Public Works
- \$61,300 to replace a third police cruiser (two cruisers allocated in capital expenditures above)
- \$4,200 to purchase Police Department cruiser radio repeater toggle switches
- \$4,800 to replace and upgrade firearms for the Police Department
- \$1,500 to purchase criminal investigation division software
- \$20,000 to extend fiber optic line to White Rock Fire Station and Shaw Park
- \$240,000 to replace Ambulance 2
- \$38,000 to purchase a ¾ ton utility pickup for Fire Department's medical intercept vehicle
- \$4,200 to purchase fleet diagnostic system for Public Works Department
- \$9,000 to replace Old Robie School's boiler
- \$12,400 to replace Public Work Building lights with LED
- \$60,000 to repair West Gorham Fire Station
- \$22,500 to purchase mechanic truck for the Fire Department shared with Town of Windham
- \$50,000 to purchase roadside mower tractor for Public Works
- \$25,000 to repair and paint Recreation wing entry way in the Municipal Building
- \$45,000 to replace Marine 4 truck
- \$29,300 to purchase heart monitor for the third ambulance
- \$14,760 to purchase power stretcher for the third ambulance
- \$16,000 to replace climate control system in the Public Work's Building
- \$6,000 to replace building roofs at Robie Field
- \$10,000 to expand power throughout Shaw Park
- \$7,500 to replace court lights at Little Falls
- \$15,000 to add additional work stations in the Emergency Operations Center at Central Fire Station
- \$1,400 to purchase road management software
- \$16,000 to replace 10 sets of firefighter turnout gear
- \$15,000 to repair Eastern Cemetery stone wall
- \$5,700 to replace Shaw Mill Cemetery's chain link fence
- \$12,669 to install electrical generator outlet on all existing traffic signals in Gorham to allow for generator hookups in event of a sustained power outage
- \$2,500 to purchase salt chutes for Public Work's plow trucks
- \$5,000 to develop a mobile business version of the GEDC website
- \$90,000 to upgrade fire alarms at Great Falls Elementary School
- \$19 to be allocated at a later date by the Town Council
- \$800,000 to provide funds for road maintenance projects

More information on the Town's capital assets is presented in the notes to the financial statements. See NOTE 1 I, SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CAPITAL ASSETS, and NOTE 6, CAPITAL ASSETS.

#### **Debt Administration**

As of June 30, 2018, the Town had a total of \$32,436,250 in outstanding general obligation debt. The Town's outstanding general obligation bonds as of June 30, 2018 were \$3,468,125 less than last fiscal year – a decrease of 9.65%.

The Town of Gorham currently has an AA+ rating from Standard and Poor's and an Aa2 rating from Moody's on its general obligation bond issues. The Town's general obligation bonds are only 1.92% of the State's equalized value.

More detailed information on the Town's long-term debt is presented in NOTE 11, LONG-TERM DEBT to the financial statements.

**TOWN OF GORHAM, MAINE**  
**Management's Discussion and Analysis, Continued**

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**Economic Factors and Next Year's Budget and Tax Rates**

One of the Town Council's approved goals is to develop a budget that maintains essential services while having a reasonable property tax rate. This is certainly a challenge but the Town has done well with keeping this goal. The fiscal year 2019 budget is \$2,571,620 below the Town's LD-1 property tax limit.

The Town's assessed value ratio as of April 1, 2018 is 98%; a decrease from the April 1, 2017 assessed value ratio, but well above the State required 70%.

The total assessed value as of April 1, 2018, was \$1,663,403,441; an increase of \$40,403,824 or 2.5% from the prior year, while the taxable value increased \$20,493,702 from \$1,570,284,293 to \$1,590,777,995. The Town of Gorham's tax rate, equal to \$18.20, increased by \$1.10 from fiscal year 2018.

The following are some of the highlights of the Town's fiscal year 2019 budget.

1. The state revenue sharing revenues in this budget year remained the same as fiscal year 2018. Under Maine law, the Town of Gorham should receive approximately \$1.9 million in revenue sharing, instead of the \$750,000 budgeted. This additional \$1,150,000 would reduce the tax rate by approximately 69 cents.
2. The budget incorporates funds for a senior property tax relief program. The annual cost to Gorham is estimated to be \$50,000.
3. There was additional staffing budgeted for the Town: A 20 hour per week part-time position in the Finance/Town Clerk Office; a Sergeant's position in the Police Department; two Per Diem Paramedic/EMT in the Fire Department; and a part-time mowing/turf management position in the Public Works department.
4. The Town added \$30,000 to supplement the current road salt budget for the winter road maintenance.

The Education budget for fiscal year 2019 shows an decrease in state subsidy of \$859,631 over the prior fiscal year's budget. The fiscal year 2019 budget includes \$354,000 for three K-5 Teachers, Gifted and Talented Teacher, Special Services 504 Strategist, part-time Psychologist, part-time Occupational Therapist, part-time School Nurse, and part-time 9-12 Teacher. This budget also includes \$52,500 for one and a half new Ed Tech III, \$120,000 for a Special Services Assistant Director, and two portable classroom lease purchase for \$52,000.

The Town's municipal appropriation is \$14,793,013, an increase of \$712,557 or 5.1% over fiscal year 2018. An increase in non-property tax revenue of \$185,620 and a \$581 increase in the transfer in from the TIF fund resulted in a net appropriation of \$8,016,791, an increase of \$526,356 or 7.0%.

The Town's education budget is \$38,942,506, an increase of \$1,320,913 or 3.5%. The School Department saw a decrease in non-property tax revenue of \$785,849 and no change in the use of fund balance. The net education appropriation for fiscal year 2019 is \$20,019,800, an increase of \$2,106,762 or 11.8%.

The County tax assessment increased by \$55,757, or 5.0%. The Town's state equalized valuation went from \$1,602,450,000 in 2017 to \$1,682,600,000 in 2018, a 5.0% increase.

**Contacting the Town's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Town of Gorham Finance Department, 75 South Street, Gorham, Maine 04038.

## ***BASIC FINANCIAL STATEMENTS***

**TOWN OF GORHAM, MAINE**  
**Statement of Net Position**  
**June 30, 2018**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash	\$ 15,743,154
Investments	7,400,454
Receivables:	
Accounts	481,911
Intergovernmental	516,861
Rescue (net of allowance of \$145,100)	257,742
Taxes - current year	701,023
Taxes - prior year	104,054
Tax liens	299,360
Notes	165,487
Tax acquired property	29,005
Performance bonds	5,707,754
Inventory	98,953
Prepaid expenses	84,285
Capital assets not being depreciated:	
Books/historical treasures/artwork	1,429,837
Land	2,230,261
Construction in progress	270,173
Capital assets net of accumulated depreciation:	
Buildings and improvements	37,271,042
Improvements other than buildings	5,739,143
Machinery and equipment	6,451,531
Infrastructure	25,179,785
<b>Total assets</b>	<b>110,161,815</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on refunding	479,550
Deferred outflows of resources related to pensions	1,145,915
Deferred outflows of resources related to OPEB	17,875
<b>Total deferred outflows of resources</b>	<b>1,643,340</b>
<b>LIABILITIES</b>	
Accounts payable	767,784
Accrued wages and benefits	3,514,654
Performance bond deposits	6,848,404
Unearned revenues	42,794
Taxes collected in advance	47,564
Noncurrent liabilities:	
Due within one year	3,963,233
Due in more than one year	34,789,942
<b>Total liabilities</b>	<b>49,974,375</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pensions	495,779
Deferred inflows of resources related to OPEB	333,685
<b>Total deferred inflows of resources</b>	<b>829,464</b>
<b>NET POSITION</b>	
Net investment in capital assets	45,751,261
Restricted for:	
Grants and programs	2,586,975
Permanent funds:	
Expendable	224,021
Nonexpendable	929,754
Unrestricted	11,509,305
<b>Total net position</b>	<b>\$ 61,001,316</b>

**TOWN OF GORHAM, MAINE**  
**Statement of Activities**  
**For the Year Ended June 30, 2018**

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 Governmental activities
Primary government:					
Governmental activities:					
General government	\$ 5,369,140	964,088	4,673	-	(4,400,379)
Public safety	4,779,796	564,292	130,677	-	(4,084,827)
Public works	6,087,262	1,893,239	252,321	1,058,000	(2,883,702)
Health and welfare	37,848	8,458	7,140	-	(22,250)
Recreation	1,897,893	1,003,066	17,195	-	(877,632)
Development	299,326	-	-	-	(299,326)
Education	41,177,926	758,090	23,587,719	-	(16,832,117)
Interest on debt	1,083,433	-	-	-	(1,083,433)
Total governmental activities	60,732,624	5,191,233	23,999,725	1,058,000	(30,483,666)
<b>Total primary government</b>	<b>60,732,624</b>	<b>5,191,233</b>	<b>23,999,725</b>	<b>1,058,000</b>	<b>(30,483,666)</b>
General revenues:					
Property taxes, levied for general purposes					26,632,400
Payment in lieu of taxes					43,717
Motor vehicle and boat excise taxes					3,745,638
Grants and contributions not restricted to specific programs:					
Homestead exemption					601,666
BETE reimbursement					299,868
Other State aid					40,767
State Revenue Sharing					778,497
Unrestricted investment earnings					288,927
Miscellaneous revenues					436,450
Gain on sale of property					27,249
Total general revenues and gain on sale					32,895,179
Change in net position					2,411,513
Net position - beginning, as restated					58,589,803
<b>Net position - ending</b>					<b>61,001,316</b>

*See accompanying notes to basic financial statements.*

**TOWN OF GORHAM, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	General	School Operations Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 14,731,152	-	1,012,002	15,743,154
Investments	6,104,751	-	1,295,703	7,400,454
Receivables:				
Accounts	215,452	23,901	242,558	481,911
Intergovernmental	204,225	2,597	310,039	516,861
Rescue (net of allowance of \$145,100)	257,742	-	-	257,742
Taxes - current year	701,023	-	-	701,023
Taxes - prior year	104,054	-	-	104,054
Tax liens	299,360	-	-	299,360
Notes	1,013	-	164,474	165,487
Interfund loans receivable	-	1,944,781	2,985,974	4,930,755
Tax acquired property	29,005	-	-	29,005
Performance bonds	5,707,754	-	-	5,707,754
Inventory	54,600	-	44,353	98,953
Prepaid expenditures	84,285	-	-	84,285
<b>Total assets</b>	<b>\$ 28,494,416</b>	<b>1,971,279</b>	<b>6,055,103</b>	<b>36,520,798</b>
<b>LIABILITIES</b>				
Accounts payable	452,118	69,674	28,628	550,420
Accrued wages and benefits	238,011	3,276,643	-	3,514,654
Interfund loans payable	4,639,315	-	296,815	4,936,130
Performance bond deposits	6,848,404	-	-	6,848,404
Taxes paid in advance	47,564	-	-	47,564
Unearned revenues	-	-	42,794	42,794
<b>Total liabilities</b>	<b>12,225,412</b>	<b>3,346,317</b>	<b>368,237</b>	<b>15,939,966</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	676,800	-	-	676,800
<b>Total deferred inflows of resources</b>	<b>676,800</b>	<b>-</b>	<b>-</b>	<b>676,800</b>
<b>FUND BALANCES</b>				
Nonspendable:				
Noncurrent receivables	1,013	-	-	1,013
Prepaid items	84,285	-	-	84,285
Nonexpendable trust principal	-	-	929,754	929,754
Inventory	54,600	-	44,353	98,953
Restricted:				
General fund	333,079	-	-	333,079
Special revenue funds	-	-	2,209,543	2,209,543
Capital projects funds	-	-	793,373	793,373
Permanent funds	-	-	224,021	224,021
Committed:				
General fund	2,260,523	-	-	2,260,523
Special revenue funds	-	-	1,228,261	1,228,261
Capital projects funds	-	-	184,462	184,462
Assigned:				
FY19 capital funding	2,104,048	-	-	2,104,048
Compensated absences	484,046	-	-	484,046
Future general fund expenditures	457,404	-	-	457,404
Capital reserves/other purposes	1,966,686	-	-	1,966,686
Special revenue funds	-	-	75,631	75,631
Unassigned:				
General fund	7,846,520	-	-	7,846,520
Special revenue funds	-	(1,375,038)	(2,532)	(1,377,570)
<b>Total fund balances (deficit)</b>	<b>15,592,204</b>	<b>(1,375,038)</b>	<b>5,686,866</b>	<b>19,904,032</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 28,494,416</b>	<b>1,971,279</b>	<b>6,055,103</b>	<b>36,520,798</b>

**TOWN OF GORHAM, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

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

Total fund balances - total governmental funds, Statement 3	\$	19,904,032
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Amounts reported for governmental activities in the statement of  
net position (Statement 1) are different because:

The deferred charge on the refunding bond in governmental activities is not reported in the funds.		479,550
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Capital assets used in governmental activities are not financial  
resources and therefore not reported in the funds. More  
specifically:

Non-depreciable capital assets	3,930,271	
Depreciable capital assets, net	74,641,501	78,571,772

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

General obligation bonds	32,436,250	
Bond premium	1,004,331	
Notes payable	198,853	
Capital leases	454,000	
Net pension liability, including related deferred inflows and outflows of resources	1,574,665	
Compensated absences	1,084,787	
Accrued interest payable	211,989	
Net OPEB liability, including related deferred inflows and outflows of resources	1,665,963	(38,630,838)

Unavailable revenues - property taxes not reported on Statement 1		676,800
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<b>Net position of governmental activities</b>	<b>\$</b>	<b>61,001,316</b>
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*See accompanying notes to basic financial statements.*

**TOWN OF GORHAM, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2018**

	General	School Operations Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 29,950,592	-	484,247	30,434,839
Licenses and permits	824,494	-	-	824,494
Intergovernmental	2,105,509	22,004,651	1,559,955	25,670,115
Charges for services	2,188,120	78,652	2,055,691	4,322,463
Other revenues	732,474	30,521	70,431	833,426
Total revenues	35,801,189	22,113,824	4,170,324	62,085,337
Expenditures:				
Current:				
General government	4,907,121	-	-	4,907,121
Public safety	4,419,673	-	-	4,419,673
Public works	3,506,588	-	1,106,148	4,612,736
Health and welfare	37,848	-	-	37,848
Recreation	1,900,685	-	17,504	1,918,189
Economic development	91,175	-	-	91,175
Public agencies	79,353	-	-	79,353
Unclassified	170,887	-	218,911	389,798
Education	-	37,551,666	1,231,909	38,783,575
Food services	-	-	1,011,424	1,011,424
Debt service:				
Principal	1,408,125	2,060,000	-	3,468,125
Interest and other charges	471,045	694,763	-	1,165,808
Capital maintenance	164,730	-	-	164,730
Capital improvements	-	-	997,102	997,102
Total expenditures	17,157,230	40,306,429	4,582,998	62,046,657
Excess (deficiency) of revenues over (under) expenditures	18,643,959	(18,192,605)	(412,674)	38,680
Other financing sources (uses):				
Capital lease proceeds	-	339,200	-	339,200
Transfers in	152,271	17,923,038	266,554	18,341,863
Transfers out	(18,140,538)	(49,054)	(152,271)	(18,341,863)
Total other financing sources (uses)	(17,988,267)	18,213,184	114,283	339,200
Net change in fund balances	655,692	20,579	(298,391)	377,880
Fund balances (deficit), beginning of year, as restated	14,936,512	(1,395,617)	5,985,257	19,526,152
Fund balances (deficit), end of year	\$ 15,592,204	(1,375,038)	5,686,866	19,904,032

*See accompanying notes to basic financial statements.*



**TOWN OF GORHAM, 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, 2018**

Net change in fund balances - total governmental funds (from Statement 4)	\$ 377,880
Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (4,597,052) and book loss on disposal (\$8,905) exceeded capital outlays (\$2,758,512) in the current period. (Note 6)	(1,847,445)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	800
Bond, note and capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. (Note 11)	3,392,100
The Town is amortizing the deferred charge on refunding and the issuance premium over the life of the refunding bond.	55,238
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. More specifically, this represents the change in long-term accrued compensated absences. (Note 11)	16,401
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. More specifically, this represents the change in OPEB liability with related deferred inflows and outflows of resources. (Note 11)	11,435
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. More specifically, this represents the change in accrued bond interest payable.	21,369
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. More specifically, this represents the change in net pension liability with related deferred inflows and outflows.	383,735
<b>Change in net position of governmental activities (see Statement 2)</b>	<b>\$ 2,411,513</b>

*See accompanying notes to basic financial statements.*

**TOWN OF GORHAM, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Budgetary Basis**  
**All Budgeted Governmental Funds**  
**For the year ended June 30, 2018**

		General Fund			Variance with final budget positive (negative)
		Budgeted amounts		Actual	
		Original	Final		
Revenues:					
Taxes	\$	29,603,120	28,901,587	29,950,592	1,049,005
Licenses and permits		566,850	566,850	824,494	257,644
Intergovernmental		1,834,015	1,985,932	2,027,835	41,903
Charges for services		1,357,200	1,357,200	1,368,077	10,877
Other revenues		146,200	146,200	340,800	194,600
Total revenues		33,507,385	32,957,769	34,511,798	1,554,029
Expenditures:					
Current:					
General government		2,685,713	2,696,758	2,668,889	27,869
Public safety		4,102,249	4,134,899	4,128,504	6,395
Public works		2,579,514	2,600,770	2,592,805	7,965
Health and welfare		60,600	60,600	37,848	22,752
Recreation		909,339	928,327	921,274	7,053
Economic development		75,866	77,385	76,205	1,180
Insurances and employee benefits		2,308,042	2,317,210	2,017,145	300,065
Public agencies		79,400	79,400	79,353	47
Unclassified		338,075	233,449	168,596	64,853
Capital		166,533	166,533	164,730	1,803
Debt service		1,888,671	1,888,671	1,879,170	9,501
Total expenditures		15,194,002	15,184,002	14,734,519	449,483
Excess of revenues over expenditures		18,313,383	17,773,767	19,777,279	2,003,512
Other financing sources (uses):					
Transfers to special revenue - School Operations fund		(18,462,654)	(17,923,038)	(17,923,038)	-
Transfers in special revenue - Impact fees fund		-	-	3,000	3,000
TIF fund		124,271	124,271	124,271	-
Transfers to capital projects - High School renovation & expansion		-	-	(217,500)	(217,500)
Transfers in capital projects - Public safety capital project fund		25,000	25,000	25,000	-
Total other financing uses		(18,313,383)	(17,773,767)	(17,988,267)	(214,500)
Net change in fund balances - budgetary basis		-	-	1,789,012	1,789,012
Reconciliation to GAAP basis:					
Change in restricted				(3,427)	
Change in committed				(1,071,486)	
Change in assigned				(16,500)	
Change in unassigned				(41,907)	
Net change in fund balance - GAAP basis				655,692	
Fund balance, beginning of year				14,936,512	
Fund balance, end of year		\$		15,592,204	

**TOWN OF GORHAM, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual - Budgetary Basis**  
**All Budgeted Governmental Funds**  
**For the year ended June 30, 2018**

Budgeted Special Revenue Funds				
School Operations Fund				
	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 18,774,438	19,324,054	19,331,154	7,100
Charges for services	34,500	34,500	78,652	44,152
Other revenues	-	-	30,521	30,521
Total revenues	18,808,938	19,358,554	19,440,327	81,773
Expenditures:				
Current:				
Regular instruction	16,551,307	16,549,703	16,360,973	188,730
Special education	5,438,459	5,438,458	5,142,077	296,381
CTE instruction	424,086	424,086	424,082	4
Other instruction	852,816	852,909	898,721	(45,812)
Student and staff support	2,943,565	2,937,357	2,972,455	(35,098)
System administration	1,113,518	1,113,518	1,147,616	(34,098)
School administration	1,950,745	1,950,465	1,942,197	8,268
Transportation	1,786,231	1,786,231	1,804,973	(18,742)
Facilities maintenance	3,544,050	3,552,050	3,714,975	(162,925)
Adult education	246,381	246,381	222,187	24,194
Debt service	2,726,434	2,726,434	2,725,529	905
Total expenditures	37,577,592	37,577,592	37,355,785	221,807
Deficiency of revenues under expenditures	(18,768,654)	(18,219,038)	(17,915,458)	303,580
Other financing sources (uses):				
Use of surplus	350,000	350,000	-	(350,000)
Transfers in - general fund	18,462,654	17,913,038	17,923,038	10,000
Transfer to other School funds	(44,000)	(44,000)	(49,054)	(5,054)
Total other financing sources	18,768,654	18,219,038	17,873,984	(345,054)
Net change in fund balance - budgetary basis	-	-	(41,474)	(41,474)
Reconciliation to GAAP basis:				
Change in accrued payroll			(196,977)	
Change in encumbrances			259,030	
Net change in fund balance			20,579	
Fund deficit, beginning of year, as restated			(1,395,617)	
Fund deficit, end of year	\$		(1,375,038)	

*See accompanying notes to basic financial statements.*

**TOWN OF GORHAM, MAINE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2018**

	<b>Agency Funds</b>	<b>Scholarships Private-purpose Trust Funds</b>
<b>ASSETS</b>		
Cash	\$ 492,560	-
Investments	-	41,853
Interfund loans receivable	6,175	-
<b>Total assets</b>	<b>498,735</b>	<b>41,853</b>
<b>LIABILITIES</b>		
Due to others	498,735	-
Interfund loans payable	-	800
<b>Total liabilities</b>	<b>498,735</b>	<b>800</b>
<b>NET POSITION</b>		
Held in trust	\$ -	<b>41,053</b>

*See accompanying notes to basic financial statements.*

**TOWN OF GORHAM, MAINE**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2018**

	<b>Scholarships Private-purpose Trust Funds</b>
Additions:	
Investment income (loss)	\$ (255)
Total additions	(255)
Deductions:	
Scholarships awarded	800
Total deductions	800
Change in net position	(1,055)
Net position, beginning of year	42,108
<b>Net position, end of year</b>	<b>\$ 41,053</b>

*See accompanying notes to basic financial statements.*

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The Town of Gorham, Maine was incorporated in 1764 and operates under a Council-Manager form of government, adopted by charter in 1967.

The accounting policies of the Town of Gorham 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.

**A. The Reporting Entity**

In evaluating how to define the reporting entity, for financial statement purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth in GAAP which 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, there were no potential component units required to be included in this report.

**B. Basis of Presentation**

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**C. Basis of Accounting/Measurement Focus**

**Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

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

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 Town of Gorham, at this time, does not have any business-type activities.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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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, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Fund financial statements report detailed information about the Town. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

**Governmental Funds**

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus except for fiduciary funds. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. An exception to the general rule is principal and interest on long-term debt which is recognized when due.

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 Town's general government, except those required to be accounted for in another fund.

The School Operations Fund, a special revenue fund whose revenues sources consist primarily of taxes and governmental subsidies, is the School Department's primary operating funds. It accounts for all financial resources of the School Department, except those required to be accounted for in another fund.

Additionally, the Town reports the following fund types:

The Special Revenue Funds account for revenue sources that are legally restricted or committed to expenditures for specific purposes (not including permanent funds or major capital projects).

The Capital Project Funds account for the acquisition of capital assets or construction of major capital projects and are generally funded by general obligation bonds.

The Permanent Funds account for resources where principal is legally restricted by a formal trust agreement and only earnings may be used for purposes that benefit the Town or its citizenry.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. The Town's agency funds consist of various school and student activity funds, public safety activity funds, and recreation activity funds.

Private-purpose trust funds are used to report all trust arrangements, under which principal and income benefit individuals, private organizations, or other governments. The Town's private-purpose trust funds consist of various scholarships.

**Revenue Recognition**

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. Those revenues susceptible to accrual are property taxes, interest, and charges for services. Licenses and permits, fines and forfeits, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

**Expenditure Recognition**

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on long-term debt as well as expenditures related to certain compensated absences and claims and judgments are only recorded when payment is due. Allocation of costs, such as depreciation, is not recognized in the governmental funds.

**D. Encumbrances**

The Town is employing encumbrance accounting, whereby commitments for the expenditure of monies are recorded to preserve that portion of the applicable appropriation, during the fiscal year. At year-end, encumbrances are recorded as expenditures for budgetary reporting and as assigned fund balance within the fund financial statements, since they do not constitute expenditures or liabilities and are added to the subsequent year's adopted appropriations.

**E. Investments**

The Town has established a formal Investment Policy that governs the investment of all financial assets of the Town. Pursuant to its Investment Policy and applicable Maine law (Title 30-A, Section 5706 et seq. of the Maine Revised Statutes, as amended) investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.



**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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To the extent possible, the Town of Gorham will attempt to match investments with anticipated cash requirements. Unless matched to a specific cash flow, the Town of Gorham will not directly invest in securities maturing more than one year from date of purchase, except for the Town's Permanent and Fiduciary Funds, which may be invested in U.S. Government securities with maturities not to exceed five years. Also, the Town of Gorham may collateralize its repurchase agreements using longer investments not to exceed five years to maturity.

Investment in derivatives is forbidden under this investment policy.

Investments are stated at fair value.

**F. Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds". All other outstanding balances between funds are reported as "Interfund loans receivable and payable".

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not expendable available financial resources and are therefore not available for appropriation.

**G. Inventories**

Inventory consists of the School Lunch Fund (Governmental Special Revenue Fund) food, supplies, and donated commodities; the trash bag, recycling bins and compost bin inventory maintained by the Public Works Department for the pay-per-bag program, the lock box inventory maintained by the Fire Department and the gas and diesel fuel remaining in the tanks at year-end. All of these inventories are recorded at cost on the first-in, first-out basis. The cost of food, supplies, donated commodities, gas and diesel, trash bags, compost bins and lock boxes are recorded as expenditures/expenses when consumed rather than when purchased.

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

**I. 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 activities in the government-wide financial statements. The Town defines capital assets as assets with an estimated useful life in excess of one year and an initial, individual cost of more than \$5,000. The Town's assets are capitalized at historical cost or estimated historical cost. For roads accepted by the Town from a developer, the Town will record the accepted road's value at the average cost per mile based on the road type. The Public Works Department will determine the average cost per mile for each road type. Gifts or contributions of capital assets are recorded at acquisition value when received. The Town does not intend to use the "modified approach" to record infrastructure. The Town has also decided not to capitalize immaterial assets such as firearms, firefighting equipment such as air-packs, and certain computer equipment.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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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.

Depreciation is recorded based on the straight-line method using the full-month convention beginning with the month following the purchase date over the assets' estimated useful live. All assets are depreciated to zero. Historical treasures, works of art, and library books, which are capitalized, will not be depreciated.

The following estimated useful lives are used to compute depreciation:

Buildings	40 years
HVAC systems and roofing	20 years
Electrical/plumbing systems	30 years
Land improvements	20-30 years
Roads	20-50 years
Bridges	50 years
Vehicles:	
Cars and light trucks	7 years
Police cruisers	4 years
Buses and rescue units	10 years
Fire trucks	20 years
Office furniture and fixtures	7 years
Equipment	10-20 years
Computer equipment	5-7 years

The Town conducted an inventory of all capital assets for fiscal year 2003 and completes internal updates annually. This process involved determining the original cost. Original costs were developed in one of four ways: 1) historical records; 2) assessed value records deflated to date of acquisition; 3) engineering estimates and Land Use and Development Code; or 4) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, as defined as the total depreciation from the date of construction/acquisition to the current date on a straight-line, unrecovered cost method was computed using industry accepted life expectancies for each capital asset. The book value was then computed by deducting the accumulated depreciation from the original cost.

**J. Deferred Outflows/Inflows 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 or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) 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 two items that qualify for reporting in this category. One is the deferred charge on refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other deferred inflows and outflows relate to the net pension and OPEB liabilities, which include the Town's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension and OPEB liabilities in the subsequent year.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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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 are deferred and amortized over a five-year period.

**K. Compensated Absences**

Employees earn vacation and sick leave as they provide services. Under the terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service. Town employees may accumulate (subject to certain limitations) up to 180 days of unused sick leave and, upon retirement, termination or death may be compensated for amounts up to 135 days at current rates of pay.

Vacation time is earned based on anniversary date and length of service in amounts ranging from two to four weeks per year. Unused vacation days for regular full-time employees may accrue from one year to the next at a maximum of 150 hours for employees with less than six (6) years of continuous service, 225 hours for an employee with six (6) years of continuous service but less than eleven (11) years of continuous service and 260 hours for employees with eleven (11) or more years of continuous service. Employees are paid for allowable accruals upon termination of employment.

In the fund financial statements, no amount is recorded unless the amount is to be paid out shortly after year-end, but the full liability is recorded in the government-wide statements.

**L. Long-term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due. In the fund financial statements, for other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

**M. Interfund Transactions**

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers of resources to provide services, construct assets, and service debt. These transactions are reported as transfers.

**N. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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**O. Fund Equity**

In the fund financial statements, governmental 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 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 upon itself at its highest level of decision making, and that remain binding unless removed in the same manner. The Town Council is the highest level of decision making authority, and can commit fund balance.

***Assigned*** – resources neither restricted nor committed for which a government has a stated intended use as established by the Town Council or a body or official to which the Town Council has delegated the authority to assign amounts for specific purposes. The Town Council authorized itself and the Town Manager within defined limits with this authority.

***Unassigned*** – resources which cannot be properly classified in one of the other four categories. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The Town Council has the responsibility for committing fund balance, by Council Order duly adopted at a Town Council meeting. Once adopted, the limitation imposed by the Order remains in place until a similar action is taken (the adoption of another Order) to remove or revise the limitation. For assigned fund balance amounts, the Town Council or Town Manager may assign unspent budgeted amounts to specific purposes in the General Fund by the year end.

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

On April 5, 2011, the Town adopted a Fund Balance Policy for the General Fund and Special Revenue Fund's School Operations Fund. It is the policy of the Town of Gorham to maintain a combined unassigned fund balance in the General Fund and Special Revenue Fund – School Operations Fund at 8.5% of the succeeding year's budgeted appropriations for the General Fund including county tax and the Special Revenue Fund – School Operations Fund. The policy establishes a process and criteria for the continued evaluation of that target level as conditions warrant. The policy also establishes a process for reaching and maintaining the targeted level of unassigned fund balance, and the priority for the use of amounts in excess of the target.

The General Fund unassigned fund balance total of \$7,846,520 represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. The School Operations Special Revenue Fund and Other Governmental Funds are reporting an unassigned negative fund balance of (\$1,375,038) and (\$2,532), respectively, as shown on Statement 3.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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As of June 30, 2018, other fund balance components consisted of the following:

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
<b>General Fund:</b>				
Noncurrent receivables	\$ 1,013	-	-	-
Prepaid items	84,285	-	-	-
Inventory	54,600	-	-	-
FY18 capital funding	-	-	-	2,104,048
Encumbrances	-	-	-	457,404
Compensated absences	-	-	-	484,046
Capital reserves	-	333,079	2,260,523	1,966,686
<b>Special Revenue Funds:</b>				
School grants	-	136,018	-	-
School donation	-	-	11,923	-
School lunch fund:				
Inventory	44,353	-	-	-
Food services	-	91,303	-	-
Sewer operations:				
Sewer operations	-	-	1,139,864	-
Sewer loan fund	-	-	75,590	-
Impact fees	-	872,122	-	-
Library	-	56,016	-	24,041
Recreation	-	7,157	-	-
TIF fund:				
Noncurrent receivable	-	164,474	-	-
TIFs	-	869,836	-	49,617
Miscellaneous	-	12,617	884	1,973
<b>Capital Project Funds:</b>				
Public safety building	-	109,660	-	-
Main Street road project	-	612,730	-	-
School CIPS project	-	1,859	-	-
Great Falls Elementary school project	-	69,079	-	-
Fire Trucks	-	45	-	-
High School renovation and expansion	-	-	184,462	-
<b>Permanent Funds:</b>				
Nonexpendable trust principal	929,754	-	-	-
Expendable trust principal	-	224,021	-	-
<b>Total governmental funds</b>	<b>\$ 1,114,005</b>	<b>3,560,016</b>	<b>3,673,246</b>	<b>5,087,815</b>

**P. Pensions**

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

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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**Q. Other Post-Employment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined based on actuary reports prepared by the OPEB Plan's actuary. 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.

**R. Comparative Data/Reclassification**

Comparative data for the prior year have 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.

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**Note 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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**A. Budgetary Information**

Budgets are adopted for the General Fund and School Operations Fund only, and are adopted on a basis consistent with generally accepted accounting principles (GAAP) except as described in the budget footnote, Note 17, BUDGETARY VS. GAAP ACCOUNTING. The level of control (level at which expenditures may not exceed budget) is the Department for the general fund budget and the budget categories for the School Operations Fund. With Council authorization, mid-year budget adjustments between departments can be made. The School Board may transfer an amount not exceeding 5% of the total appropriation for any budget category without voter approval. The budget as presented reflects these changes. At the close of the fiscal year, all unexpended budgetary accounts generally lapse. However, the Town adopted a policy that allows certain departments to carry 50% of unexpended balances to be used towards future capital purchases. These amounts are shown as assigned fund balance in the general fund at year-end. Additionally, the Town has a policy in which the amount of unassigned fund balance at the end of the year, which is greater than 8.5% of the budget, is transferred to a capital reserve account. This transfer happens subsequent to year-end, during the next fiscal years' budget process.

**B. Excess of Expenditures over Appropriations**

For the year ended June 30, 2018, expenditures did not exceed appropriations in the General Fund departments as shown on Statement 6.

For the year ended June 30, 2018, expenditures exceeded appropriations in the following School Operations Fund cost centers as shown on Statement 6:

Other instruction	\$ 45,812
Student and staff support	35,098
System administration	34,098
Transportation	18,742
Facilities maintenance	162,925

The above over expenditures lapsed to the appropriate fund balance accounts.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, Continued**

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**C. Deficit Fund Equity**

The School Operations Fund has a deficit fund balance of (\$1,375,038) at June 30, 2018. This is due primarily to variations between the budgetary and GAAP methods of accounting for summer teachers' payroll and benefits. See Note 17, BUDGETARY VS. GAAP ACCOUNTING.

The Middle School Project and Various School Projects Fund have a deficit fund balance of (\$344) and (\$900), respectively, at June 30, 2018. This is due primarily to the project being slightly over expended, and this fund will need to be reimbursed by the General Fund in the future.

The School Grant Fund has a total deficit fund balance of (\$1,288). This comprise of the following grants:

GMS - Garden	\$ 8
GMS - Water Mini Grant	150
H1N1/Flu Vaccine Clinic	1,130

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**Note 3 – RISK MANAGEMENT**

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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, participates in a public entity risk pool, or is effectively self-insured. Currently, the Town participates in a public entity risk pool and self-insured risk pool sponsored by the Maine Municipal Association, which provides the following insurance coverage to the Town: property and casualty, liability, vehicle, and workers' compensation. Maine Municipal Association's Risk Management Services provides all underwriting, marketing, claims, and loss prevention service to program participants. The financial condition of the program is excellent and includes sound financial management and the purchase of high quality reinsurance. Each program is managed individually and overseen by its own board of elected and appointed municipal officials.

If the assets of either the MMA Property and Casualty Pool or the Worker's Compensation Pool are at any time actuarially determined to be insufficient to enable either pool to discharge its legal liability and other obligations and to maintain actuarially sound reserves, either pool has the power to make up the deficiency by the levy of a prorated assessment upon its members for the amount needed to make up the deficiency. There has been no such deficiency in the past three years. Management believes that no such deficiency exists as of June 30, 2018.

Further information including financial statements for the Maine Municipal Association Pools may be obtained from MMA Risk Management Services, 60 Community Drive, Augusta, ME 04330.

Based on the coverage provided by these pools, as well as 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, 2018. There have been no significant reductions in the commercial coverage from the prior year and no settlements have exceeded insurance coverage in any of the past three years.

The Town is self-insured for unemployment compensation. The Town annually appropriates funds to cover anticipated unemployment claims during a fiscal year. However, the Town also maintains a reserve account for excess unemployment claims. As of June 30, 2018, the balance in this reserve account was \$31,500.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 4 – DEPOSITS AND INVESTMENTS**

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**A. Deposits**

At June 30, 2018, cash consisted of the following:

	<u>Carrying amount</u>	<u>Bank balance</u>
Checking, savings, NOW, and certificates of deposit accounts:		
Government Funds	\$ 15,735,380	15,841,870
Agency Funds	492,560	517,985
Petty Cash - governmental funds	972	-
Flex Plan - governmental funds	2,104	-
Postage machine balance - governmental funds	4,698	-
<b>Totals</b>	<b>\$ 16,235,714</b>	<b>16,359,855</b>

*Custodial Credit Risk – Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town's investment policy does not directly address custodial credit risk for deposits. As of June 30, 2018, \$79,058 of the Town's bank balances of \$16,359,855 was exposed to custodial credit risks. The Town uses the demand deposit marketplace in which all of our funds are FDIC insured.

**B. Investments**

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.

At June 30, 2018, investments consisted of the following:

Investment Type	Fair value	Maturities			Level 1 inputs
		Less than 1 Year	1 Year to 3 Years	Over 3 Years	
Mutual funds	\$ 630,110		Not applicable		630,110
U.S. treasuries	6,104,751	6,104,751	-	-	6,104,751
Money market accounts	461,338		Not applicable		Not Applicable
Commercial paper	198,040	-	100,520	97,520	198,040
U.S. savings Bonds	4,304	4,304	-	-	4,304
Common stock	43,764		Not applicable		43,764
<b>Total Fair Value</b>	<b>\$ 7,442,307</b>	<b>6,109,055</b>	<b>100,520</b>	<b>97,520</b>	<b>6,980,969</b>

**(1) Mutual funds and money market funds are not considered securities and are exempt from risk disclosure noted above.**



**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 4 - DEPOSITS AND INVESTMENTS, Continued**

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Out of the total \$7,442,307 in investments, \$7,400,454 is from investments in the governmental funds, while \$41,853 is for investments in the fiduciary funds' private-purpose trust funds.

*Interest Rate Risk.* The Town of Gorham's investment policy addresses interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

*Credit Risk.* Maine statutes authorize the Town to invest in obligations of U.S. Treasury and U.S. Agencies, repurchase agreements, and certain corporate stocks and bonds. Generally, the Town invests funds in certificates of deposit or savings accounts in the case of special revenue, capital projects, and trust funds, and in commercial paper or repurchase agreements (through a financial institution trust department) in the case of the General Fund. The Town only invests in commercial paper, rated in the highest tier (e.g., A-1, P-1, F-1, or D-1 or higher) by a nationally recognized rating agency. As of June 30, 2018, the Town had \$198,040 invested in commercial paper. Standard and Poor's rate the funds invested in federal money market accounts AAAM. The repurchase agreements are generally U.S. government securities, which are unrated.

*Concentration Risk.* The Town of Gorham will diversify its investment portfolio by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the Town's total investment portfolio will be invested in a single security type or with a single financial institution. At June 30, 2018, the Town was in compliance with its investment policy's stipulations on portfolio diversification.

*Custodial Credit Risk – Investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investment policy currently does not address custodial credit risk. Of the Town's \$7,442,307 in investments, \$1,091,448 were in mutual funds and money market accounts which were 100% collateralized by underlying securities held by the trust department of related bank, in the Town's name.

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**Note 5 - RECEIVABLES**

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**A. Receivables**

Receivables as of year-end for the Town's individual major funds and non-major funds, including the applicable allowance for uncollectible accounts, are as follows:

	<u>General</u>	<u>School Operations</u>	<u>Non-major Funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ 805,077	-	-	805,077
Tax liens	299,360	-	-	299,360
Accounts	215,452	23,901	242,558	481,911
Rescue (net of allowance of \$145,100)	257,742	-	-	257,742
Intergovernmental	204,225	2,597	310,039	516,861
Notes	1,013	-	164,474	165,487
<b>Net total receivables</b>	<b>\$ 1,782,869</b>	<b>26,498</b>	<b>717,071</b>	<b>2,526,438</b>

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

**Note 5 – RECEIVABLES, Continued**

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of *deferred inflows of resources* reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent property taxes receivable (General Fund)	<u>\$ 676,800</u>

**B. Property Taxes**

Property taxes for the current year were committed on September 1, 2017, on the assessed value listed as of the prior April 1 for all real and personal property located in the Town. Assessed values are periodically established by the Town's Assessor at 100% of assumed market value. A revaluation was completed for the list of April 1, 2015. The assessed value represented 93.3% of the estimated State valuation of \$1,682,600,000.

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 \$752,027 for the year ended June 30, 2018. The variance between actual property tax revenues and budgeted property tax revenues represents overlay plus supplemental taxes less abatements.

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 revenues-property taxes.

The following summarizes the 2018 and 2017 levies:

	<u>2018</u>	<u>2017</u>
Taxable Assessed Value	\$1,570,284,293	\$1,533,284,722
Tax Rate (per \$1,000)	<u>17.10</u>	<u>17.00</u>
Commitment	26,851,861	26,065,840
Supplemental Taxes Assessed	<u>45,071</u>	<u>36,231</u>
	26,896,932	26,102,071
Less: Abatements	261,390	18,119
Collections	<u>25,934,519</u>	<u>25,429,277</u>
Receivable at June 30, 2018 and 2017	<u><b>\$ 701,023</b></u>	<u><b>\$ 654,675</b></u>
Due Date(s)	½ 11/15/2017 ½ 05/15/2018	½ 11/15/2016 ½ 05/15/2017
Interest Rates on Delinquent Taxes	7.0%	7.0%
Collection Rate	97.4%	97.5%

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 5 – RECEIVABLES, Continued**

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Of the total taxes committed for the year ended June 30, 2018, the original amount allocated to the ODAT-Grondin Municipal Development Tax Increment Financing District, the Pettingill-Ross Municipal Development Tax Increment Financing District, the Gorham County Road LLC Municipal Development Tax Increment Financing District, the Nappi Municipal Development Tax Increment Financing District, the Olde Canal Business Park Municipal Development Tax Increment Financing District and the Martin's Point Municipal Development Tax Increment Financing District was \$484,247.

**C. Notes Receivables**

At June 30, 2018, the Town of Gorham had the following long-term receivables:

<u>Receivable From</u>	<u>Issue Date</u>	<u>Amount Issued</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Annual Payments</u>	<u>Amount Outstanding</u>
Black Brook water main notes	12/2000	\$16,587	1.0%	10/2020	405	1,013
My Fit 24	2/2015	50,000	5.0%	2/2022	6,875	28,356
Wood Excavating	11/2015	100,000	5.0%	11/2035	3,886	90,191
Plowshares Community Farm Loan	6/2016	29,000	5.0%	6/2017	29,000	-
HAM (Mr. Bagel)	8/2016	5,000	0.0%	8/2021	1,042	2,125
Gorham Growl	10/2016	3,000	0.0%	11/2019	784	1,540
Century 21	10/2016	5,000	0.0%	11/2021	917	3,417
Flagship New Portland Road LLC	6/2017	40,000	4.5%	6/2037	1,155	38,845
						<u><u>\$ 165,487</u></u>

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

**Note 6 – CAPITAL ASSETS**

The Town has reported all capital assets including infrastructure in the Government-wide Statement of Net Position. All capital assets were reported using the basic approach whereby accumulated depreciation and depreciation expense has been recorded.

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
<b>Governmental Activities:</b>				
Books/historical treasures/artwork	\$ 1,429,837	\$ -	\$ -	\$ 1,429,837
Land	2,234,761	-	4,500	2,230,261
Construction in progress	340,655	102,899	173,381	270,173
Total capital assets, not being depreciated	<u>4,005,253</u>	<u>102,899</u>	<u>177,881</u>	<u>3,930,271</u>
Land improvements	9,488,874	317,779	-	9,806,653
Buildings and building improvements	68,608,318	56,375	-	68,664,693
Machinery and equipment	3,170,133	93,614	-	3,263,747
Furniture and office equipment	4,429,909	94,529	-	4,524,438
Computer equipment	510,876	-	-	510,876
Vehicles	11,947,202	1,208,697	1,025,567	12,130,332
Infrastructure	46,848,341	1,058,000	-	47,906,341
Total capital assets being depreciated	<u>145,003,653</u>	<u>2,828,994</u>	<u>1,025,567</u>	<u>146,807,080</u>
Less accumulated depreciation for:				
Land improvements	3,710,352	357,158	-	4,067,510
Buildings and building improvements	29,456,143	1,937,508	-	31,393,651
Machinery and equipment	2,248,939	132,949	-	2,381,888
Furniture and office equipment	3,588,597	286,020	-	3,874,617
Computer equipment	472,651	8,107	-	480,758
Vehicles	7,548,743	713,018	1,021,162	7,240,599
Infrastructure	21,564,264	1,162,292	-	22,726,556
Total accumulated depreciation	<u>68,589,689</u>	<u>4,597,052</u>	<u>1,021,162</u>	<u>72,165,579</u>
Total capital assets being depreciated, net	<u>76,413,964</u>	<u>(1,768,058)</u>	<u>4,405</u>	<u>74,641,501</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 80,419,217</u></b>	<b><u>\$ (1,665,159)</u></b>	<b><u>\$ 182,286</u></b>	<b><u>\$ 78,571,772</u></b>

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

Governmental activities:	
General government	\$ 254,764
Public safety	650,066
Public works, including depreciation of general infrastructure assets	1,410,053
Recreation	157,639
Education	<u>2,124,530</u>
<b>Total depreciation expense – governmental activities</b>	<b><u>\$ 4,597,052</u></b>

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 7 – MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM**

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

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

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

**PLD Plan** - Employees are required to contribute 8.0% to 9.5% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2018, was 9.6% of annual payroll for the regular plan and 12.2% of annual payroll for the special plan. Contributions to the pension plan from the Town were \$222,864 for the year ended June 30, 2018.

**SET Plan** - Maine statute requires the State to contribute a portion of the Town's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The Town's contractually required contribution rate for the year ended June 30, 2018, was 15.05% of annual payroll of which 3.97% of payroll was required from the Town and 11.08% was required from the State. Contributions to the pension plan from the Town were \$755,014 for the year ended June 30, 2018.

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

The net pension liabilities were measured as of June 30, 2017, and the total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of that date. The Town's proportion of the net pension liabilities were based on projections of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating local districts (PLD Plan) and of all participating School Administrative Units and the State (SET Plan), actuarially determined.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**NOTE 7 – MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, Continued**

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**PLD Plan** - At June 30, 2018, the Town reported a liability of \$1,730,314 for its proportionate share of the net pension liability. At June 30, 2017, the Town's proportion of the PLD Plan was 0.4226%.

**SET Plan** - At June 30, 2018, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 494,487
State's proportionate share of the net pension liability	
associated with the Town	<u>21,227,184</u>
 <b>Total</b>	 <b><u>\$ 21,721,671</u></b>

At June 30, 2017, the Town's proportion of the SET Plan was 0.0340%.

For the year ended June 30, 2018 the Town recognized pension expense of \$28,333 for the PLD Plan. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to the PLD plan from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ -	83,129
Changes of assumptions	147,241	-
Net difference between projected and actual earnings on pension plan investments	-	47,579
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	345,197
Town contributions subsequent to the measurement date	<u>222,864</u>	<u>-</u>
 <b>Total</b>	 <b><u>\$ 370,105</u></b>	 <b><u>475,905</u></b>

\$222,864 is reported as deferred outflows of resources related to the PLD plan resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2019.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**NOTE 7 – MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, Continued**

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

Year ended June 30:

2018	\$ (245,922)
2019	23,454
2020	11,609
2021	(117,805)

For the year ended June 30, 2018, the Town recognized pension expense of \$2,673,004 for the SET Plan with revenue of \$2,107,193 for support provided by the State. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to the SET plan from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 20,796	-
Changes of assumptions	-	7,723
Net difference between projected and actual earnings on pension plan investments	-	7,273
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	4,878
Town contributions subsequent to the measurement date	755,014	-
<b>Total</b>	<b>\$ 775,810</b>	<b>19,874</b>

\$755,014 is reported as deferred outflows of resources related to the SET plan resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ (5,630)
2019	29,718
2020	3,306
2021	(26,471)

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**NOTE 7 – MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, Continued**

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**Actuarial Assumptions** - The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u><b>PLD Plan</b></u>	<u><b>SET Plan</b></u>
Inflation	2.75%	2.75%
Salary Increases, per year	2.75% to 9.0%	2.75% to 14.5%
Investment return, per annum, compounded annually	6.875%	6.875%
Cost of living benefit increases, per annum	2.20%	2.20%

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period June 30, 2012 to 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, 2017 are summarized in the following table:

<u><b>Asset Class</b></u>	<u><b>Target Allocation</b></u>	<u><b>Long-term Expected Real Rate of Return</b></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%
<u><b>Total</b></u>	<u><b>100%</b></u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 6.875% for the PLD Plan and 6.875% for the SET Plan. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.



**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**NOTE 7 – MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, Continued**

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**Sensitivity of the Town's Proportionate Share of the net Pension Liabilities 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 6.875% for the PLD Plan and 6.875% for the SET Plan, 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 (5.875% for PLD Plan and 5.875% for SET Plan) or 1 percentage-point higher (7.875% for PLD Plan and 7.875% for SET Plan) than the current rate:

<u><b>PLD Plan</b></u>	1% Decrease <u>(5.875%)</u>	Current Discount Rate <u>(6.875%)</u>	1% Increase <u>(7.875%)</u>
Town's proportionate share of the net pension liability	\$ 3,471,541	1,730,314	419,439
<u><b>SET Plan</b></u>	1% Decrease <u>(5.875%)</u>	Current Discount Rate <u>(6.875%)</u>	1% Increase <u>(7.875%)</u>
Town's proportionate share of the net pension liability	867,678	494,487	186,365

**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, 2018.

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**NOTE 8 – OTHER PENSION PLANS**

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**A. Deferred Compensation Plan**

The Town of Gorham offers all its employees not participating in MainePERS a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The Town expended \$162,179 for the year ended June 30, 2018, and \$147,557 for the year ended June 30, 2017. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liabilities for the compensation deferred by plan participants, including earnings on plan assets, are not included in the Town's financial statements.

**B. Other Retirement Contributions**

Additionally, the Town participates in the Social Security Retirement Program. The Town contributed \$472,627 including F.I.C.A. and Medicare to the Social Security Retirement Program on behalf of Town employees for the year ended June 30, 2018 and \$460,804 for the year ended June 30, 2017.

School employees who are not eligible for the MainePERS participate in the Social Security Retirement Program. In addition, a small group of School employees participates in both programs. The School Department contributed \$250,669 including F.I.C.A. and Medicare to the Social Security Retirement Program on behalf of the School employees for the year ended June 30, 2018 and \$248,829 for the year ended June 30, 2017.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 9 – OTHER POST EMPLOYMENT BENEFITS**

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

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

Additionally, the Town sponsors a post-retirement benefit plan providing health insurance to retiring employees (hereafter referred to as the Health Plan). The plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The Town Council has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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

Retirees with a minimum of age 55 and 5 years of service at retirement are eligible for postretirement health Insurance benefits. Eligible retirees are required to pay 100% of health insurance premiums to receive health benefit coverage and therefore, the Town makes no actual contributions.

*Employees Covered by Benefit Terms* – At June 30, 2018, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	7
Inactive employee entitled to but not yet receiving benefits	-
Active employees	<u>80</u>
Total	<u><u>87</u></u>

**Contributions** - Premium rates for both the PLD and SET OPEB plans are determined by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims.

PLD OPEB Plan - The Town is required to remit a premium of \$0.46 per \$1,000 of coverage per month during the post-employment retirement period. Contributions to the PLD OPEB plan from the Town were \$16,109 for the year ended June 30, 2018. Employees are not required to contribute to the PLD OPEB plan.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 9 – OTHER POST EMPLOYMENT BENEFITS, Continued**

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SET OPEB Plan - The State of Maine is required to remit the total dollar amount of each year's annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the Town were \$69,934 for the year ended June 30, 2018. Employers and employees are not required to contribute to the SET OPEB plan.

Health OPEB Plan – Eligible retirees are required to pay 100% of health insurance premiums to receive health benefit coverage and therefore, the Town makes no actual contributions.

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

The net OPEB liability for both the PLD and SET OPEB plans was measured as of June 30, 2017, and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by actuarial valuations as of that date. The Town's proportion of the net OPEB liabilities was based on a projection of the Town's long-term share of contributions to the PLD and SET OPEB plans relative to the projected contributions of all participating employers, actuarially determined.

PLD OPEB Plan – At June 30, 2018, the Town reported a liability of \$148,746 for its proportionate share of the net OPEB liability. At June 30, 2017, the Town's proportion was 0.889%.

SET OPEB Plan – At June 30, 2018, the Town reported no liability related to the plan. The State of Maine's proportionate share of the net OPEB liability associated with the Town was \$771,655 as of June 30, 2018. At June 30, 2017, the Town's proportion was 0.00%.

The Town's total Health Plan OPEB liability of \$1,201,407 was measured as of January 1, 2018, and was determined by an actuarial valuation as of that date.

***Changes in the Total Health Plan OPEB Liability***

	Total OPEB Liability
Balance at June 30, 2017	\$ 1,478,356
Changes for the year:	
Service Cost	40,376
Interest	56,510
Changes of benefit terms	-
Differences between expected and actual experience	(276,556)
Changes in assumptions or other inputs	(49,292)
Benefit payments	(47,987)
Net changes	(276,949)
Balance at June 30, 2018	\$ <u>1,201,407</u>

Change in assumptions reflects a change in the discount rate from 3.78% to 3.44% and also a change in valuation method from Projected Unit Credit to the Entry Age Normal funding method.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 9 – OTHER POST EMPLOYMENT BENEFITS, Continued**

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For the year ended June 30, 2018, the Town recognized OPEB gain of \$3,493 for the PLD OPEB Plan. For the year ended June 30, 2018, the Town recognized OPEB expense of \$69,934 and also revenues of \$69,934 for support provided by the State related to the SET OPEB plan. At June 30, 2018, the Town reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB plan. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	41,448
Net difference between projected and actual earnings on OPEB plan investments	-	7,121
Changes in proportion and differences between Town contributions and proportionate share of contributions	1,766	-
Town contributions subsequent to measurement date	16,109	
Total	\$ 17,875	48,569

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	\$ (9,717)
2020	(9,717)
2021	(9,717)
2022	(9,717)
2023	(7,935)

For the year ended June 30, 2018, the Town recognized OPEB expense of \$8,167 related to the Health Plan. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	241,986
Changes of assumption or other inputs	-	43,130
Total	\$ -	285,116

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 9 – OTHER POST EMPLOYMENT BENEFITS, Continued**

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Health Plan OPEB will be recognized in OPEB expense as follows:

Year ended June 30:		
2019	\$	(40,732)
2020		(40,732)
2021		(40,732)
2022		(40,732)
2023		(40,732)
Thereafter		(81,456)

**Actuarial Assumptions and Other Inputs** - The total OPEB liability in the June 30, 2017 actuarial valuations for both the PLD and SET OPEB plans was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

	<u>PLD OPEB Plan</u>	<u>SET OPEB Plan</u>
Inflation	2.75%	2.75%
Salary increases	2.75% - 9.00%	2.75% - 14.50%
Investment rate of return	6.875%	6.875%

Mortality rates for both the PLD and SET OPEB plans were based on the RP2014 Total Dataset Healthy Annuity Mortality Table, for males and females, with adjustments ranging 104% to 120% based on actuarially determined demographic differences.

The actuarial assumptions used in the June 30, 2017 valuations for both the PLD and SET OPEB plans were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

The total OPEB liability in the January 1, 2018 actuarial valuation for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00% per year
Salary increases	2.75% per year
Discount rate	3.44%
Healthcare cost trend rates	8.27% for 2018, decreasing 0.27% per year
Retirees' share of the benefit related costs	5%-100% of projected health insurance premiums

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

The actuarial assumptions used in the January 1, 2018 valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 9 – OTHER POST EMPLOYMENT BENEFITS, Continued**

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	70.0%	6.0%
Real estate	5.0%	5.2%
Traditional credit	16.0%	3.0%
US Government Securities	9.0%	2.3%
Total	100.0%	

**Discount Rate** - The rate used to measure the net OPEB liability for the PLD OPEB plan was 5.41% which is a blend of the assumed long-term expected rate of return of 6.875% and a municipal bond index rate of 3.58%, based on the Bond Buyer GO 20-Year Municipal Bond Index as of June 30, 2017. Projections of the plan's fiduciary net position indicate that it is not expected to be sufficient to make projected benefit payments for current members beyond 2052. Therefore, the portion of the future projected benefit payments after 2052 are discounted at the municipal bond index rate. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.

The rate used to measure the net OPEB liability for the SET OPEB plan was 6.875%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plans fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The rate used to measure the total OPEB liability for the Health Plan was 3.44%. The discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

**Sensitivity of the Town's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** – The following presents the Town's proportionate share of the net PLD OPEB plan liability calculated using the discount rate of 5.41%, as well as what the Town's proportionate share of the net PLD OPEB plan liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4.41%) or 1 percentage-point higher (6.41%) than the current rate:

	1% Decrease (4.41%)	Discount Rate (5.41%)	1% Increase (6.41%)
Net OPEB liability	\$ 199,627	148,746	108,578

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 9 – OTHER POST EMPLOYMENT BENEFITS, Continued**

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

**Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate** – The following presents the Town's total OPEB liability related to the Health Plan calculated using the discount rate of 3.44%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.44%) or 1 percentage-point higher (4.44%) than the current rate:

	1% Decrease (2.44%)	Discount Rate (3.44%)	1% Increase (4.44%)
Total OPEB liability	\$ 1,381,131	1,201,407	1,054,468

**Sensitivity of the Total Health Plan OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The following presents the Town's total OPEB liability related to the Health Plan calculated using the healthcare cost trend rates of 8.27% decreasing 0.27% per year, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 1,060,329	1,201,407	1,378,738

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

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**Note 10 – INTERFUND ACCOUNTS**

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The purpose of the interfunds is to charge revenue and expenditure activity to the appropriate funds. With centralized cash, everything is received and disbursed through the general fund. With interfund accounts, it allows the activity to be recorded within the proper fund, even though the activity occurs within the general fund cash account.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 10 – INTERFUND ACCOUNTS, Continued**

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Individual interfund loans receivable and payable balances at June 30, 2018 were as follows:

<u>Fund</u>	<u>Interfund loans receivable</u>	<u>Interfund loans payable</u>
Governmental Funds:		
General Fund	\$ -	4,639,315
School Operations Fund	<u>1,944,781</u>	<u>-</u>
Other governmental funds:		
Special revenue funds:		
School Grants Fund	-	156,801
School Donation Fund	11,923	-
School Lunch Fund	-	114,949
Sewer Operations Fund	898,172	-
Little Falls Sewer Reserve and Loan Fund	14,552	-
Impact Fees Fund	872,122	-
Library Fund	21,498	-
Recreation Fund	5,802	-
TIF Fund	919,307	-
Miscellaneous Fund	2,857	-
Capital project funds:		
2016 CIPS School Bond	-	23,321
Great Falls Elementary School Project	36,028	-
Middle School Project	-	344
High School Renovation and Expansion	201,312	-
Various School Projects	-	900
Permanent funds:		
Cemetery Perpetual Care	2,369	-
Baxter Library & Museum	32	-
Miscellaneous	<u>-</u>	<u>500</u>
Total other governmental funds	<u>2,985,974</u>	<u>296,815</u>
Fiduciary funds	<u>6,175</u>	<u>800</u>
<b>Totals</b>	<b>\$ <u>4,936,930</u></b>	<b><u>4,936,930</u></b>



**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 10 – INTERFUND ACCOUNTS, Continued**

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Interfund transfers during the year ended June 30, 2018 consisted of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ <u>152,271</u>	<u>18,140,538</u>
School Operations Fund	<u>17,923,038</u>	<u>49,054</u>
Special Revenue Funds:		
School Grants	5,054	-
School Lunch	44,000	-
Impact Fees Fund	-	3,000
TIF Fund	-	124,271
Capital Project Funds:		
2016 Public Safety Building	-	25,000
High School Renovation & Expansion	<u>217,500</u>	<u>-</u>
Total other governmental funds	<u>266,554</u>	<u>152,271</u>
<b>Totals</b>	<b>\$ <u>18,341,863</u></b>	<b><u>18,341,863</u></b>

The transfers out comprised of the following:

1. From the General Fund: to provide the School Operations Fund with the local tax allocations for education (\$17,913,038), transfer to school's facilities department for town use (\$10,000) and transfer funds allocated to use as seed money for the High School renovation & expansion (\$217,500).
2. From the School Operation Fund: to fund negative balance in the athletic fund in the grant fund (\$5,054) and to fund shortfall in School Lunch due to cost of salary increase instead of increasing school lunch rates (\$44,000).
3. From the Special Revenue Fund's Impact Fees Fund: to fund pedestrian rail trail (\$3,000).
4. From the Special Revenue Fund's TIF Fund: to provide funding for the Libby/Brackett Road debt service and Economic Development (\$124,271).
5. From the Capital Project Fund's Public Safety building: to allocate premium to general fund revenue that was budgeted (\$25,000).

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**Note 11 – LONG-TERM DEBT**

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**A. Statutory Debt Limit**

In accordance with 30 MRSA, Section 5061, as amended, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. At June 30, 2018, the Town was in compliance with these limitations. (See Table 13, STATISTICAL SECTION)

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

**Note 11 – LONG-TERM DEBT, Continued**

**B. Changes in Long-term Debt**

Long-term liability activity for the year ended June 30, 2018 was as follows:

	<b>Restated</b>			<b>Ending</b>	<b>Due Within</b>
	<b>Beginning</b>				
	<b>Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance</b>	<b>One Year</b>
<b>Governmental activities:</b>					
General obligation bonds	\$ 35,904,375	-	3,468,125	32,436,250	3,393,125
Bond premium	1,143,154	-	138,823	1,004,331	138,823
Notes payable	204,621	-	5,768	198,853	198,853
Capital leases	372,207	339,200	257,407	454,000	182,432
Compensated absences	1,101,188	138,332	154,733	1,084,787	50,000
Net pension liability	3,201,720	-	976,919	2,224,801	-
Other post-employment benefits	1,677,398	96,886	424,131	1,350,153	-
<b>Governmental activity long-term liabilities</b>	<b>\$ 43,604,663</b>	<b>574,418</b>	<b>5,425,906</b>	<b>38,753,175</b>	<b>3,963,233</b>

**C. Bonds and Notes Payable**

General obligation bonds are direct obligations and pledge the full faith and credit of the Town. These bonds are issued as serial bonds, generally with equal amounts of principal maturing each year.

General obligation bonds currently outstanding at June 30, 2018 are comprised of the following:

	<b>Interest</b>	<b>Original</b>	<b>Final</b>	<b>Balance</b>	<b>Due</b>
<b>General Obligation Bonds</b>	<b>Rate</b>	<b>Issue</b>	<b>Maturity</b>	<b>End of</b>	<b>Within</b>
		<b>Amount</b>	<b>Date</b>	<b>Year</b>	<b>One Year</b>
<b>Governmental activities:</b>					
2016 Advance Refunding (2010 Bond)	2.25-5.00%	\$ 11,480,000	10/1/2030	11,480,000	-
2016 Fire Truck Bond	2.00-5.00%	1,290,000	10/1/2036	1,225,000	65,000
2016 Main Street Bond	2.00-3.00%	600,000	12/1/2035	540,000	30,000
2016 School CIP Bond	2.00-3.00%	1,175,000	12/1/2035	1,055,000	60,000
2015 Public Safety Building Bond	2.00-3.25%	4,990,000	6/1/2035	4,240,000	250,000
2013 Fire Truck/Little Falls School Bond	2.00-4.00%	1,400,000	11/15/2033	1,060,000	85,000
2012 Advance Refunding Bond	2.00-3.50%	17,085,000	11/1/2024	9,015,000	1,605,000
2011 Maine Municipal Bond (2000 Bond)	.50-5.20%	585,000	11/1/2019	146,250	73,125
2010 Road Projects/Heavy Rescue Bond	2.00-3.50%	3,450,000	8/1/2027	615,000	205,000
2010 Elementary School Bond	2.00-4.25%	20,384,680	10/1/2030	3,060,000	1,020,000
<b>Total governmental activities</b>				<b>\$ 32,436,250</b>	<b>3,393,125</b>

The General Fund and the Special Revenue Funds' School Operations Fund pay all governmental activities long-term debt service requirements.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 11 – LONG-TERM DEBT, Continued**

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

<b>Fiscal Year Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	3,393,125	1,020,767	4,413,892
2020	3,378,125	915,445	4,293,570
2021	3,295,000	808,594	4,103,594
2022	3,270,000	690,606	3,960,606
2023	3,265,000	573,606	3,838,606
2024-2028	9,585,000	1,694,526	11,279,526
2029-2033	5,230,000	463,725	5,693,725
2034-2037	1,020,000	48,522	1,068,522
<b>Totals</b>	<b>\$ 32,436,250</b>	<b>6,215,791</b>	<b>38,652,041</b>

On April 27, 2004, the Town entered into an agreement with Portland Water District to expand water main access on Fort Hill Road (Route 114). The Town agreed to pay \$249,000 towards this expansion and will pay Portland Water District yearly with the amount collected as part of a special impact fee. This note payable is interest free. The Town will continue making these payments until the full amount due is paid. If the full amount has not been paid by June 2019, the Town will pay the remaining balance to Portland Water District.

**D. Capital Leases**

The Gorham School Department has entered into various lease agreements as lessee for school buses, photocopiers, Chromebooks and a piano. Those leases qualify as capital leases for accounting purposes, and therefore, have been recorded in the government-wide financial statements at the present value of future minimum lease payments as of the date of their inception.

The following is a summary of the capital lease commitments as of June 30, 2018:

	<b>Original Purchase Price</b>	<b>Annual Depreciation Expense</b>	<b>Total Minimum Lease Payments</b>	<b>Interest</b>	<b>Present Value of Minimum Lease Payments</b>
School buses (10)	\$ 685,087	68,509	383,228	28,584	354,644
Photocopiers	115,891	8,001	61,942	3,225	58,717
Piano	15,400	2,200	3,387	108	3,279
Portable classroom (2)	57,200	3,813	13,200	-	13,200
Chromebooks (250)	49,000	N/A	24,875	715	24,160
<b>Totals</b>	<b>\$ 922,578</b>	<b>85,523</b>	<b>486,632</b>	<b>32,632</b>	<b>454,000</b>

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 11 – LONG-TERM DEBT, Continued**

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The following is a schedule of future minimum lease payments under the capital lease and the present value of the minimum lease payment at June 30, 2018:

<u>Fiscal year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Lease Obligation</u>
2019	\$ 182,432	12,806	195,238
2020	114,709	10,039	124,748
2021	76,777	5,904	82,681
2022	59,696	3,101	62,797
2023	20,386	782	21,168
<b>Totals</b>	<b>\$ 454,000</b>	<b>32,632</b>	<b>486,632</b>

**E. Compensated Absences**

The Town's policy relating to compensated absences is described in Note 1, K. The long-term portion of this debt, amounting to \$1,084,787 for governmental activities at June 30, 2018, is expected to be paid in future years from future resources. The Town has estimated that out of the \$1,084,787 approximately \$50,000 will be due within the next year. In prior years, compensated absences have been liquidated primarily by the general fund.

Long-term compensated absences as of June 30, 2018 are comprised of the following:

<u>Type of Leave</u>	<u>Governmental Activities</u>
Sick paid upon termination	\$ 600,741
Vacation	409,943
Compensatory time	<u>74,103</u>
<b>Total</b>	<b><u>\$ 1,084,787</u></b>

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**Note 12 – OVERLAPPING DEBT AND OTHER CONTINGENCIES**

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**A. 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. At June 30, 2018, the Town's State valuation of \$1,682,600,000 was 3.82% of the County's State valuation of \$44,050,850,000. The Town's share is 3.82% or \$1,359,232 of Cumberland County's \$35,585,000 long-term debt outstanding as of June 30, 2018.

The Town is also served by the Portland Water District. At June 30, 2018, the Town's share of self-supporting bonded water debt is 5.71% or \$2,863,620 of total debt of \$50,150,965.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 12 – OVERLAPPING DEBT AND OTHER CONTINGENCIES, Continued**

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The Town also shares an obligation with the Town of Windham and City of Westbrook for a joint sewer project. Gorham's share of the Little Falls sewer system debt is \$2,506,044, while Gorham's share of the Westbrook sewer system debt is \$935,564. The Water District annually assesses the Town for its proportionate share of debt issued for engineering and construction costs of a sewage treatment plant.

**Total Debt and Contingencies**

<u>Governmental Unit</u>	<u>As of June 30, 2018</u>		
	<u>Direct Debt</u>	<u>Overlapping Debt</u>	<u>Total Debt</u>
Town of Gorham - general obligation bonds and notes payable	\$ 32,635,103	-	32,635,103
Town of Gorham - bond premiums	1,004,331	-	1,004,331
Town of Gorham – capital lease	454,000	-	454,000
Cumberland County	-	1,359,232	1,359,232
Portland Water District - sewer shared with Town of Windham and City of Westbrook	-	3,441,608	3,441,608
Portland Water District - water debt	-	2,863,620	2,863,620
<b>Totals</b>	<b>\$ 34,093,434</b>	<b>7,664,460</b>	<b>41,757,894</b>

**B. Arbitrage**

Pursuant to the Tax Reform Act of 1986, municipalities issuing tax-exempt bonds or entering into note or lease obligations are required to perform an arbitrage rebate calculation upon the fifth anniversary of the obligation and to remit such rebate to the federal government, subject to certain exceptions. The Town has had several issues for which a rebate calculation is or has been required. As of June 30, 2018, substantially all such calculations have been performed.

**C. Grant Funds**

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

**D. Litigation**

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 12 – OVERLAPPING DEBT AND OTHER CONTINGENCIES, Continued**

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**E. Conduit Debt**

From time to time, the Town has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Town, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2018, there was no outstanding principal amount payable.

**F. Encumbrances**

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 457,404
School Operations Fund	403,458

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**Note 13 – JOINTLY GOVERNED ORGANIZATION**

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The Town of Gorham 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, 2018 includes total assets of \$62,899,434, and total liabilities of \$17,719,973 and unrestricted net position of \$17,354,190. The liabilities include an accrual for landfill closure and postclosure care amounting to \$14,819,398. 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.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 14 – NET POSITION**

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Net position represents the assets and deferred outflows of resources less the liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the 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 for fiscal year 2018 with 2017 information provided for comparison:

	<u>2018</u>	<u>2017</u>	<u>\$ Chg</u>	<u>% Chg</u>
Capital assets	\$150,737,351	\$149,008,906	\$ 1,728,445	1.2%
Accumulated depreciation	(72,165,579)	(68,589,689)	(3,575,890)	5.2%
Deferred charge on refunding	479,550	563,135	(83,585)	-14.8%
Bonds payable (includes premium)	(33,440,581)	(37,047,529)	3,606,948	-9.7%
Notes payable	(198,853)	(204,621)	5,768	-2.8%
Capital leases	(454,000)	(372,207)	(81,793)	22.0%
Add back unspent bond proceeds	<u>793,373</u>	<u>1,739,594</u>	<u>(946,221)</u>	-54.4%
<b>Net investment in capital assets</b>	<b><u>\$ 45,751,261</u></b>	<b><u>\$ 45,097,589</u></b>	<b><u>\$ 653,672</u></b>	<b>1.4%</b>

**Restricted Net Position** - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. This category presents restrictions placed on the General, Special Revenue, Capital Projects, and Permanent funds.

**Unrestricted Net Position** - Represents the net position of the Town, not restricted for any project or other purpose.

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**Note 15 – REIMBURSEMENT FOR DEBT SERVICE EXPENDITURES**

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The State of Maine currently reimburses the Town for a portion of the financing costs of school building and school bus purchases. Continuation of such reimbursement is dependent upon continued appropriation by the state legislature.

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**Note 16 – TAX INCREMENT FINANCING DISTRICT**

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Tax increment financing (TIF) pursuant to Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended, enables a municipality to finance development by utilizing the future increased property tax receipts attributable to the development. Under the statutory framework, the municipality designates a tax increment-financing district and adopts a development program (the Development Program) stating the means and objectives for the development district.

The municipality may designate, or "capture", all or a portion of the increase in assessed value resulting from development within the district and dedicates the increased property taxes it receives in future years generated by the "captured" assessed value to payment of the costs of the Development Program, which may include debt service on borrowing to fund such costs.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 16 - TAX INCREMENT FINANCING DISTRICT, Continued**

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Tax increment financing districts are subject to statutory limits on their size, including the following limitations: (a) the total area of a single development district may not exceed 2% of the total acreage of the municipality, (b) the total area of all districts within a municipality may not exceed 5% of the total acreage of the municipality, and (c) the aggregate value of equalized taxable property of all districts within the municipality as of the April 1<sup>st</sup> preceding the date of designation of each such district cannot exceed 5% of the municipality's total value of equalized taxable property, excluding from this limit any district involving project costs in excess of \$10,000,000, the geographic area of which consists entirely of contiguous property owned by a single taxpayer with an assessed value in excess of 10% of the municipality's total assessed value.

The increase in assessed value captured by the municipality is excluded from the municipality's equalized just value for each year's State valuation filed with the Secretary of State in accordance with Title 36, Section 208 and 305 of Maine Revised Statutes, as amended, and is therefore not included in calculating that municipality's share of State educational aid, State municipal revenue sharing, the county tax or the 15% debt limitation for the municipality pursuant to Title 30-A, Section 5257 of the Maine Revised Statutes, as amended.

Below is a summary of the TIF activity for fiscal year ended June 30, 2018:

<b>FY2018 TIF Activity</b>			
	<b>Developer's Share</b>	<b>Town Share</b>	<b>TIF District Total</b>
<b>ODAT - Grondin District</b>			
ODAT	\$ 24,573	24,574	49,147
Grondin Properties	7,322	147,377	154,699
Subtotal:	31,895	171,951	203,846
<b>Pettingill-Ross District</b>			
Pettingill Ross	16,696	-	16,696
Subtotal:	16,696	-	16,696
<b>Gorham County Road District</b>			
Gorham County Road LLC	9,744	-	9,744
Subtotal:	9,744	-	9,744
<b>Nappi District</b>			
Nappi Distributors	80,312	74,134	154,446
Subtotal:	80,312	74,134	154,446
<b>Olde Canal Business Park</b>			
Olde Canal	23,062	24,984	48,046
Subtotal:	23,062	24,984	48,046
<b>Martin's Point</b>			
Martin's Point	25,735	25,734	51,469
Subtotal:	25,735	25,734	51,469
<b>Total TIF Financing Plan Amount</b>	<b>\$ 187,444</b>	<b>296,803</b>	<b>484,247</b>



**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 16 - TAX INCREMENT FINANCING DISTRICT, Continued**

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The Development Plan may authorize the Town to enter into a Credit Enhancement Agreement (C.E.A.) which represents a tax abatement under the requirements of GASB 77. The C.E.A. is a mechanism to assist the development project by using all or a portion of the incremental property tax revenues generated by the new investment to pay certain authorized project cost directly to the developer.

The Town had six approved Tax Increment Financing Districts as of June 30, 2018. For fiscal year 2018, the Town captured \$484,247 in TIF tax revenues and disbursed \$187,444 in C.E.A. payments to the six developers. The remaining \$296,803 was applied toward eligible local expenditures. The following are the C.E.A. payments that each exceeds ten (10) percent of the total amount of C.E.A. payments:

On August 5, 2003, the Town designated approximately 28.1 acres within the Gorham Industrial Park as the ODAT - Grondin Development District. The joint name is to reflect that this district involves efforts of two separate developers on two separate but geographically proximate locations. ODAT is a precision manufacturer of component machine parts and constructed a 21,000 square foot manufacturing facility on its 4.9-acre tract of land. The Town Council in a 6-0 vote approved a 15-year TIF, which would give back 50% of the taxes generated from the increased tax value. The purpose of the Grondin portion of the district is to encourage the creation of five (5) new industrial lots on 23.14 acres of land. Grondin Properties, LLC developed a new industrial park access road on part of this 23 acre parcel of land. The Town Council in a 5-1 vote approved a 15-year TIF, which would give back 50% of the taxes generated from the increased tax value up to a maximum of \$429,064 for construction costs related to the development of the new road. The total tax abatement granted in fiscal year 2018 from this CEA agreement totaled \$31,895.

On September 5, 2006, the Town Council designated a 25 +/- acre site at 615 Main Street as the Nappi Distributors Municipal Development and Tax Increment Finance District with a 7-0 vote. Nappi Distributors constructed a 155,000 square foot commercial facility for beverage warehousing and administration offices on the site. At full build out, the development (land and buildings) is estimated to be valued at \$7,995,500 or an increment of \$7,859,200 from the original value of \$136,130. This district's term is for a period of twenty (20) years with 100% of the increased assessed value being split 52%-48% between the developer, Nappi Distributors, and the Town. The total tax abatement granted in fiscal year 2018 from this CEA agreement totaled \$80,312.

On May 1, 2007, the Town Council approved the Olde Canal Business Park Tax Financing and Development District. Grondin Properties, LLC developed a 9 lot business park on a 55 acre parcel on Mosher Road (Route 237). This is a 20 year district with 100% of the increased assessed value being shared 48%-52% between the developer, Grondin Properties, LLC and the Town. The total tax abatement granted in fiscal year 2018 from this CEA agreement totaled \$23,062.

On September 3, 2013, the Town Council approved the Martin's Point Health Care Tax Increment Financing and Development District with a 6-0 vote. Martin's Point Health Care intends to develop a 12,500 square foot building on a 19.94 acre parcel at the intersection of Route 25 and Route 237 in Gorham. This is a 15 year district with 100% of the increased assessed value being shared 50%-50% between the developer, Martin's Point Health Care, and the Town. The total tax abatement granted in fiscal year 2018 from this CEA agreement totaled \$25,735.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 17 – BUDGETARY VS. GAAP ACCOUNTING**

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Through June 30, 2018, the School did not budget for expenditures related to teachers' summer pay on an accrual basis. Additionally, for budgetary purposes, the Town has recorded certain encumbrances as expenditures at year-end. The following is a reconciliation of fund balance for the General Fund and School Operations Fund (Special Revenue Fund) on the basis of accounting principles generally accepted in the United States of America and on the budgetary basis.

	<b>General Fund</b>	<b>School Operations Fund</b>
Fund balance (deficit), June 30, 2018 – GAAP basis	\$15,592,204	\$(1,375,038)
Accrued teacher summer salaries	-	2,604,036
Accrued teacher summer health insurance	-	608,377
Accrued MEPERS wages	-	103,380
Encumbrances	(457,404)	(403,458)
<b>Fund balance, June 30, 2018 – budgetary basis</b>	<b>\$15,134,800</b>	<b>\$1,537,297</b>

\* The School Committee has approved \$350,000 of fund balance to reduce taxes for the 2019 fiscal year. This coupled with the \$403,458 in encumbrances, results in a deficit fund balance of \$2,128,496. Per the Town's fund balance policy, the deficit fund balance of \$2,128,496 is combined with the Town's unassigned total of \$7,846,520, when preparing the 2020 budget.

As required by generally accepted accounting principles (GAAP), the Town has recorded a revenue and expenditure for Maine Public Employees Retirement contributions made by the State of Maine on behalf of the Gorham School Department. These amounts have not been budgeted in the School Special Revenue Fund and result in a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America of \$2,673,497.

These amounts have been included as intergovernmental revenue and education expenditure in the governmental activities on Statement 2 and the School Operations Fund on Statement 4 (GAAP basis). There is no effect on the fund balance at the end of the year.

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**Note 18 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

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The Town has two landfills, one that holds household refuse, and a second, which is used for demolition debris. The first was capped in the 1970's in accordance with Maine Department of Environmental Protection (MDEP) standards at the time. Monitoring wells in the area had shown levels of contamination and MDEP ordered a study be performed to determine the extent of contamination. This study has now been completed. Current MDEP requirements call for testing once a year which is expected to cost the Town \$10,000 annually.

The demolition debris landfill is now presently capped. Because of the study, the engineers do not expect any contamination problems in the future.

All potential postclosure monitoring cost for this site has been deemed immaterial, and therefore no liability for these amounts has been accrued. Postclosure monitoring costs will be included in the Town's operating budget annually.

**TOWN OF GORHAM, MAINE**  
**Notes to Basic Financial Statements, Continued**

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**Note 19 – PRIOR PERIOD ADJUSTMENTS AND CHANGE OF ACCOUNTING PRINCIPLE**

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For the fiscal year ended June 30, 2018, the Town has elected to implement Statement No. 75 of the Governmental Accounting Standards Board – *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, an amendment of GASB Statement No. 45. As a result of implementing GASB Statement No. 75, the Town has restated beginning net position in the government-wide financial statements to account for the addition of the Town's proportionate share of the net OPEB liability, which effectively decreased the Town's net position as of July 1, 2017 by \$759,004.

Additionally, due to the omission of including an accrual for health insurance provided during the months of July and August for twenty six pay teachers and ed-techs in previously issued financial statements net position and fund balance was decreased by \$599,052 as of July 1, 2017.

The Town has restated amounts as follows:

	Governmental <u>Activities</u>
Net position, as previously reported	\$ 59,947,859
Implementation of GASB 75	(759,004)
<u>Previously unreported accrued benefits</u>	<u>(599,052)</u>
 <b><u>Net position, as restated</u></b>	 <b><u>\$ 58,589,803</u></b>
	School Operations <u>Fund</u>
Fund Balance, as previously reported	\$ (796,565)
<u>Previously unreported accrued benefits</u>	<u>(599,052)</u>
 <b><u>Net position, as restated</u></b>	 <b><u>\$ (1,395,617)</u></b>

**TOWN OF GORHAM, MAINE**  
**Required Supplementary Information**  
**For the year ended June 30, 2018**

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**Schedule of Changes in the Town's Total Health Plan OPEB Liability and Related Ratios**  
Last 10 Fiscal Years\*

	<u>2018</u>
<b>Total OPEB Liability</b>	
Service Cost	\$ 40,376
Interest	56,510
Changes of benefit terms	-
Differences between expected and actual experience	(276,556)
Changes of assumptions or other inputs	(49,292)
Benefit payments	<u>(47,987)</u>
<b>Net change in total OPEB Liability</b>	<u>(276,949)</u>
 Total OPEB liability - beginning	 <u>1,478,356</u>
Total OPEB liability - ending	\$ <u><u>1,201,407</u></u>
 Covered-employee payroll	 \$ 4,317,608
Total OPEB liability as a percentage of covered-employee payroll	27.82%

\* Only one year of information available.

**TOWN OF GORHAM, MAINE**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2018**

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**Schedule of Town's Proportionate Share of the Net OPEB Liability**  
Last 10 Fiscal Years\*

	<u>2018</u>
<b><u>PLD OPEB Plan</u></b>	
Town's proportion of the net OPEB liability	0.89%
Town's proportionate share of the net OPEB liability	\$ 148,746
Town's covered-employee payroll	1,781,967
 Town's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	 8.35%
Plan fiduciary net position as a percentage of the total OPEB liability	47.42%
 <b><u>SET OPEB Plan</u></b>	
Town's proportion of the net OPEB liability	0.00%
Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	771,655
Total	<u>\$ 771,655</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 47.29%

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

**Schedule of Town OPEB Contributions**  
Last 10 Fiscal Years\*

	<u>2018</u>
<b><u>PLD OPEB Plan</u></b>	
Contractually required contribution	\$ 16,109
Contributions in relation to the contractually required contribution	(16,109)
Contribution deficiency (excess)	<u>-</u>
 Town's covered-employee payroll	 \$ 1,846,541
Contributions as a percentage of covered-employee payroll	0.87%

\* Only one year of information available.

**TOWN OF GORHAM, MAINE**  
**Required Supplementary Information, Continued**

**Schedule of Town's Proportionate Share of the Net Pension Liability**  
**Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan**  
**(SET)**  
Last 10 Fiscal Years\*\*

	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>
<b><u>PLD Plan</u></b>				
Town's proportion of the net pension liability	0.4226%	0.4857%	0.5451%	0.6508%
Town's proportionate share of the net pension liability	\$ 1,730,314	\$ 2,580,562	\$ 1,739,229	\$ 1,001,423
Town's covered payroll	1,781,967	2,047,466	2,074,545	2,160,307
Town's proportion share of the net pension liability as a percentage of its covered payroll	97.10%	122.04%	83.84%	46.36%
Plan fiduciary net position as a percentage of the total pension liability	86.43%	81.61%	88.27%	94.10%
<b><u>SET Plan</u></b>				
Town's proportion of the net pension liability	0.0340%	0.0352%	0.0339%	0.0415%
Town's proportionate share of the net pension liability	494,487	621,158	457,407	448,218
State's proportionate share of the net pension liability associated with the Town	21,227,184	25,355,628	19,001,327	14,819,750
<b>Total</b>	<b>21,721,671</b>	<b>\$ 26,976,786</b>	<b>\$ 19,458,734</b>	<b>\$ 15,267,968</b>
Town's covered payroll	\$18,085,543	\$17,245,735	\$16,495,802	\$ 15,872,616
Town's proportionate share of the net pension liability as a percentage of its covered payroll	2.73%	3.60%	2.77%	2.82%
Plan fiduciary net position as a percentage of the total pension liability	80.78%	76.21%	81.18%	83.91%

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

\*\* Only four years of information available

**TOWN OF GORHAM, MAINE**  
**Required Supplementary Information, Continued**

**Schedule of Town Contributions**  
**Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)**  
Last 10 Fiscal Years\*

		<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
<b><u>PLD Plan</u></b>						
Contractually required contribution	\$	222,864	200,984	229,391	222,645	215,650
Contributions in relation to the required contractually required contribution		(222,864)	(200,984)	(229,391)	(222,645)	(215,650)
<b>Contribution deficiency (excess)</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Town's covered payroll	\$	1,846,541	1,781,967	2,047,466	2,074,545	2,160,307
Contributions as a percentage of covered payroll		12.07%	11.28%	11.20%	10.73%	9.98%
<b><u>SET Plan</u></b>						
Contractually required contribution	\$	755,014	607,674	579,457	437,139	419,332
Contributions in relation to the contractually required contribution		(755,014)	(607,674)	(579,457)	(437,139)	(419,332)
<b>Contribution deficiency (excess)</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Town's covered payroll	\$	19,017,990	18,085,543	17,245,735	16,495,802	15,872,616
Contributions as a percentage of Covered payroll		3.97%	3.36%	3.36%	2.65%	2.65%

\* Only five years of information available

**TOWN OF GORHAM, MAINE**  
**Notes to Required Supplemental Information**  
**For the year ended June 30, 2018**

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**Net OPEB Liability**

**Changes of Benefit Terms - None**

**Changes of Assumptions** - None related to the PLD and SET OPEB plans. Under the Health Plan, changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

<b>Fiscal Year</b>	<b>Discount Rate</b>
2018	3.44%
2017	3.78%

Additionally, the valuation method was changed from the Projected Unit Credit funding method in 2017 to the Entry Age Normal funding method in 2018.

**Net Pension Liability**

**Changes of Benefit Terms - None**

**Changes of Assumptions:**

The PLD and SET Plans changed the discount rate of 7.125%, inflation rate of 3.5%, and the cost of living increase of 2.55% in the 2015 valuation to 6.875%, 2.75%, and 2.20%, respectively in the 2016 valuation. The PLD Plan changed the salary increases in the 2015 valuation of 3.5% - 13.5% to 2.75% - 9.0% in the 2016 valuation. The SET Plan changed the salary increases in the 2015 valuation of 3.5% - 9.5% to 2.75% - 14.5% in the 2016 valuation. In addition, mortality rates were previously based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA, which, in the 2016 valuation, was changed to mortality rates that were based on the RP2014 Total Data Set Healthy Annuity Mortality Table.

The PLD Plan changed the discount rate from 7.25% in the 2014 valuation to 7.125% in the 2015 valuation. The PLD Plan also changed the cost of living benefits increase from 3.12% in the 2014 valuation to 2.55% in the 2015 valuation.

The SET Plan changed the discount rate from 7.25% in the 2013 valuation to 7.125% in the 2014 valuation.



## **GENERAL FUND**

The general fund is the general operating fund of the 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. From the fund are paid the general operating expenses, the fixed charges, and the capital improvement costs, which are not paid through other funds.

**TOWN OF GORHAM, MAINE**  
**Comparative Balance Sheets - General Fund**  
**June 30, 2018 and 2017**

	2018	2017
<b>ASSETS</b>		
Cash	\$ 14,731,152	12,921,942
Investments	6,104,751	6,074,309
Receivables:		
Accounts	215,452	108,855
Intergovernmental	204,225	147,879
Rescue (net of allowance of \$145,100 and \$166,000)	257,742	293,660
Taxes - current year	701,023	654,675
Taxes - prior year	104,054	92,395
Tax liens	299,360	272,147
Notes	1,013	1,418
Tax acquired property	29,005	29,005
Performance bonds	5,707,754	4,273,661
Inventory	54,600	26,185
Prepaid expenditures	84,285	140,814
<b>Total assets</b>	<b>\$ 28,494,416</b>	<b>25,036,945</b>
<b>LIABILITIES</b>		
Accounts payable	452,118	330,809
Accrued wages and benefits	238,011	240,923
Interfund loans payable	4,639,315	4,040,269
Taxes paid in advance	47,564	29,022
Performance bond deposits	6,848,404	4,783,410
<b>Total liabilities</b>	<b>12,225,412</b>	<b>9,424,433</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	676,800	676,000
<b>Total deferred inflows of resources</b>	<b>676,800</b>	<b>676,000</b>
<b>FUND BALANCE</b>		
Nonspendable:		
Noncurrent receivables	1,013	1,418
Prepaid items	84,285	140,814
Inventory	54,600	26,185
Restricted for:		
General government purposes	41,741	29,900
Public safety operations	118,128	137,066
Public works operations	165,730	160,844
Recreation operations	7,480	9,103
Committed to:		
General government purposes	621,161	855,966
Public safety operations	42,549	159,562
Public works operations	1,468,916	952,792
Recreation operations	127,897	254,767
Assigned to:		
Encumbrances	457,404	398,907
Designated for FY19 and FY18 capital budget	2,104,048	1,394,848
General government purposes	399,074	326,572
Public safety operations	121,183	148,410
Public works operations	126,730	155,574
Recreation operations	315,670	317,634
Economic development	46,703	72,993
Insurance and employee benefits	1,441,372	1,506,496
Other purposes	-	2,294
Unassigned	7,846,520	7,884,367
<b>Total fund balance</b>	<b>15,592,204</b>	<b>14,936,512</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 28,494,416</b>	<b>25,036,945</b>

**TOWN OF GORHAM, MAINE**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis**  
**For the year ended June 30, 2018**  
**(with comparative actual amounts for the year ended June 30, 2017)**

	2018		Variance positive (negative)	2017 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 25,615,587	26,148,153	532,566	25,635,730
Change in unavailable property tax revenue	-	(800)	(800)	(5,900)
Excise taxes	3,216,000	3,745,638	529,638	3,515,752
Interest and costs on taxes	70,000	57,601	(12,399)	72,936
Total taxes	28,901,587	29,950,592	1,049,005	29,218,518
Licenses and permits:				
Building permits	250,000	426,858	176,858	390,759
Plumbing/electrical fees	30,000	50,087	20,087	45,136
Motor vehicle renewal fees	45,000	47,839	2,839	48,093
Town clerk fees	47,200	58,604	11,404	54,196
Cable TV franchise fee	185,000	226,472	41,472	176,708
Code fees	5,850	11,230	5,380	10,584
Other	3,800	3,404	(396)	3,306
Total licenses and permits	566,850	824,494	257,644	728,782
Intergovernmental:				
FEMA Reimbursement	-	9,749	9,749	-
State revenue sharing	750,000	778,497	28,497	738,529
Highway block grant	225,000	232,472	7,472	227,656
Human services assistance	15,000	7,140	(7,860)	12,753
Homestead exemption	601,666	601,666	-	435,362
BETE reimbursement	299,766	299,868	102	305,366
Other state grants	39,000	40,767	1,767	38,785
Other agencies	43,000	45,176	2,176	48,605
University of Southern Maine assistance	12,500	12,500	-	12,500
Total intergovernmental	1,985,932	2,027,835	41,903	1,819,556
Charges for services:				
Police fees, fines and outside work	20,300	25,797	5,497	19,311
Fire and rescue fees	602,800	521,690	(81,110)	583,570
Subdivision/development fees	25,500	34,813	9,313	36,951
Sewer inspection fees	5,000	6,918	1,918	6,392
Miscellaneous code/assessing	400	330	(70)	315
Miscellaneous public works	1,200	4,242	3,042	1,814
Solid waste user charges	454,700	525,029	70,329	510,161
Recreation fees	203,350	181,667	(21,683)	155,684
Payment in lieu of taxes	43,950	43,717	(233)	43,971
Sale of town property	-	23,874	23,874	-
Total charges for services	1,357,200	1,368,077	10,877	1,358,169

**TOWN OF GORHAM, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis - General Fund, Continued**

	2018		Variance positive (negative)	2017 Actual
	Budget	Actual		
Revenues, continued:				
Other revenues:				
Cemetery income	\$ 5,500	7,696	2,196	5,075
Interest on investments	25,000	211,303	186,303	89,085
Rent	96,700	95,713	(987)	95,813
Senior mealsite	8,000	8,458	458	8,863
Miscellaneous	11,000	17,630	6,630	15,484
Total other revenues	146,200	340,800	194,600	214,320
Total revenues	32,957,769	34,511,798	1,554,029	33,339,345
Expenditures:				
Current:				
General government:				
Administration	490,541	505,172	(14,631)	483,820
Technology	109,840	101,552	8,288	108,402
Town Clerk	219,122	213,416	5,706	205,354
Planning	225,454	220,623	4,831	217,918
Assessing	167,286	163,728	3,558	131,553
Code enforcement	154,169	148,496	5,673	149,373
Gorham municipal center	216,800	202,356	14,444	206,375
Total general government	1,583,212	1,555,343	27,869	1,502,795
Public safety:				
Police department	1,828,918	1,824,349	4,569	1,752,863
Fire/Rescue department	1,623,181	1,622,739	442	1,575,742
Central Fire Station	86,900	86,584	316	85,204
Police Station	61,600	61,534	66	48,312
Public utilities	173,800	173,752	48	152,636
Public safety contract services	360,500	359,546	954	345,358
Total public safety	4,134,899	4,128,504	6,395	3,960,115
Public works:				
Public works maintenance	1,710,335	1,710,318	17	1,648,407
Stormwater compliance	47,000	46,330	670	39,000
Solid waste removal	816,650	795,820	20,830	734,153
Cemeteries	26,785	40,337	(13,552)	21,648
Total public works	2,600,770	2,592,805	7,965	2,443,208
Health and welfare:				
Welfare	60,000	37,248	22,752	43,498
Health council	600	600	-	600
Total health and welfare	60,600	37,848	22,752	44,098

**TOWN OF GORHAM, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis - General Fund, Continued**

	2018		Variance positive (negative)	2017 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Recreation:				
Baxter Memorial Library	\$ 480,359	479,306	1,053	462,619
Baxter Museum	5,000	1,814	3,186	1,987
Recreation	352,940	351,075	1,865	312,336
Middle School Softball Field	9,000	8,998	2	5,550
Little Falls Rec Area	17,350	16,939	411	9,082
Old Robie School	19,217	19,164	53	18,956
Little Falls School	33,920	33,889	31	35,262
Robie Gym	10,541	10,089	452	10,009
Total recreation	928,327	921,274	7,053	855,801
Economic development	77,385	76,205	1,180	74,337
Insurances:				
Multi peril policy	145,500	140,745	4,755	129,701
Public liability	11,500	9,518	1,982	9,999
Total insurances	157,000	150,263	6,737	139,700
Employee benefits:				
Direct unemployment compensation	8,000	1,007	6,993	14,102
Worker's compensation	174,966	117,278	57,688	132,518
Retirement	346,606	323,829	22,777	306,948
Major medical insurance	1,186,500	979,540	206,960	999,359
Social security	442,738	444,009	(1,271)	432,945
Group life insurance	1,400	1,219	181	1,283
Total employee benefits	2,160,210	1,866,882	293,328	1,887,155
Public agencies:				
Parks and conservation	2,000	2,000	-	2,000
G.P.C.O.G./PACTS	16,400	16,576	(176)	16,809
MMA	15,000	14,777	223	14,460
North Gorham Library	11,000	11,000	-	11,000
Metro	35,000	35,000	-	-
Total public agencies	79,400	79,353	47	44,269
Unclassified:				
Gorham cable TV	91,362	91,358	4	86,514
Senior Mealsite	21,000	17,885	3,115	17,267
Memorial Day	2,200	2,376	(176)	2,274
Founders Festival	5,000	5,000	-	5,000
New Years Gorham	6,000	6,000	-	6,000
Contingency	95,887	33,000	62,887	60,910
Town Clock	900	1,800	(900)	800
Lions Flags	800	877	(77)	-
Healthy Gorham	7,300	7,300	-	-
Sno-Goers	3,000	3,000	-	3,000
Total unclassified	233,449	168,596	64,853	181,765

**TOWN OF GORHAM, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis - General Fund, Continued**

	2018		Variance positive (negative)	2017 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Intergovernmental - County tax	\$ 1,113,546	1,113,546	-	1,044,423
Debt service (excluding education):				
Principal	1,408,125	1,408,125	-	1,358,125
Interest	480,546	471,045	9,501	619,809
Total debt service	1,888,671	1,879,170	9,501	1,977,934
Capital:				
Capital maintenance	81,533	79,730	1,803	69,976
Capital improvements	85,000	85,000	-	85,000
Total capital	166,533	164,730	1,803	154,976
Total expenditures	15,184,002	14,734,519	449,483	14,310,576
Excess of revenues over expenditures	17,773,767	19,777,279	2,003,512	19,028,769
Other financing sources (uses):				
Transfers to special revenue -				
School Operations Fund	(17,923,038)	(17,923,038)	-	(17,293,388)
Transfers in from special revenue -				
Impact fees fund	-	3,000	3,000	289,333
TIF fund	124,271	124,271	-	156,427
Transfers in from capital projects -				
Public safety capital project fund	25,000	25,000	-	23,367
2016 Fire truck bond	-	-	-	88,051
2013 Bond projects	-	-	-	1,633
Transfer out to capital projects -				
High School renovation & expansion	-	(217,500)	(217,500)	-
Issuance of refunding bonds	-	-	-	11,480,000
Premium on refunding bonds issued	-	-	-	1,563,829
Payment to refunding bond escrow agent	-	-	-	(12,943,658)
Total other financing uses	(17,773,767)	(17,988,267)	(214,500)	(16,634,406)
Net change in fund balances - budgetary basis	-	1,789,012	1,789,012	2,394,363
Reconciliation to GAAP basis:				
Change in restricted		(3,427)		(53,848)
Change in committed		(1,071,486)		(246,738)
Change in assigned		(16,500)		(766,753)
Change in unassigned		(41,907)		(176,909)
Net change in fund balance - GAAP basis		655,692		1,150,115
Fund balance, beginning of year		14,936,512		13,786,397
<b>Fund balance, end of year</b>	<b>\$</b>	<b>15,592,204</b>		<b>14,936,512</b>

**TOWN OF GORHAM, MAINE**  
**Restricted, Committed, Assigned and Unassigned Funds - General Fund**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the year ended June 30, 2018**

	Fund balances beginning of year	Capital Part II	Transfer Other Funds	Revenues		Expenditures		Fund balances end of year
				Transfer In	Revenues	Transfer Out	Expenditures	
Restricted to:								
General government purposes:								
Park & Conservation committee	\$ 1,662	-	-	-	-	-	-	1,662
Septic Loans Grant	6,000	-	-	-	-	-	-	6,000
Heating assistance	685	-	-	-	2,596	-	-	3,281
South Street sewer project	20,000	-	-	-	10,000	-	-	30,000
Employee wellness program	1,146	-	-	-	3,793	-	4,141	798
Total general government purposes	29,493	-	-	-	16,389	-	4,141	41,741
Public safety operations:								
D.A.R.E.	5,802	-	-	-	4,372	-	7,573	2,601
Little Falls substation	2,272	-	-	-	-	-	-	2,272
Drug forfeiture	8,098	-	-	-	11,762	-	-	19,860
DRE callout	-	-	-	-	2,621	-	2,621	-
Distracted driver grant	-	-	-	-	3,617	-	3,617	-
JAG grant	-	-	-	-	10,757	-	10,757	-
DEA forfeiture	87,807	-	-	-	8,634	-	28,375	68,066
Impaired driving grant	-	-	-	-	8,639	-	8,639	-
Speed grant	-	-	-	-	6,214	-	6,214	-
Seatbelt grant	-	-	-	-	4,183	-	4,183	-
RIDE grant	-	-	-	-	4,574	-	4,574	-
Child safety seats	879	-	-	-	99	-	366	612
Fire/Rescue donations	115	-	-	-	-	-	-	115
Fire prevention	6,713	-	-	-	960	-	2,536	5,137
Fire memorial	5,753	-	-	-	725	-	847	5,631
USM confined space	11,045	-	-	-	12,000	-	17,793	5,252
FEMA fire grant	708	-	-	-	-	-	-	708
Sprinkler grant	7,874	-	-	-	-	-	-	7,874
Total public safety operations	137,066	-	-	-	79,157	-	98,095	118,128

**TOWN OF GORHAM, MAINE**  
**Restricted, Committed, Assigned and Unassigned Funds - General Fund**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the year ended June 30, 2018**

	Fund balances beginning of year	Capital Part II	Transfer Other Funds	Revenues		Expenditures		Fund balances end of year
				Transfer In	Revenues	Transfer Out	Expenditures	
Restricted to:								
Public works operations:								
Street opening	\$ 138,036	-	-	-	4,886	-	-	142,922
Gorham Village grant	2,402	-	-	-	-	-	-	2,402
Little Falls sidewalk grant	20,406	-	-	-	-	-	-	20,406
Total public works operations	160,844	-	-	-	4,886	-	-	165,730
Recreation operations:								
Community center donations	750	-	-	-	-	-	-	750
New Year's Gorham	8,353	-	-	-	13,245	-	14,868	6,730
Total recreation operations	9,103	-	-	-	13,245	-	14,868	7,480
<b>Total restricted to</b>	<b>336,506</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113,677</b>	<b>-</b>	<b>117,104</b>	<b>333,079</b>
Committed to:								
General government purposes:								
Air Handler for Municipal Center	31,992	-	-	-	-	-	30,411	1,581
Energy Efficient Lights at Robie Gym/Mun Ctr	7,678	-	-	-	-	-	-	7,678
L.W.C.F. Grant	(3,204)	-	-	15,000	-	-	3,020	8,776
Land acquisition	559,300	-	(217,500)	-	3,375	-	-	345,175
Compensation Study	2,400	-	-	-	-	-	175	2,225
Town Manager search	2,311	-	-	-	-	-	34	2,277
Cable TV franchise agreement consultant	-	18,000	-	-	-	-	5,306	12,694
Founders festival	5,000	-	-	-	5,000	-	-	10,000
Historical Society	-	-	-	-	3,000	-	-	3,000
Cemetery reserve	14,200	-	-	-	1,820	-	-	16,020
Gorham Village parking study	350	-	-	-	-	-	-	350
Emergency reserve account	168,437	5,348	-	-	-	8,438	-	165,347
Gorham village parking improvement	44,575	-	-	-	-	-	-	44,575
Exterior painting for Library, Gazebo, Robie Gym & Municipal Center	1,463	-	-	-	-	-	-	1,463
Rte 25/114 sidewalks	12,038	-	-	-	-	12,038	-	-
Total general government purposes	846,540	23,348	(217,500)	15,000	13,195	20,476	38,946	621,161



**TOWN OF GORHAM, MAINE**  
**Restricted, Committed, Assigned and Unassigned Funds - General Fund**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the year ended June 30, 2018**

	Fund balances beginning of year	Capital Part II	Transfer Other Funds	Revenues		Expenditures		Fund balances end of year
				Transfer In	Revenues	Transfer Out	Expenditures	
Committed to:								
Public safety operations:								
Public Safety fence	\$ 19,500	-	-	-	-	-	3,167	16,333
Spillman & DMV database full access	9,000	-	-	-	-	-	-	9,000
Blauer vest carriers (21)	2,500	-	-	-	-	-	-	2,500
Life pack 15 defibrillators	3,166	-	-	-	-	-	-	3,166
Air pack breathing units	38,292	49,000	-	-	-	-	87,292	-
Energy improvements at North Gorham & West Gorham fire station	1,489	-	-	-	-	-	-	1,489
Hose tower	34,085	-	-	-	-	-	26,097	7,988
Water filtration	-	-	-	9,900	-	-	8,945	955
Tractor/snow plow	1,530	-	-	-	-	-	412	1,118
Total public safety operations	109,562	49,000	-	9,900	-	-	125,913	42,549
Public works operations:								
Ecomaine recycling reserve	10,000	-	-	-	-	-	-	10,000
Extend fiber optic line to Public Works	-	117,000	-	-	-	-	7,132	109,868
3/4 ton pickup truck & plow	1,024	-	-	-	-	1,024	-	-
Trackless tractor	20,719	-	-	-	-	20,719	-	-
Dump truck & sander	41,004	-	-	-	-	41,004	-	-
Snow plow & wing	29,500	-	-	-	-	29,500	-	-
3/4 ton pickup truck & plow	2,302	-	-	-	-	2,302	-	-
Loader/backhoe	46,500	-	-	-	-	46,500	-	-
Plow truck	172,000	-	-	-	-	-	2,884	169,116
6-wheel plow truck	-	144,000	-	-	-	-	211	143,789
Repair & upgrade fuel depot	-	62,000	-	-	-	-	-	62,000
Stormwater data collection compliance	-	10,000	-	-	-	-	5,346	4,654
Dingley Spring Road metal pipe culvert	-	54,000	-	95,000	-	-	13,938	135,062
Buck Street pipe arch culvert	-	60,000	-	65,629	-	-	-	125,629
Roads	552,963	830,000	-	-	125,871	230,000	903,128	375,706
New Portland Road	46,891	-	-	-	-	46,891	-	-
South Street	-	-	-	254,478	50,000	-	-	304,478
Utility study	29,889	-	-	-	-	-	1,275	28,614
Total public works operations	952,792	1,277,000	-	415,107	175,871	417,940	933,914	1,468,916

**TOWN OF GORHAM, MAINE**  
**Restricted, Committed, Assigned and Unassigned Funds - General Fund**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the year ended June 30, 2018**

	Fund balances beginning of year	Capital Part II	Transfer Other Funds	Revenues		Expenditures		Fund balances end of year
				Transfer In	Revenues	Transfer Out	Expenditures	
Committed to:								
Recreation operations, continued:								
Internet based HVAC control system	\$ 15,000	-	-	-	-	-	-	15,000
Chick property master plan	12,207	-	-	-	-	-	-	12,207
Little Falls-multi purpose field	199,712	-	-	-	-	-	152,832	46,880
Robie field irrigation	5,117	-	-	-	-	-	-	5,117
Recreation trail	11,200	25,000	3,000	-	-	-	6,130	33,070
3/4 ton pickup truck & plow	4,025	-	-	-	-	-	-	4,025
Little Falls backflow/parking space markers	2,022	-	-	-	-	-	-	2,022
Little Falls paving	3,638	-	-	-	-	-	-	3,638
Shaw Gym lights	1,846	-	-	-	-	-	-	1,846
Shaw Park fence & guard rail/electricity	-	8,500	-	-	-	-	4,408	4,092
Total recreation operations	254,767	33,500	3,000	-	-	-	163,370	127,897
<b>Total committed to</b>	<b>2,163,661</b>	<b>1,382,848</b>	<b>(214,500)</b>	<b>440,007</b>	<b>189,066</b>	<b>438,416</b>	<b>1,262,143</b>	<b>2,260,523</b>
Assigned to:								
Encumbrances:								
General government	84,258	-	-	-	12,936	-	35,635	61,559
Public safety	97,952	-	-	-	106,618	-	63,283	141,287
Public works	123,814	-	-	-	104,588	-	69,113	159,289
Recreation	78,517	-	-	-	49,850	-	47,802	80,565
Economic development	588	-	-	-	-	-	-	588
Other	13,778	-	-	-	8,696	-	8,358	14,116
Total encumbrances	398,907	-	-	-	282,688	-	224,191	457,404
General government purposes:								
Home Depot gift cards	-	-	-	-	37,920	-	2,201	35,719
Radio programming	5,795	-	-	-	-	-	-	5,795
Capital project reserve	3,427	-	-	-	-	-	2,199	1,228
Metro Reserve	-	-	-	-	35,000	-	-	35,000
Municipal Center building roof replacement	4,100	-	-	-	15,000	-	-	19,100
Revaluation	141,815	-	-	-	-	-	-	141,815

**TOWN OF GORHAM, MAINE**  
**Restricted, Committed, Assigned and Unassigned Funds - General Fund**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the year ended June 30, 2018**

	Fund balances beginning of year	Capital Part II	Transfer Other Funds	Revenues		Expenditures		Fund balances end of year
				Transfer In	Revenues	Transfer Out	Expenditures	
Assigned to:								
General government purposes, continued:								
Compensation study	\$ 5,100	-	-	-	-	-	-	5,100
Finance serve/computer upgrade	29,388	-	-	-	-	-	2,650	26,738
Administration savings account	9,215	-	-	-	-	-	7,018	2,197
Town clerk savings account	28,811	-	-	-	5,706	-	5,445	29,072
Planning savings account	20,826	-	-	-	4,831	-	2,697	22,960
Assessing savings account	17,807	-	-	-	-	-	999	16,808
G.I.S. system	25,086	-	-	-	-	-	4,006	21,080
Code savings account	12,714	-	-	-	5,673	-	2,463	15,924
Web site development/maintenance	20,538	-	-	-	-	-	-	20,538
Total general government purposes	324,622	-	-	-	104,130	-	29,678	399,074
Public safety operations:								
Outside detail (police)	21,039	-	-	-	12,367	-	12,367	21,039
Police software	4,626	-	-	-	-	-	-	4,626
Police savings account	59,731	-	-	-	17,392	-	41,032	36,091
Cruisers	20,680	-	-	-	4,438	-	94	25,024
Fire savings account	10,435	-	-	-	442	9,900	-	977
Air bottles	1,504	-	-	-	-	-	-	1,504
Rescue savings account	4,013	-	-	-	-	-	-	4,013
Fire ponds/dry hydrants	26,382	-	-	-	2,000	-	473	27,909
Total public safety operations	148,410	-	-	-	36,639	9,900	53,966	121,183
Public works operations:								
Public works savings account	19,570	-	-	-	-	-	13,581	5,989
New plow truck/sander	15,998	-	-	-	-	15,998	-	-
1-ton dump truck/tandem axle dump truck	3,581	-	-	-	-	3,581	-	-
Public works vehicles (lease payment account)	78,901	-	-	-	-	-	-	78,901
Fuel depot reserve	20,822	-	-	-	3,079	-	1,579	22,322
Longfellow bridge	2,123	-	-	-	-	-	-	2,123
Storm water management	11,579	-	-	-	-	-	184	11,395

**TOWN OF GORHAM, MAINE**  
**Restricted, Committed, Assigned and Unassigned Funds - General Fund**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the year ended June 30, 2018**

	Fund balances beginning of year	Capital Part II	Transfer Other Funds	Revenues		Expenditures		Fund balances end of year
				Transfer In	Revenues	Transfer Out	Expenditures	
Assigned to:								
Public works operations, continued:								
Stone repairs	\$ 3,000	-	-	-	3,000	-	-	6,000
Total public works operations	155,574	-	-	-	6,079	19,579	15,344	126,730
Recreation operations:								
Baxter Library savings account	21,061	-	-	-	1,053	-	12,481	9,633
Baxter Library repairs	242	-	-	-	-	-	-	242
Little Falls wood clearing	1,345	-	-	-	-	-	-	1,345
Robie Gym repairs	4,591	-	-	-	-	-	-	4,591
Recreation savings account	470	-	-	-	1,865	-	-	2,335
Baxter Museum repairs	12,244	-	-	-	-	-	-	12,244
Recreation reimbursable	277,681	-	-	-	798,339	-	790,740	285,280
Total recreation operations	317,634	-	-	-	801,257	-	803,221	315,670
Economic Development								
Maine Downtown Network Application	2,500	-	-	-	-	-	2,500	-
Economic development savings account	70,493	-	-	-	1,180	15,000	9,970	46,703
Total economic development	72,993	-	-	-	1,180	15,000	12,470	46,703
Insurance and employee benefits:								
UIC contingency reserve	31,500	-	-	-	-	-	-	31,500
PO334 IUUAL	78,518	-	-	-	-	-	30,000	48,518
PO133 IUUAL	258,327	-	-	-	-	-	-	258,327
School's IUUAL	187,678	-	-	-	-	-	-	187,678
Vacation/compensation/sick reserve	478,910	-	-	-	-	-	61,607	417,303
Property insurance deductible reserve	10,000	-	-	-	10,000	-	10,000	10,000
Auto insurance deductible reserve	4,000	-	-	-	-	-	-	4,000
Accrued compensated absences	457,563	-	-	-	26,483	-	-	484,046
Total insurance and employee benefits	1,506,496	-	-	-	36,483	-	101,607	1,441,372
<b>Total assigned to</b>	<b>2,924,636</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,268,456</b>	<b>44,479</b>	<b>1,240,477</b>	<b>2,908,136</b>

**TOWN OF GORHAM, MAINE**  
**Restricted, Committed, Assigned and Unassigned Funds - General Fund**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the year ended June 30, 2018**

	Fund balances beginning of year	Capital Part II	Transfer Other Funds	Revenues		Expenditures		Fund balances end of year
				Transfer In	Revenues	Transfer Out	Expenditures	
Unassigned to:								
General government purposes:								
Safety grant	\$ 407	-	-	-	880	-	1,320	(33)
55 Morrill Avenue	(3,776)	-	-	-	-	-	-	(3,776)
Municipal Center building	(1,960)	-	-	-	-	-	-	(1,960)
Safety committee	1,950	-	-	-	-	-	2,280	(330)
Comprehensive plan	(13,270)	-	-	-	-	-	-	(13,270)
Old Town Hall	(1,268)	-	-	-	-	-	-	(1,268)
Cemetery/GIS project	6,222	12,000	-	-	-	-	20,416	(2,194)
Total general government purposes	(11,695)	12,000	-	-	880	-	24,016	(22,831)
Public safety operations:								
Regional fire & EMA study	(1,175)	-	-	-	-	-	-	(1,175)
Rechassis tank 2 & replace pump	(4,840)	-	-	-	-	-	-	(4,840)
Rescue 1	(339)	-	-	-	-	-	155	(494)
Fire Chief's vehicle replacement	(383)	-	-	-	-	-	-	(383)
Storage building	50,000	-	-	-	-	-	56,375	(6,375)
Total public safety operations	43,263	-	-	-	-	-	56,530	(13,267)
Public works operations:								
Pedestrian Trail grant	(13,660)	-	-	-	-	-	-	(13,660)
County Road	(42,888)	-	-	42,888	-	-	-	-
Gordon Farms Road	(19,999)	-	-	-	-	-	-	(19,999)
Total public works operations	(76,547)	-	-	42,888	-	-	-	(33,659)
Economic Development								
Mobile website for economic development	-	-	-	-	-	-	2,500	(2,500)
Total economic development	-	-	-	-	-	-	2,500	(2,500)
Unclassified:								
Cable TV savings account	2,294	-	-	-	-	-	2,629	(335)
Total unclassified	2,294	-	-	-	-	-	2,629	(335)
<b>Total unassigned to</b>	<b>(42,685)</b>	<b>12,000</b>	<b>-</b>	<b>42,888</b>	<b>880</b>	<b>-</b>	<b>85,675</b>	<b>(72,592)</b>
<b>Total General Fund Restricted, Committed Assigned and Unassigned Funds</b>	<b>5,382,118</b>	<b>1,394,848</b>	<b>(214,500)</b>	<b>482,895</b>	<b>1,572,079</b>	<b>482,895</b>	<b>2,705,399</b>	<b>5,429,146</b>

**ALL OTHER GOVERNMENTAL FUNDS**

**TOWN OF GORHAM, MAINE**  
**Combining Balance Sheet**  
**All Other Nonmajor Governmental Funds**  
**June 30, 2018**

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
<b>ASSETS</b>				
Cash	\$ 229,818	782,184	-	1,012,002
Investments	133,569	-	1,162,134	1,295,703
Receivables:				
Accounts	242,558	-	-	242,558
Notes	164,474	-	-	164,474
Intergovernmental	310,039	-	-	310,039
Inventory	44,353	-	-	44,353
Interfund loans receivable	2,746,233	237,340	2,401	2,985,974
<b>Total assets</b>	<b>\$ 3,871,044</b>	<b>1,019,524</b>	<b>1,164,535</b>	<b>6,055,103</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	-	18,368	10,260	28,628
Interfund loans payable	271,750	24,565	500	296,815
Unearned revenues	42,794	-	-	42,794
<b>Total liabilities</b>	<b>314,544</b>	<b>42,933</b>	<b>10,760</b>	<b>368,237</b>
Fund balances:				
Nonspendable	44,353	-	929,754	974,107
Restricted	2,209,543	793,373	224,021	3,226,937
Committed	1,228,261	184,462	-	1,412,723
Assigned	75,631	-	-	75,631
Unassigned	(1,288)	(1,244)	-	(2,532)
<b>Total fund balances</b>	<b>3,556,500</b>	<b>976,591</b>	<b>1,153,775</b>	<b>5,686,866</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,871,044</b>	<b>1,019,524</b>	<b>1,164,535</b>	<b>6,055,103</b>

**TOWN OF GORHAM, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Other Nonmajor Governmental Funds**  
**For the year ended June 30, 2018**

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Taxes	\$ 484,247	-	-	484,247
Intergovernmental	1,559,955	-	-	1,559,955
Charges for services	2,055,691	-	-	2,055,691
Investment income	6,373	13,605	45	20,023
Other revenue	40,053	-	10,355	50,408
Total revenues	4,146,319	13,605	10,400	4,170,324
Expenditures:				
Current:				
Education	1,220,719	-	-	1,220,719
Education-other special uses	11,190	-	-	11,190
Food services	1,011,424	-	-	1,011,424
Public works - sewer	1,106,148	-	-	1,106,148
Recreation	17,504	-	-	17,504
Unclassified	208,151	-	10,760	218,911
Capital improvements	-	997,102	-	997,102
Total expenditures	3,575,136	997,102	10,760	4,582,998
Excess (deficiency) of revenues over (under) expenditures	571,183	(983,497)	(360)	(412,674)
Other financing sources (uses):				
Transfer in from other funds	49,054	217,500	-	266,554
Transfer to other funds	(127,271)	(25,000)	-	(152,271)
Total other financing sources (uses)	(78,217)	192,500	-	114,283
Net change in fund balances	492,966	(790,997)	(360)	(298,391)
Fund balances, beginning of year	3,063,534	1,767,588	1,154,135	5,985,257
Fund balances, end of year	\$ 3,556,500	976,591	1,153,775	5,686,866



## SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are restricted by law or administrative action for particular purposes.

Special revenue funds are established for the following purposes:

**School Operations Fund** -- To account for the operations of the Town of Gorham School Department, the revenues of which are dedicated by State statute for school purposes. The School Operations Fund has been presented as a major fund. See Statements 3 and 4.

**School Grants Fund** -- To account for various federal and state grants for special programs administered by the School Department, as well as the activity of miscellaneous school programs.

**School Donation Fund** -- To account for various donations received by the School Department to support local education initiatives.

**School Lunch Fund** -- To account for the activity of the school lunch program.

**Sewer Operations Fund** -- To account for the revenues and expenditures of the Sewer operations.

**Little Falls Sewer Reserve and Loan Fund** -- To account for the financial activity of a reserve established for the Little Falls Sewer and of certain loans provided to sewer users.

**Impact Fees Fund** -- To account for the various impact fees, established by the Town Council, for recreational and open space purposes, and extension of water service in the Fort Hill area.

**Library Fund** -- Various funds established to be used for the benefit of the Baxter Memorial Library and Baxter Museum.

**Recreation Fund** -- To account for the activity of the expendable Phinney Shade Tree Trust account, and donations for the Community Center granite sign account and Shaw Park.

**TIF Fund** -- To account for the activity of the Grondin-ODAT development district, the Pettingill Ross development district, the Gorham County Road development district, the Nappi development district, the Olde Canal Business Park development district and the Martin's Point development district.

**Miscellaneous Fund** -- To account for the activities that benefit the senior citizens of Gorham, expendable trust funds left to the Town to use as they see fit, and proceeds from tree removal operations associated with the construction of the by-pass.

**TOWN OF GORHAM, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2018**  
**(with comparative amounts for June 30, 2017)**

					Little Falls							Totals	
	School Grants Fund	School Donation Fund	School Lunch Fund	Sewer Operations Fund	Sewer Reserve and Loan Fund	Impact Fees Fund	Library Fund	Recreation Fund	TIF Fund	Miscellaneous Fund		2018	2017
<b>ASSETS</b>													
Cash	\$ -	-	229,818	-	-	-	-	-	-	-		229,818	141,923
Investments	-	-	-	-	61,038	-	58,559	1,355	-	12,617		133,569	119,742
Receivables:													
Accounts	307	-	413	241,692	-	-	-	-	146	-		242,558	225,648
Notes	-	-	-	-	-	-	-	-	164,474	-		164,474	208,133
Intergovernmental	291,224	-	18,815	-	-	-	-	-	-	-		310,039	295,573
Inventory	-	-	44,353	-	-	-	-	-	-	-		44,353	44,353
Interfund loans receivable	-	11,923	-	898,172	14,552	872,122	21,498	5,802	919,307	2,857		2,746,233	2,295,935
<b>Total assets</b>	<b>\$ 291,531</b>	<b>11,923</b>	<b>293,399</b>	<b>1,139,864</b>	<b>75,590</b>	<b>872,122</b>	<b>80,057</b>	<b>7,157</b>	<b>1,083,927</b>	<b>15,474</b>		<b>3,871,044</b>	<b>3,331,307</b>
<b>LIABILITIES AND FUND BALANCES</b>													
Liabilities:													
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	487
Interfund loans payable	156,801	-	114,949	-	-	-	-	-	-	-	-	271,750	230,621
Unearned revenue	-	-	42,794	-	-	-	-	-	-	-	-	42,794	36,665
<b>Total liabilities</b>	<b>156,801</b>	<b>-</b>	<b>157,743</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>314,544</b>	<b>267,773</b>
Fund balances:													
Nonspendable:													
Inventory	-	-	44,353	-	-	-	-	-	-	-	-	44,353	44,353
Restricted:													
Grants	136,018	-	-	-	-	-	-	-	-	-	-	136,018	145,599
Impact fees	-	-	-	-	-	872,122	-	-	-	-	-	872,122	717,077
Library	-	-	-	-	-	-	56,016	-	-	-	-	56,016	49,078
Recreation	-	-	-	-	-	-	-	7,157	-	-	-	7,157	5,225
Miscellaneous	-	-	-	-	-	-	-	-	-	12,617	-	12,617	12,694
TIF	-	-	-	-	-	-	-	-	1,034,310	-	-	1,034,310	910,187
Food services	-	-	91,303	-	-	-	-	-	-	-	-	91,303	31,625
Committed:													
School donations	-	11,923	-	-	-	-	-	-	-	-	-	11,923	-
Sewer operations	-	-	-	1,139,864	75,590	-	-	-	-	-	-	1,215,454	1,141,644
Miscellaneous	-	-	-	-	-	-	-	-	-	884	-	884	884
Assigned:													
Library	-	-	-	-	-	-	24,041	-	-	-	-	24,041	10,690
Miscellaneous	-	-	-	-	-	-	-	-	-	1,973	-	1,973	1,973
TIF	-	-	-	-	-	-	-	-	49,617	-	-	49,617	-
Unassigned:													
Grants	(1,288)	-	-	-	-	-	-	-	-	-	-	(1,288)	(7,495)
<b>Total fund balances</b>	<b>134,730</b>	<b>11,923</b>	<b>135,656</b>	<b>1,139,864</b>	<b>75,590</b>	<b>872,122</b>	<b>80,057</b>	<b>7,157</b>	<b>1,083,927</b>	<b>15,474</b>		<b>3,556,500</b>	<b>3,063,534</b>
<b>Total liabilities and fund balances</b>	<b>\$ 291,531</b>	<b>11,923</b>	<b>293,399</b>	<b>1,139,864</b>	<b>75,590</b>	<b>872,122</b>	<b>80,057</b>	<b>7,157</b>	<b>1,083,927</b>	<b>15,474</b>		<b>3,871,044</b>	<b>3,331,307</b>

**TOWN OF GORHAM, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the year ended June 30, 2018**  
**(with comparative amounts for the year ended June 30, 2017)**

	School Grants Fund	School Donation Fund	School Lunch Fund	Sewer Operations Fund	Little Falls Sewer Reserve and Loan Fund	Impact Fees Fund	Library Fund	Recreation Fund	TIF Fund	Miscellaneous Fund	Totals	
											2018	2017
Revenues:												
Taxes	\$ -	-	-	-	-	-	-	-	484,247	-	484,247	439,130
Intergovernmental:												
Federal grants	1,049,127	-	-	-	-	-	-	-	-	-	1,049,127	993,590
Other state grants	163,164	-	-	-	-	-	-	-	-	-	163,164	229,063
USDA subsidies	-	-	347,664	-	-	-	-	-	-	-	347,664	356,759
Total intergovernmental	1,212,291	-	347,664	-	-	-	-	-	-	-	1,559,955	1,579,412
Charges for services	-	-	679,438	1,179,380	-	173,813	23,060	-	-	-	2,055,691	2,013,197
Investment income (loss)	-	-	-	949	(371)	-	(267)	(8)	6,147	(77)	6,373	8,049
Other revenues	-	23,113	-	-	-	-	15,000	1,940	-	-	40,053	5,000
Total revenues	1,212,291	23,113	1,027,102	1,180,329	(371)	173,813	37,793	1,932	490,394	(77)	4,146,319	4,044,788
Expenditures:												
Current:												
Education	1,220,719	-	-	-	-	-	-	-	-	-	1,220,719	1,228,945
Education-other special uses	-	11,190	-	-	-	-	-	-	-	-	11,190	-
Food services	-	-	1,011,424	-	-	-	-	-	-	-	1,011,424	1,019,129
Public works - sewer	-	-	-	1,106,148	-	-	-	-	-	-	1,106,148	1,106,148
Recreation	-	-	-	-	-	-	17,504	-	-	-	17,504	16,612
Unclassified	-	-	-	-	-	15,768	-	-	192,383	-	208,151	235,991
Total expenditures	1,220,719	11,190	1,011,424	1,106,148	-	15,768	17,504	-	192,383	-	3,575,136	3,606,825
Excess (deficiency) of revenues over (under) expenditures	(8,428)	11,923	15,678	74,181	(371)	158,045	20,289	1,932	298,011	(77)	571,183	437,963
Other financing sources (uses):												
Transfers in	5,054	-	44,000	-	-	-	-	-	-	-	49,054	100
Transfers out	-	-	-	-	-	(3,000)	-	-	(124,271)	-	(127,271)	(445,760)
Total other financing uses	5,054	-	44,000	-	-	(3,000)	-	-	(124,271)	-	(78,217)	(445,660)
Net change in fund balance	(3,374)	11,923	59,678	74,181	(371)	155,045	20,289	1,932	173,740	(77)	492,966	(7,697)
Fund balances, beginning of year	138,104	-	75,978	1,065,683	75,961	717,077	59,768	5,225	910,187	15,551	3,063,534	3,071,231
Fund balances, end of year	\$ 134,730	11,923	135,656	1,139,864	75,590	872,122	80,057	7,157	1,083,927	15,474	3,556,500	3,063,534

## CAPITAL PROJECT FUNDS

**Capital project funds are established to account for resources obtained and expended for the acquisition of major capital facilities.**

The Town's individual capital project funds were established for the following purposes:

**2016 Public Safety Building Bond** To account for the construction of a new police station and renovation to the public safety building.

**2016 Fire Truck Bond**

To account for the purchase of two fire trucks.

**2016 Main Street Bond**

To account for the reconstruction of Main Street with general obligation bonds.

**2016 CIPS School Bond**

To account for major repairs to the Town of Gorham's school buildings with general obligation bonds.

**Great Falls Elementary School Project**

To account for construction of a new elementary school on Stevens Drive to replace the White Rock Elementary School.

**Middle School Project**

To account for the construction of a new middle school on Weeks Road.

**Various School Projects**

To account for various maintenance projects for the School Department.

**High School Renovation and Expansion Project**

To account for the design and future renovations / expansion of the high school.

**TOWN OF GORHAM, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Capital Project Funds**  
**June 30, 2018**  
**(with comparative amounts for June 30, 2017)**

	2016 Fire Truck Bond	2016 Main Street Bond	2016 Public Safety Bldg Bond	2016 CIPS School Bond	Great Falls Elementary School Project	Middle School Project	Various School Projects	High School Renovation and Expansion	Totals	
									2018	2017
<b>ASSETS</b>										
Cash	\$ 45	612,730	109,660	26,698	33,051	-	-	-	782,184	1,518,039
Interfund loans receivable	-	-	-	-	36,028	-	-	201,312	237,340	142,772
<b>Total assets</b>	<b>\$ 45</b>	<b>612,730</b>	<b>109,660</b>	<b>26,698</b>	<b>69,079</b>	<b>-</b>	<b>-</b>	<b>201,312</b>	<b>1,019,524</b>	<b>1,660,811</b>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Accounts payable	-	-	-	1,518	-	-	-	16,850	18,368	1,518
Interfund loans payable	-	-	-	23,321	-	344	900	-	24,565	24,565
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,839</b>	<b>-</b>	<b>344</b>	<b>900</b>	<b>16,850</b>	<b>42,933</b>	<b>26,083</b>
Fund balances (deficit):										
Restricted:										
CIPS School Bond	-	-	-	1,859	-	-	-	-	1,859	1,463
Great Falls Elementary School	-	-	-	-	69,079	-	-	-	69,079	146,095
2016 Fire trucks	45	-	-	-	-	-	-	-	45	855,048
Main Street road project	-	612,730	-	-	-	-	-	-	612,730	604,128
Public Safety Building	-	-	109,660	-	-	-	-	-	109,660	-
Committed:										
High School renovation and expansion	-	-	-	-	-	-	-	184,462	184,462	29,238
Unassigned:										
Various school projects	-	-	-	-	-	-	(900)	-	(900)	(900)
Middle School project	-	-	-	-	-	(344)	-	-	(344)	(344)
<b>Total fund balances (deficit)</b>	<b>45</b>	<b>612,730</b>	<b>109,660</b>	<b>1,859</b>	<b>69,079</b>	<b>(344)</b>	<b>(900)</b>	<b>184,462</b>	<b>976,591</b>	<b>1,634,728</b>
<b>Total liabilities and fund balances</b>	<b>\$ 45</b>	<b>612,730</b>	<b>109,660</b>	<b>26,698</b>	<b>69,079</b>	<b>-</b>	<b>-</b>	<b>201,312</b>	<b>1,019,524</b>	<b>1,660,811</b>

**TOWN OF GORHAM, MAINE**  
**Nonmajor Capital Project Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the year ended June 30, 2018**

(with comparative amounts for the year ended June 30, 2017)

	2016 Fire Truck Bond	2016 Main Street Bond	2016 Public Safety Bldg Bond	2016 CIPS School Bond	Great Falls Elementary School Project	Middle School Project	Various School Projects	High School Renovation and Expansion	Totals	
									2018	2017
Revenues:										
Investment income	\$ 2,317	8,602	1,800	396	490	-	-	-	13,605	9,762
Other revenue	-	-	-	-	-	-	-	-	-	100,539
Total revenues	2,317	8,602	1,800	396	490	-	-	-	13,605	110,301
Expenditures:										
Capital improvements:										
Construction and renovation	857,320	-	-	-	77,506	-	-	62,276	997,102	1,843,694
Total capital improvements	857,320	-	-	-	77,506	-	-	62,276	997,102	1,843,694
Total expenditures	857,320	-	-	-	77,506	-	-	62,276	997,102	1,843,694
Excess (deficiency) of revenues over (under) expenditures	(855,003)	8,602	1,800	396	(77,016)	-	-	(62,276)	(983,497)	(1,733,393)
Other financing sources (uses):										
Issuance of bonds	-	-	-	-	-	-	-	-	-	1,290,000
Bond premium	-	-	-	-	-	-	-	-	-	55,000
Transfers - in	-	-	-	-	-	-	-	217,500	217,500	-
Transfers - out	-	-	(25,000)	-	-	-	-	-	(25,000)	(89,684)
Total other financing sources (uses)	-	-	(25,000)	-	-	-	-	217,500	192,500	1,255,316
Net change in fund balances	(855,003)	8,602	(23,200)	396	(77,016)	-	-	155,224	(790,997)	(478,077)
Fund balances (deficit), beginning of year	855,048	604,128	132,860	1,463	146,095	(344)	(900)	29,238	1,767,588	2,112,805
Fund balances (deficit), end of year	\$ 45	612,730	109,660	1,859	69,079	(344)	(900)	184,462	976,591	1,634,728

## **PERMANENT FUNDS**

Permanent funds are established to account for assets received by the Town and held in trust.

### **Cemetery Perpetual Care**

Various funds established to be used for the care and upkeep of the various town cemeteries.

### **Parks and Recreation Grounds**

Various funds established to be used for the care and upkeep of the various parks in Gorham, as well as the Soldiers' monument in Gorham Village. The parks include Robie, Fort Hill, and Phinney.

### **Baxter Library and Museum**

Various funds established to be used for the benefit of the Baxter Memorial Library and Baxter Museum.

### **Schools**

Various funds established to be used for the purchase of equipment, library books, and artwork at Gorham High School.

### **Public Purpose and Civic Improvements**

Various funds established to be used for any public purpose at the discretion of the Town Council.

### **Miscellaneous**

Various funds established to be used for various benefits from permanent improvements, support and maintenance of Gorham's poor and indigent residents, eye care for Gorham students, and construction and upkeep of Gidding Chapel in Eastern Cemetery.

**TOWN OF GORHAM, MAINE**  
**Combining Balance Sheet**  
**Nonmajor Permanent Funds**  
**June 30, 2018**

(with comparative amounts for June 30, 2017)

	Cemetery Perpetual Care	Parks and Recreation Grounds	Baxter Library and Museum	Schools	Public Purpose and Civic Improvements	Miscellaneous	Totals	
							2018	2017
<b>ASSETS</b>								
Investments	\$ 500,709	12,406	378,625	46,827	14,217	209,350	1,162,134	1,159,619
Interfund loans receivable	2,369	-	32	-	-	-	2,401	2,300
<b>Total assets</b>	<b>503,078</b>	<b>12,406</b>	<b>378,657</b>	<b>46,827</b>	<b>14,217</b>	<b>209,350</b>	<b>1,164,535</b>	<b>1,161,919</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	10,260	-	-	-	-	-	10,260	7,784
Interfund loans payable	-	-	-	-	-	500	500	-
<b>Total liabilities</b>	<b>10,260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>10,760</b>	<b>7,784</b>
Fund balances:								
Nonspendable	492,780	4,124	360,316	5,170	5,000	62,364	929,754	933,803
Restricted	38	8,282	18,341	41,657	9,217	146,486	224,021	220,332
<b>Total fund balances</b>	<b>492,818</b>	<b>12,406</b>	<b>378,657</b>	<b>46,827</b>	<b>14,217</b>	<b>208,850</b>	<b>1,153,775</b>	<b>1,154,135</b>
<b>Total liabilities and and fund balances</b>	<b>\$ 503,078</b>	<b>12,406</b>	<b>378,657</b>	<b>46,827</b>	<b>14,217</b>	<b>209,350</b>	<b>1,164,535</b>	<b>1,161,919</b>



**TOWN OF GORHAM, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Permanent Funds**  
**For the year ended June 30, 2018**  
**(with comparative amounts for the year ended June 30, 2017)**

	Cemetery Perpetual Care	Parks and Recreation Grounds	Baxter Library and Museum	Schools	Public Purpose and Civic Improvements	Miscellaneous	Totals	
							2018	2017
Revenues:								
Investment income	\$ 10,263	257	8,359	971	295	9,714	29,859	30,513
Market loss on investments	(13,273)	(333)	(10,142)	(1,256)	(382)	(4,428)	(29,814)	(27,825)
Donations	10,100	-	255	-	-	-	10,355	13,083
Total revenues	7,090	(76)	(1,528)	(285)	(87)	5,286	10,400	15,771
Expenditures:								
Current:								
Other miscellaneous	10,260	-	-	-	-	500	10,760	8,609
Total expenditures	10,260	-	-	-	-	500	10,760	8,609
Excess (deficiency) of revenues over (under) expenditures	(3,170)	(76)	(1,528)	(285)	(87)	4,786	(360)	7,162
Other financing uses:								
Transfers out	-	-	-	-	-	-	-	(100)
Total other financing uses	-	-	-	-	-	-	-	(100)
Net change in fund balance	(3,170)	(76)	(1,528)	(285)	(87)	4,786	(360)	7,062
Fund balances, beginning of year	495,988	12,482	380,185	47,112	14,304	204,064	1,154,135	1,147,073
<b>Fund balances, end of year</b>	<b>\$ 492,818</b>	<b>12,406</b>	<b>378,657</b>	<b>46,827</b>	<b>14,217</b>	<b>208,850</b>	<b>1,153,775</b>	<b>1,154,135</b>

## **FIDUCIARY FUNDS**

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and which cannot be used to support the government's own programs.

### **Agency Funds:**

The School and Student Activities, Public Safety Activities, and Recreation Activities Agency Funds are used to report resources held by the Town in a purely custodial capacity.

### **Private-purpose Trust Funds:**

These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations and other governments.

### **Scholarships:**

#### **Malcolm Smith Scholarship Fund**

Provides an annual scholarship to a worthy graduate of Gorham High School, as selected by its principal.

#### **Bob Grant Memorial Scholarship Fund**

Provides an annual scholarship to a worthy graduate of Gorham High School, as selected by its principal.

#### **Harry Shevis Scholarship Fund**

Provides an annual scholarship to a graduating senior at Gorham High School who, in the opinion of the principal, like Harry Shevis has a true intellectual gift for math and computer science, but like Harry may not necessarily have the highest grade point average. Special consideration shall be given for potential recipients who are either National Merit Finalists or Semi-finalists or who plan to pursue a college degree in math, engineering, or computer science.

#### **Watson Family Scholarship Fund**

Provides an annual scholarship to a graduating senior for the purpose of furthering their education. The selection is made on the basis of need, scholarship, and ability demonstrated during the last two years of study by a committee composed of the principal, the guidance director, and one teacher.

#### **Charles C. Shaw Scholarship Fund**

Provides an annual scholarship to a worthy student pursuing an educational experience beyond high school, requiring at least two (2) years of post high school education. The criteria shall be based on a combination of most need and scholarship effort, but not necessarily to a student of the highest academic standing.

#### **Thomas A. Fogg Vocational Scholarship Fund**

Provides a scholarship to a Gorham student for the purposes of allowing that student to attend a vocational school program that he or she would otherwise be unable to afford. Criteria for this award shall be financial need, vocational training background and desire to continue training at a vocational school.

#### **Arthur and Jane Fogg Memorial Scholarship Fund**

Provides a scholarship to a Gorham High School student with the greatest financial need.

**TOWN OF GORHAM, MAINE**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2018**

	Agency Funds			
	School and Student Activity Funds	Public Safety Activity Funds	Recreation Activity Fund	Total Agency Funds
<b>ASSETS</b>				
Cash	\$ 327,462	164,868	230	492,560
Interfund receivable	6,175	-	-	6,175
<b>Total assets</b>	<b>333,637</b>	<b>164,868</b>	<b>230</b>	<b>498,735</b>
<b>LIABILITIES</b>				
Due to:				
Student groups	333,637	-	-	333,637
Public safety	-	164,868	-	164,868
Recreation	-	-	230	230
<b>Total liabilities</b>	<b>\$ 333,637</b>	<b>164,868</b>	<b>230</b>	<b>498,735</b>

**TOWN OF GORHAM, MAINE**  
**Combining Statement of Fiduciary Net Position**  
**Agency Funds**  
**June 30, 2018**  
**(with comparative amounts for June 30, 2017)**

	<b>School and Student Activity Agency Funds</b>						<b>Totals</b>	
	<b>High School Activity Fund</b>	<b>High School CBE Fund</b>	<b>White Rock Activity Fund</b>	<b>Narragansett Office</b>	<b>Village Activity Fund</b>	<b>Middle School Activity Fund</b>		
							<b>2018</b>	<b>2017</b>
<b>ASSETS</b>								
Cash	\$ 232,561	1,106	24,031	16,285	13,020	40,459	327,462	308,677
Interfund receivable	6,175	-	-	-	-	-	6,175	5,934
<b>Total assets</b>	<b>238,736</b>	<b>1,106</b>	<b>24,031</b>	<b>16,285</b>	<b>13,020</b>	<b>40,459</b>	<b>333,637</b>	<b>314,611</b>
<b>LIABILITIES</b>								
Due to student groups	238,736	1,106	24,031	16,285	13,020	40,459	333,637	314,611
<b>Total liabilities</b>	<b>\$ 238,736</b>	<b>1,106</b>	<b>24,031</b>	<b>16,285</b>	<b>13,020</b>	<b>40,459</b>	<b>333,637</b>	<b>314,611</b>

TOWN OF GORHAM, MAINE  
Combining Statement of Fiduciary Net Position  
Agency Funds  
June 30, 2018  
(with comparative amounts for June 30, 2017)

	Public Safety Activity Agency Funds				Totals	
	Guns and Hoses Fund	Central Station Auxiliary Fund	S. Windham Fire Company Fund	Presumpscot Valley Hazmat Fund	2018	2017
<b>ASSETS</b>						
Cash	\$ 62,636	2,298	5,541	94,393	164,868	165,817
<b>Total assets</b>	<b>62,636</b>	<b>2,298</b>	<b>5,541</b>	<b>94,393</b>	<b>164,868</b>	<b>165,817</b>
<b>LIABILITIES</b>						
Due to public safety groups	62,636	2,298	5,541	94,393	164,868	165,817
<b>Total liabilities</b>	<b>\$ 62,636</b>	<b>2,298</b>	<b>5,541</b>	<b>94,393</b>	<b>164,868</b>	<b>165,817</b>

**TOWN OF GORHAM, MAINE**  
**Combining Statement of Fiduciary Net Position**  
**Private-purpose Trust Funds**  
**June 30, 2018**  
**(with comparative amounts for June 30, 2017)**

		<b>Malcolm Smith Scholarship</b>	<b>Bob Grant Memorial Scholarship</b>	<b>Harry Shevis Scholarship</b>	<b>Watson Family Scholarship</b>	<b>Charles C. Shaw Scholarship</b>	<b>Thomas A. Fogg Scholarship</b>	<b>Arthur and Jane Fogg Scholarship</b>	<b>Totals</b>	
									<b>2018</b>	<b>2017</b>
<b>ASSETS</b>										
Investments	\$	2,422	2,550	6,243	12,225	6,278	10,321	1,814	41,853	42,108
<b>Total assets</b>		<b>2,422</b>	<b>2,550</b>	<b>6,243</b>	<b>12,225</b>	<b>6,278</b>	<b>10,321</b>	<b>1,814</b>	<b>41,853</b>	<b>42,108</b>
<b>LIABILITIES AND NET POSITION</b>										
Liabilities:										
Interfund loan payable		100	-	100	100	500	-	-	800	-
<b>Total liabilities</b>		<b>100</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>800</b>	<b>-</b>
Net position:										
Principal		2,222	2,435	6,043	11,887	5,000	10,321	1,814	39,722	40,343
Unexpended income		100	115	100	238	778	-	-	1,331	1,765
<b>Total net position</b>		<b>2,322</b>	<b>2,550</b>	<b>6,143</b>	<b>12,125</b>	<b>5,778</b>	<b>10,321</b>	<b>1,814</b>	<b>41,053</b>	<b>42,108</b>
<b>Total liabilities and and net position</b>	<b>\$</b>	<b>2,422</b>	<b>2,550</b>	<b>6,243</b>	<b>12,225</b>	<b>6,278</b>	<b>10,321</b>	<b>1,814</b>	<b>41,853</b>	<b>42,108</b>

**TOWN OF GORHAM, MAINE**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds - Private-purpose Trust Funds**  
**For the year ended June 30, 2018**  
**(with comparative amounts for the year ended June 30, 2017)**

	<b>Malcolm Smith Scholarship</b>	<b>Bob Grant Memorial Scholarship</b>	<b>Harry Shevis Scholarship</b>	<b>Watson Family Scholarship</b>	<b>Charles C. Shaw Scholarship</b>	<b>Thomas A. Fogg Scholarship</b>	<b>Arthur and Jane Fogg Scholarship</b>	<b>Totals</b>	
								<b>2018</b>	<b>2017</b>
Additions:									
Investment earnings:									
Interest	\$ 50	52	130	254	130	214	38	868	676
Net increase (decrease) in the fair value of investments	(65)	(68)	(168)	(328)	(168)	(277)	(49)	(1,123)	(1,076)
Total additions	(15)	(16)	(38)	(74)	(38)	(63)	(11)	(255)	(400)
Deductions:									
Current:									
Scholarships awarded	100	-	100	100	500	-	-	800	800
Total deductions	100	-	100	100	500	-	-	800	800
Changes in net position	(115)	(16)	(138)	(174)	(538)	(63)	(11)	(1,055)	(1,200)
Net position, beginning of year	2,437	2,566	6,281	12,299	6,316	10,384	1,825	42,108	43,308
<b>Net position, end of year</b>	<b>\$ 2,322</b>	<b>2,550</b>	<b>6,143</b>	<b>12,125</b>	<b>5,778</b>	<b>10,321</b>	<b>1,814</b>	<b>41,053</b>	<b>42,108</b>

**TOWN OF GORHAM, MAINE**  
**Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2018**

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>ASSETS</b>				
Cash and interfund receivables:				
Student activities:				
High School Activity Fund	\$ 225,512	300,897	287,673	238,736
Gorham High School CBE	848	2,419	2,161	1,106
White Rock Activity Fund	19,739	50,528	46,236	24,031
Narragansett Office	14,054	24,526	22,295	16,285
Village Activity Fund	13,875	33,504	34,359	13,020
Middle School Activity Fund	39,266	69,575	68,382	40,459
GSVP	1,317	1,700	3,017	-
Subtotal student activities	314,611	483,149	464,123	333,637
Public safety activities:				
Guns and Hoses Fund	52,899	18,870	9,133	62,636
Central Station Auxiliary Fund	2,697	1	400	2,298
S. Windham Fire Company Fund	4,151	4,323	2,933	5,541
Presumpscot Valley Hazmat Fund	106,070	47,214	58,891	94,393
Subtotal public safety activities	165,817	70,408	71,357	164,868
Recreation activities:				
Men's Basketball League Fund	230	-	-	230
Subtotal recreation activities	230	-	-	230
<b>Total assets</b>	<b>\$ 480,658</b>	<b>553,557</b>	<b>535,480</b>	<b>498,735</b>



**TOWN OF GORHAM, MAINE**  
**Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2018**

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>LIABILITIES</b>				
Student activities:				
High School Activity Fund	\$ 225,512	300,897	287,673	238,736
Gorham High School CBE	848	2,419	2,161	1,106
White Rock Activity Fund	19,739	50,528	46,236	24,031
Narragansett Office	14,054	24,526	22,295	16,285
Village Activity Fund	13,875	33,504	34,359	13,020
Middle School Activity Fund	39,266	69,575	68,382	40,459
GSVP	1,317	1,700	3,017	-
Subtotal student activities	314,611	483,149	464,123	333,637
Public safety activities:				
Guns and Hoses Fund	52,899	18,870	9,133	62,636
Central Station Auxiliary Fund	2,697	1	400	2,298
S Windham Fire Company Fund	4,151	4,323	2,933	5,541
Presumpscot Valley Hazmat Fund	106,070	47,214	58,891	94,393
Subtotal public safety activities	165,817	70,408	71,357	164,868
Recreation activities:				
Men's Basketball League Fund	230	-	-	230
Subtotal recreation activities	230	-	-	230
<b>Total liabilities</b>	<b>\$ 480,658</b>	<b>553,557</b>	<b>535,480</b>	<b>498,735</b>

## STATISTICAL SECTION

This part of the Town of Gorham's comprehensive annual financial report presents in detailed information as a context for understanding what the information in the financial statements and note disclosures says about the Town's overall financial health.

CONTENTS	PAGE
<b>Financial Trends</b>	127-131
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b>	132-135
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
<b>Debt Capacity</b>	136-139
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
<b>Demographic and Economic Information</b>	140-141
<i>These schedules offer demographic and economic indicators to help the reader understand the environment that the government's financial activity takes place.</i>	
<b>Operating Information</b>	142-144
<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>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

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

	2009	2010 <sup>1</sup>	2011	2012	2013	2014	2015 <sup>2</sup>	2016	2017	2018
Governmental activities:										
Net investment in capital assets	\$ 33,293,376	\$ 33,076,636	\$ 36,550,035	\$ 38,304,529	\$ 39,771,522	\$ 41,744,384	\$ 42,226,881	\$ 44,482,501	\$ 45,097,589	\$ 45,751,261
Restricted	424,928	16,412,829	1,868,709	3,109,143	3,242,839	3,936,188	3,949,973	4,067,304	4,000,304	3,740,750
Unrestricted	<u>12,982,245</u>	<u>(1,472,158)</u>	<u>11,219,195</u>	<u>11,574,603</u>	<u>9,596,610</u>	<u>9,556,973</u>	<u>9,268,347</u>	<u>10,011,462</u>	<u>10,849,966</u>	<u>11,509,305</u>
Total governmental activities net position	<u>\$ 46,700,549</u>	<u>\$ 48,017,307</u>	<u>\$ 49,637,939</u>	<u>\$ 52,988,275</u>	<u>\$ 52,610,971</u>	<u>\$ 55,237,545</u>	<u>\$ 55,445,201</u>	<u>\$ 58,561,267</u>	<u>\$ 59,947,859</u>	<u>\$ 61,001,316</u>

<sup>1</sup> Fiscal year 2010 has been restated to reflect the implementation of GASB Statement No. 54.

<sup>2</sup> Fiscal year 2015 has been restated to reflect the implementation of GASB Statement No. 68

Table 2

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

	2009	2010 <sup>1</sup>	2011	2012	2013	2014	2015 <sup>2</sup>	2016	2017	2018
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,692,737	\$ 4,791,437	\$ 4,787,454	\$ 4,768,295	\$ 4,743,171	\$ 5,045,971	\$ 5,212,457	\$ 5,750,902	\$ 5,487,400	\$ 5,369,140
Public safety	3,742,859	3,581,802	3,838,634	3,823,459	3,803,853	4,181,443	3,893,475	4,582,029	4,827,053	4,779,796
Public works	2,781,765	4,540,156	5,376,501	5,041,673	5,401,195	5,430,356	5,159,276	5,300,666	6,115,530	6,087,262
Health and welfare	87,628	74,469	136,853	149,617	188,183	121,093	50,170	52,100	44,098	37,848
Recreation	1,368,309	1,407,246	1,110,653	1,488,702	1,454,250	1,616,165	1,648,025	1,601,851	1,729,112	1,897,893
Development	495,299	271,516	294,540	296,115	240,178	246,957	240,827	309,488	312,953	299,326
Education	32,373,509	34,667,562	34,310,102	34,654,427	35,364,568	35,457,060	36,435,791	37,728,542	39,773,685	41,177,926
Interest on debt	1,250,260	1,387,958	1,878,175	1,472,657	1,310,289	1,260,694	1,218,765	1,231,628	1,157,647	1,083,433
Total governmental activities expenses	<u>46,792,366</u>	<u>50,722,146</u>	<u>51,732,912</u>	<u>51,694,945</u>	<u>52,505,687</u>	<u>53,359,739</u>	<u>53,858,786</u>	<u>56,557,206</u>	<u>59,447,478</u>	<u>60,732,624</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	470,309	545,365	592,358	547,377	669,844	733,768	710,554	742,951	774,965	964,088
Public safety	617,224	593,483	670,950	633,614	643,240	582,398	635,994	595,448	637,448	564,292
Public works	1,584,478	1,476,406	1,550,190	1,504,559	1,518,310	1,592,331	1,522,571	1,605,862	1,634,405	1,893,239
Health and welfare	11,643	11,305	10,106	11,217	10,454	10,391	9,848	10,373	8,863	8,458
Recreation	634,268	647,758	609,568	677,022	655,906	798,272	792,628	859,864	940,247	1,003,066
Development	82,050	-	-	-	-	-	-	-	-	-
Education	654,443	616,409	595,506	579,531	565,176	585,729	34,928	640,904	694,946	758,090
Operating grants and contributions	22,456,840	23,263,805	23,132,157	22,891,354	22,140,676	22,890,431	24,339,847	22,449,423	22,828,112	23,999,725
Capital grants and contributions	5,518,682	1,306,107	1,796,568	3,316,795	275,574	1,712,233	217,919	2,696,445	1,091,087	1,058,000
Total governmental activities program revenues	<u>32,029,937</u>	<u>28,460,638</u>	<u>28,957,403</u>	<u>30,161,469</u>	<u>26,479,180</u>	<u>28,905,553</u>	<u>28,264,289</u>	<u>29,601,270</u>	<u>28,610,073</u>	<u>30,248,958</u>
Net (expense)/revenue, governmental activities	<u>(14,762,429)</u>	<u>(22,261,508)</u>	<u>(22,775,509)</u>	<u>(21,533,476)</u>	<u>(26,026,507)</u>	<u>(24,454,186)</u>	<u>(25,594,497)</u>	<u>(26,955,936)</u>	<u>(30,837,405)</u>	<u>(30,483,666)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	19,421,626	19,309,185	19,873,946	20,677,988	20,982,710	22,639,056	23,320,184	24,499,792	26,074,860	26,632,400
Payment in lieu of taxes	91,351	56,684	55,469	57,067	58,207	59,272	58,967	58,688	43,971	43,717
Motor vehicle and boat excise taxes	2,403,379	2,374,614	2,385,626	2,425,578	2,618,905	2,860,442	3,034,851	3,272,059	3,515,752	3,745,638
Grants and contributions not restricted to specific programs:										
Homestead exemption	306,543	303,353	259,083	263,253	260,833	273,331	273,442	287,369	435,362	601,666
BETE reimbursement	78,942	131,103	163,110	161,074	189,602	180,676	215,861	292,684	305,366	299,868
Other state aid	29,003	28,486	26,611	41,956	41,769	41,730	40,914	40,755	38,785	40,767
State revenue sharing	1,326,817	1,131,755	1,116,472	1,124,259	1,105,086	784,766	731,086	780,829	738,529	778,497
Unrestricted investment earnings	224,431	216,622	188,676	87,250	100,293	91,407	118,144	128,724	200,467	288,927
Miscellaneous revenues	435,727	148,644	259,356	254,434	288,815	308,262	262,310	421,513	645,630	436,450
Sale of property	-	-	67,792	12,961	2,983	14,918	2,000	289,589	225,455	27,249
Total governmental activities	<u>24,317,819</u>	<u>23,700,446</u>	<u>24,396,141</u>	<u>25,105,820</u>	<u>25,649,203</u>	<u>27,253,860</u>	<u>28,057,759</u>	<u>30,072,002</u>	<u>32,224,177</u>	<u>32,895,179</u>
<b>Change in Net Position</b>										
Governmental activities	\$ <u>9,555,390</u>	\$ <u>1,438,938</u>	\$ <u>1,620,632</u>	\$ <u>3,572,344</u>	\$ <u>(377,304)</u>	\$ <u>2,799,674</u>	\$ <u>2,463,262</u>	\$ <u>3,116,066</u>	\$ <u>1,386,772</u>	\$ <u>2,411,513</u>

<sup>1</sup> Fiscal year 2010 has been restated as the result of implementing GASB Statement No. 54.

<sup>2</sup> Fiscal year 2015 has been restated to reflect the implementation of GASB Statement No. 68.

Table 3

**TOWN OF GORHAM, MAINE**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

<b>Fiscal Year</b>		<b>Property Taxes</b>	<b>Interest and Costs on Taxes</b>	<b>Excise Taxes</b>	<b>Total</b>
2009	\$	19,245,826	79,229	2,403,379	21,728,434
2010		19,309,185	119,141	2,374,614	21,802,940
2011		19,873,946	118,218	2,385,626	22,377,790
2012		20,677,988	51,884	2,425,578	23,155,450
2013		20,982,710	78,623	2,618,905	23,680,238
2014		22,639,056	69,969	2,860,442	25,569,467
2015		23,320,184	81,731	3,034,851	26,436,766
2016		24,499,792	74,179	3,272,059	27,846,030
2017		26,074,860	72,936	3,515,752	29,663,548
2018		26,632,400	57,601	3,745,638	30,435,639

Table 4

**TOWN OF GORHAM, MAINE**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years (1)**  
**(modified accrual basis of accounting)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Nonspendable										
Noncurrent receivables	\$ 9,319	\$ 8,509	\$ 7,698	\$ 6,888	\$ 6,078	\$ 2,634	\$ 2,228	\$ 1,823	\$ 1,418	\$ 1,013
Prepaid items	-	-	-	2,097	105,687	212,149	228,091	144,676	140,814	84,285
Inventory <sup>2</sup>	58,646	65,126	66,266	35,848	43,068	79,362	70,300	47,988	26,185	54,600
Restricted										
General government purposes	-	-	-	-	-	15,006	26,751	31,099	29,900	41,741
Public safety operations	-	192,996	201,653	149,347	164,996	151,483	194,803	200,241	137,066	118,128
Public works operations	-	91,992	93,761	100,476	106,425	179,875	176,551	149,987	160,844	165,730
Recreation operations	-	2,108	2,108	750	750	7,359	10,965	9,434	9,103	7,480
Committed										
General government purposes	-	545,620	545,620	314,731	104,006	310,677	363,659	652,000	855,966	621,161
Public safety operations	-	-	-	-	-	24,760	11,604	46,313	159,562	42,549
Public works operations	-	-	-	-	-	83,827	148,930	308,509	952,792	1,468,916
Recreation operations	-	-	-	-	-	60,342	229,208	120,151	254,767	127,897
Other purposes	-	145,015	219,257	98,191	754,600	-	-	-	-	-
Assigned										
Capital funding	541,862	1,128,800	139,220	1,721,034	466,800	1,005,423	1,130,012	1,344,000	1,394,848	2,104,048
Encumbrances	61,996	222,092	161,130	259,911	445,389	277,951	256,426	544,638	398,907	457,404
General government purposes	-	628,858	666,191	540,298	550,638	492,432	795,656	408,959	326,572	399,074
Public safety operations	-	365,256	208,642	171,468	187,318	147,693	172,952	165,258	148,410	121,183
Public works operations	-	567,559	585,374	618,224	510,559	649,994	607,394	793,465	155,574	126,730
Recreation operations	-	272,649	291,377	281,296	301,141	321,926	237,986	258,284	317,634	315,670
Economic development	-	75,316	75,316	77,100	85,399	82,899	82,899	75,124	72,993	46,703
Insurance and employee benefits	-	532,767	519,941	518,408	567,789	537,873	904,144	1,061,822	1,048,933	957,326
Other purposes	-	686,340	336,048	379,753	309,499	-	-	-	2,294	-
Capital reserves	3,515,695	-	-	-	-	-	-	-	-	-
Compensated absences	316,262	320,086	335,706	360,078	369,162	376,121	396,688	411,255	457,563	484,046
Unassigned	6,029,809	5,334,899	6,508,046	5,687,098	6,491,317	6,567,745	6,708,673	7,011,371	7,884,367	7,846,520
<b>Total General Fund</b>	<b>10,533,589</b>	<b>11,185,988</b>	<b>10,963,354</b>	<b>11,322,996</b>	<b>11,570,621</b>	<b>11,587,531</b>	<b>12,755,920</b>	<b>13,786,397</b>	<b>14,936,512</b>	<b>15,592,204</b>
<b>All other governmental funds</b>										
Nonspendable										
Special revenue funds	101,853	182,352	170,149	184,540	145,908	169,010	203,776	270,181	252,486	44,353
Permanent funds	424,928	513,326	524,205	524,988	538,345	746,715	905,102	933,457	933,803	929,754
Restricted										
Special revenue funds	1,344,305	1,419,004	1,130,992	2,364,016	2,499,236	2,627,725	2,424,698	2,498,548	2,464,903	2,209,543
Capital project funds	-	14,264,545 <sup>3</sup>	3,807,139	738,721	559,273	1,056,815	5,382,372 <sup>3</sup>	2,290,650	1,739,594	793,373
Permanent funds	198,362	215,954	213,512	220,139	205,258	208,025	211,103	213,616	220,332	224,021
Committed										
Special revenue funds	1,543,348	1,536,304	1,561,139	237,637	99,629	106,714	177,822	291,647	340,977	1,228,261
Capital project funds	146,956	43,183	240,851	39,045	82,982	68,825	68,825	68,825	29,238	184,462
Assigned										
Special revenue funds	714,805	885,155	429,115	1,070,699	305,307	10,396	9,527	10,852	12,663	75,631
Unassigned										
Special revenue funds	(1,361,516)	(1,784,809)	(1,107,297)	(1,649,257)	(1,606,033)	(872,680)	(604,072)	(720,751)	(805,304)	(1,377,570)
<b>Total all other governmental funds</b>	<b>\$ 3,113,041</b>	<b>\$ 17,275,014</b>	<b>\$ 6,969,805</b>	<b>\$ 3,730,528</b>	<b>\$ 2,829,905</b>	<b>\$ 4,121,545</b>	<b>\$ 8,779,153</b>	<b>\$ 5,857,025</b>	<b>\$ 5,188,692</b>	<b>\$ 4,311,828</b>

(1) Beginning with the year ended June 30, 2011, the Town reported governmental fund balances in accordance with the categories defined in GASB Statement No. 54.

Prior years have been restated to reflect the GASB 54 categorization for All Other Governmental Funds but only fiscal year 2010 for General Fund.

<sup>2</sup> Effective June 30, 2009, the Town has chosen to record the gas and diesel fuel remaining in the tanks at year end as inventory.

<sup>3</sup> The increase in capital project funds restricted fund balance was due to unspent bond proceeds from an issuance during the period for capital projects.

Table 5

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Taxes	\$ 21,728,434	\$ 21,768,640	\$ 22,631,090	\$ 23,040,600	\$ 23,806,646	\$ 25,447,669	\$ 26,429,236	\$ 27,906,699	\$ 29,657,648	\$ 30,434,839
Licenses and permits	277,563	300,923	548,938	527,362	644,599	691,597	674,697	684,459	728,782	824,494
Intergovernmental	23,900,879	24,423,021	24,630,449	24,356,593	23,642,623	23,896,480	24,505,354	23,951,677	24,498,894	25,670,115
Investment income <sup>1</sup>	145,202	98,943	-	-	-	-	-	-	-	-
Charges for services	2,556,325	2,425,130	3,047,229	2,851,781	2,862,119	3,030,321	2,461,337	3,837,878	3,992,123	4,322,463
Unclassified	2,251,650	2,195,366	1,152,994	1,230,525	1,189,455	1,266,969	2,050,794 <sup>2</sup>	807,468	1,085,637	833,426
Total revenues	<u>50,860,053</u>	<u>51,212,023</u>	<u>52,010,700</u>	<u>52,006,861</u>	<u>52,145,442</u>	<u>54,333,036</u>	<u>56,121,418</u>	<u>57,188,181</u>	<u>59,963,084</u>	<u>62,085,337</u>
<b>Expenditures</b>										
General government	3,846,027	4,060,023	3,945,945	3,864,910	3,917,516	4,082,567	4,216,477	4,713,140	4,964,782	4,907,121
Public safety	3,395,235	3,295,577	3,401,184	3,548,053	3,483,363	3,708,786	3,765,789	4,063,172	4,548,080	4,419,673
Public works	3,103,513	3,308,541	3,394,776	3,318,793	3,375,294	3,467,186	3,314,864	3,980,162	4,616,022	4,612,736
Health and welfare	87,628	74,469	136,853	149,617	188,183	121,093	50,170	52,100	44,098	37,848
Recreation	1,187,799	1,202,986	1,245,047	1,305,319	1,275,146	1,458,993	1,514,686	1,685,202	1,599,650	1,918,189
Economic development	221,348	321,323	61,666	63,216	59,701	73,970	68,674	80,993	76,962	91,175
Public agencies	-	-	28,484	28,276	26,646	30,018	29,878	32,361	44,269	79,353
Unclassified	1,297,684	229,345	605,948	544,860	404,876	490,165	534,140	479,585	421,718	389,798
Education and food service	30,748,351	33,329,869	32,992,753	32,933,772	33,009,864	34,130,460	35,274,132	36,159,730	37,827,413	39,794,999
Debt service										
Principal	2,664,650	2,609,650	2,404,650	3,520,000	3,593,125	3,653,125	3,148,125	3,378,125	3,438,125	3,468,125
Interest	1,305,978	1,235,485	1,852,572	1,548,720	1,361,973	1,308,722	1,230,211	1,331,006	1,398,168	1,165,808
Capital maintenance	598,297	713,962	983,754	586,728	418,072	214,165	827,997	65,411	69,976	164,730
Capital improvements	4,527,450	6,533,337	15,247,703	3,643,362	1,684,681	2,084,346	1,595,529	5,023,751	2,036,740	997,102
Total expenditures	<u>52,983,960</u>	<u>56,914,567</u>	<u>66,301,335</u>	<u>55,055,626</u>	<u>52,798,440</u>	<u>54,823,596</u>	<u>55,570,672</u>	<u>61,044,738</u>	<u>61,086,003</u>	<u>62,046,657</u>
<b>Other financing sources (uses)</b>										
Issuance of capital leases	74,639	146,972	312,792	169,130	-	399,110	136,208	167,928	159,710	339,200
Issuance of bonds	-	20,384,680	3,450,000	-	-	-	5,139,043	1,775,000	1,290,000	-
Bond premium	-	-	-	-	-	-	-	21,978	55,000	-
Transfers in	14,349,706	14,101,181	13,491,112	13,709,200	14,093,904	15,171,646	15,784,224	16,182,196	17,852,299	18,341,863
Transfers out	(14,349,706)	(14,101,181)	(13,491,112)	(13,709,200)	(14,093,904)	(15,171,646)	(15,784,224)	(16,182,196)	(17,852,299)	(18,341,863)
Issuance of refunding bonds	-	-	-	-	-	-	-	-	11,480,000	-
Premium on refunding bonds issued	-	-	-	-	-	-	-	-	1,563,829	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	(12,943,658)	-
Total other financing sources (uses)	<u>74,639</u>	<u>20,531,652</u>	<u>3,762,792</u>	<u>169,130</u>	<u>-</u>	<u>399,110</u>	<u>5,275,251</u>	<u>1,964,906</u>	<u>1,604,881</u>	<u>339,200</u>
Net change in fund balances	\$ (2,049,268)	\$ 14,829,108	\$ (10,527,843)	\$ (2,879,635)	\$ (652,998)	\$ (91,450)	\$ 5,825,997	\$ (1,891,651)	\$ 481,962	\$ 377,880
Debt service as a percentage of noncapital expenditures	9.6%	7.8%	8.6%	10.6%	9.6%	9.7%	8.2%	8.9%	8.4%	7.8%

<sup>1</sup> Beginning with fiscal year 2011, investment income has become part of the Unclassified revenue source.

<sup>2</sup> Beginning with fiscal year 2016, recreation reimbursables has become part of the Charges for services source.

Table 6

**TOWN OF GORHAM, MAINE**  
**Assessed Value and State Equalized Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Real Property		Personal Property	Less Tax Exempt Real Property	Total Taxable Assessed Value <sup>1</sup>	Total Direct Tax Rate	State Equalized Value <sup>2</sup>	Assessed Value as a Percentage of Equalized Value
	Residential Property	Commercial Property						
2009	\$ 1,128,282,000	313,801,500	49,080,200	275,472,200	1,215,691,500	15.38	1,492,250,000	81.5%
2010	1,136,006,800	307,125,800	48,405,200	275,176,000	1,216,361,800	15.26	1,443,450,000	84.3%
2011	1,054,053,000	423,117,200	45,804,100	270,335,500	1,252,638,800	15.30	1,432,100,000	87.5%
2012	1,073,578,500	423,490,100	42,087,400	269,169,500	1,269,986,500	15.69	1,445,250,000	87.9%
2013	1,082,943,100	469,042,200	36,987,600	298,546,200	1,290,426,700	15.66	1,409,850,000	91.5%
2014	1,092,702,600	474,477,300	41,245,100	298,885,300	1,309,539,700	16.63	1,420,400,000	92.2%
2015	1,119,027,500	478,491,000	45,522,400	300,865,900	1,342,175,000	16.72	1,467,850,000	91.4%
2016	1,242,064,900	526,927,200	42,871,100	306,787,900	1,505,075,300	15.65	1,541,700,000	97.6%
2017	1,271,758,600	539,898,808	45,349,524	323,722,210	1,533,284,722	16.34	1,602,450,000	95.7%
2018	1,302,665,000	546,017,234	63,994,800	342,392,741	1,570,284,293	16.41	1,682,600,000	93.3%

Sources:

<sup>1</sup> Gorham Assessing office and Cumberland County Regional Assessing.

<sup>2</sup> State of Maine, Bureau of Taxation



Table 7

**TOWN OF GORHAM, MAINE**  
**Property Tax Rates - All Direct and Overlapping**  
**Governments (Per \$1,000 of Assessed Value)**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Direct</b>			<b><u>Overlapping</u></b>	<b>Total Tax Rate</b>
	<b>Municipal Tax Rate</b>	<b>School Tax Rate</b>	<b>Total Direct Tax Rate</b>	<b>County Tax Rate</b>	
2009	4.98	10.40	15.38	0.62	16.00
2010	5.17	10.09	15.26	0.64	15.90
2011	5.25	10.05	15.30	0.60	15.90
2012	5.46	10.23	15.69	0.61	16.30
2013	5.27	10.39	15.66	0.64	16.30
2014	5.41	11.22	16.63	0.67	17.30
2015	5.47	11.25	16.72	0.68	17.40
2016	5.24	10.41	15.65	0.65	16.30
2017	5.38	10.96	16.34	0.66	17.00
2018	5.37	11.04	16.41	0.69	17.10

Source: Cumberland County Regional Assessing

Table 8

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

Taxpayer	2018			2009		
	Current year assessed value	Rank	Percentage of total assessed value	Current year assessed value	Rank	Percentage of total assessed value
Central Maine Power Co.	\$ 92,974,493	1	5.92%	\$ 19,112,900	1	1.52%
New Portland Road Realty LLC (formerly known as Gorham House)	13,137,400	2	0.84%	10,695,300	3	0.85%
Irwin Industrial Tools/American Tools	10,442,200	3	0.66%	6,100,800	10	0.49%
Nappi Distributors	10,402,900	4	0.66%	9,949,300	5	0.79%
Scott Paper	7,997,000	5	0.51%	7,336,700	7	0.58%
Maine Mobile Homes LTD	7,753,100	6	0.49%	6,641,000	9	0.53%
Maritimes & NE Pipeline	7,713,300	7	0.49%	7,938,900	6	0.63%
Gorham Savings Bank	7,517,100	8	0.48%	10,226,500	4	0.81%
Shaw Brothers Construction Co.	6,586,100	9	0.42%	7,058,400	8	0.56%
Village Square Housing Corp	5,990,100	10	0.38%			
Grondin, R J & Phillip				16,009,500	2	1.27%
Totals	\$ 170,513,693		10.86%	\$ 101,069,300		8.03%

Source: Cumberland County Assessing office

Table 9

**TOWN OF GORHAM, MAINE**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year <sup>1</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 19,458,932	18,646,974	95.8%	802,997	19,449,971	100.0%
2010	19,359,897	18,705,614	96.6%	644,693	19,350,307	100.0%
2011	19,926,919	19,368,870	97.2%	517,408	19,886,278	99.8%
2012	20,705,124	19,968,524	96.4%	707,188	20,675,712	99.9%
2013	21,037,690	20,488,787	97.4%	534,983	21,023,770	99.9%
2014	22,661,472	21,966,820	96.9%	676,474	22,643,294	99.9%
2015	23,364,012	22,663,613	97.0%	677,760	23,341,373	99.9%
2016	24,538,607	23,819,148	97.1%	679,203	24,498,351	99.8%
2017	26,102,071	25,447,396	97.5%	462,435	25,909,831	99.3%
2018	26,896,932	26,195,909	97.4%	-	26,195,909	97.4%

<sup>1</sup> Tax commitment plus supplemental taxes assessed during fiscal year

Table 10

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Debt <sup>2</sup>	Notes Payable	Capital Leases			
2009	\$ 28,734,300	-	555,342	29,289,642	8.89%	1,882
2010	46,509,330	-	429,878	46,939,208	14.24%	3,016
2011	47,554,680	-	427,866	47,982,546	11.61%	2,929
2012	45,339,066	220,336	425,265	45,984,667	11.13%	2,807
2013	41,618,288	217,603	288,820	42,124,711	10.19%	2,572
2014	39,237,510	213,650	481,939	39,933,099	9.66%	2,438
2015	41,100,775	212,574	416,060	41,729,409	10.10%	2,547
2016	39,384,157	210,642	404,010	39,998,809	9.68%	2,442
2017	37,047,529	204,621	372,207	37,624,357	9.10%	2,297
2018	33,440,581	198,853	454,000	34,093,434	8.25%	2,081

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

<sup>1</sup> See Table 14, Schedule of Demographic and Economic Statistics, for personal income and population data.

<sup>2</sup> The 2012 - 2018 amounts include the premium on bonds, as well as bond amounts.

Table 11

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

<b>Fiscal Year</b>		<b>General Obligation Debt <sup>1</sup></b>	<b>State Assessed Value of Property <sup>2</sup></b>	<b>Per Capita <sup>3</sup></b>
2009	\$	28,734,300	1.93%	1,846
2010		46,509,330	3.22%	2,988
2011		47,554,680	3.32%	2,903
2012		45,339,066	3.14%	2,768
2013		41,618,288	2.95%	2,541
2014		39,237,510	2.76%	2,395
2015		41,100,775	2.80%	2,509
2016		39,384,157	2.55%	2,404
2017		37,047,529	2.31%	2,262
2018		33,440,581	1.99%	2,041

<sup>1</sup> Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Amount for 2012-2018 includes bond premium.

<sup>2</sup> See Table 6, Schedule of Assessed Value and State Equalized Value of Taxable Property, for property value data.

<sup>3</sup> Population data can be found in the Schedule of Demographic and Economic Statistics, Table 14.

Table 12

**TOWN OF GORHAM, MAINE**  
**Direct and Overlapping Governmental Activities Debt**  
**General Obligation Bonds**  
**As of June 30, 2018**

<b>Jurisdiction</b>	<b>Total debt outstanding</b>	<b>Percentage applicable to Gorham</b>	<b>Amount applicable to Gorham</b>
Direct debt:			
Town of Gorham	\$ 34,093,434	100.00%	34,093,434
Overlapping debt:			
Cumberland County	35,585,000	3.82%	1,359,232
Portland Water District - sewer shared with Windham	3,558,000	70.43%	2,506,044
Portland Water District - sewer shared with Windham and Westbrook	4,504,265	20.77%	935,564
Portland Water District - water debt	50,150,965	5.71%	2,863,620
Subtotal overlapping debt:			7,664,460
<b>Total direct and overlapping debt:</b>			<b>\$ 41,757,894</b>

The direct debt includes the premium on bonds, as well as bond amounts.

Source: Jurisdictions' finance department.

Note: Cumberland County debt allocation is based on the State's property valuation assessments.  
Portland Water District's water debt allocation is based on the State's property valuation assessments,  
while joint sewer debt allocations are based upon number of sewer users.

Table 13

**TOWN OF GORHAM, MAINE**  
**Statutory Debt Margin Information**  
**Last Ten Fiscal Years**  
**In Accordance with 30 MRSA, Section 5061 as Amended**

<b>Fiscal Year</b>	<b>Debt Limit</b>	<b>Total net debt applicable to limit</b>	<b>Legal Debt Margin</b>	<b>Total net debt applicable to limit as a percentage of debt limit</b>
2009	\$ 223,837,500	28,734,300	195,103,200	12.84%
2010	216,517,500	46,509,330	170,008,170	21.48%
2011	214,815,000	47,554,680	167,260,320	22.14%
2012	216,787,500	45,339,066	171,448,434	20.91%
2013	211,477,500	41,618,288	169,859,212	19.68%
2014	213,060,000	39,237,510	173,822,490	18.42%
2015	220,177,500	41,100,775	179,076,725	18.67%
2016	231,255,000	39,384,157	191,870,843	17.03%
2017	240,367,500	37,047,529	203,319,971	15.41%
2018	252,390,000	33,440,581	218,949,419	13.25%

**Legal Debt Margin Calculation for Fiscal Year 2018**

	<b>Outstanding bonds and notes</b>	<b>Percent of state assessed value of \$ 1,682,600,000</b>	<b>Allowable Amount</b>	<b>Margin</b>
For school purposes	\$ 19,511,271	10.00%	\$ 168,260,000	\$ 148,748,729
For storm or sanitary sewer purposes	-	7.50%	\$ 126,195,000	\$ 126,195,000
For municipal, airport, water, and special district purposes	-	3.00%	\$ 50,478,000	\$ 50,478,000
For all other purposes	13,929,310	7.50%	\$ 126,195,000	\$ 112,265,690
<b>Total</b>	<b>\$ 33,440,581</b>	<b>15.00%</b>	<b>\$ 252,390,000</b>	<b>\$ 218,949,419</b>

Table 14

**TOWN OF GORHAM, MAINE**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population <sup>1</sup></b>	<b>Personal Income</b>	<b>Per Capita Personal Income <sup>2</sup></b>	<b>Median Age <sup>2</sup></b>	<b>School Enrollment <sup>3</sup></b>	<b>Unemployment Rate <sup>4</sup></b>
2009	15,563	329,530,962	21,174	34.3	2,693	5.80%
2010	15,563	329,530,962	21,174	34.3	2,647	6.10%
2011	16,381	413,276,249	25,229	38.0	2,652	5.80%
2012	16,381	413,276,249	25,229	38.0	2,697	6.30%
2013	16,381	413,276,249	25,229	38.0	2,691	5.60%
2014	16,381	413,276,249	25,229	38.0	2,666	4.20%
2015	16,381	413,276,249	25,229	38.0	2,631	3.40%
2016	16,381	413,276,249	25,229	38.0	2,660	3.30%
2017	16,381	413,276,249	25,229	38.0	2,721	2.80%
2018	16,381	413,276,249	25,229	38.0	2,786	2.80%

**Data Source**

<sup>1</sup> U.S. Dept. of Commerce, Bureau of Census

The 2009 and 2010 figures are the July 1, 2008 estimate from the Bureau of Census.

The 2011-2018 figure is based upon the 2010 census.

<sup>2</sup> U.S. Dept. of Commerce, Bureau of Census (2000 and 2010)

<sup>3</sup> Figures are based upon the October 1 enrollment data for each fiscal year. Information provided by Gorham School Department.

<sup>4</sup> State of Maine, Department of Labor, Division of Economics Analysis and Research



Table 15

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

Employer	2018 <sup>1</sup>			2009		
	Employees	Rank	Percentage of Gorham's Labor Force	Employees	Rank	Percentage of Gorham's Labor Force
Town of Gorham: School/Municipal	572	1	5.3%	557	1	6.4%
University of Southern Maine*	332	2	3.0%	481	2	5.5%
New Portland Road Realty LLC (formerly known as Gorham House)	230	3	2.1%	216	3	2.5%
Shaw Brothers Construction, Inc.	229	4	2.1%	135	7	1.5%
Nappi Distributors	225	5	2.1%	203	4	2.3%
Irwin Industrial Tool (formerly American Tool)	150	6	1.4%	157	5	1.8%
R. J. Grondin	149	7	1.4%	144	6	1.7%
Hannaford Brothers	125	8	1.1%	126	8	1.4%
Yotul Stove, Inc.	92	9	0.8%	79	9	0.9%
Gorham Savings Bank	86	10	0.8%	70	10	0.8%
Totals	<u>2,190</u>		<u>20.1%</u>	<u>2,168</u>		24.8%

Source: Maine Department of Labor and Gorham Economic Development Corp. website.

<sup>1</sup> Labor force figure was for June 2018 and provided by the Maine Department of Labor.

\* Gorham campus only.

Table 16

**TOWN OF GORHAM, MAINE**  
**Full-time Equivalent Town Government Employees by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
General Government	15.5	15.5	19.0	17.5	17.5	18.0	18.0	17.0	17.0	16.0
Public Safety:										
Police:										
Officers	23.0	23.0	23.0	23.0	23.0	23.5	23.0	23.0	24.0	24.0
Civilians	2.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5
Fire:										
Firefighters and EMT's	13.0	13.0	13.0	12.0	12.0	12.0	12.5	12.5	12.5	12.5
Civilians	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Public Works	19.0	19.0	19.0	19.0	19.0	19.0	19.0	18.0	20.0	20.0
Recreation	16.0	14.3	14.0	14.0	14.0	16.0	16.0	16.0	16.0	16.0
Development <sup>1</sup>	4.5	4.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>96.0</b>	<b>94.3</b>	<b>94.0</b>	<b>91.5</b>	<b>91.5</b>	<b>94.5</b>	<b>95.0</b>	<b>93.0</b>	<b>96.0</b>	<b>95.0</b>

<sup>1</sup> Planning department employees have become part of the general government category in 2011.

Table 17

**TOWN OF GORHAM, MAINE**  
**Operating Indicators by Function <sup>1</sup>**  
**Last Ten Fiscal Years**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Function</b>										
General Government:										
Building permits: <sup>2</sup>										
Single family	30	41	58	63	43	75	67	66	84	101
Condos	5	0	4	5	4	4	13	2	19	17
Commercial	18	17	14	19	38	44	43	23	32	36
Total number permits issued	n/a	n/a	941	917	966	1,079	1,116	1,141	1,334	1,334
Public Safety:										
Police:										
Number of calls for service	18,245	18,473	18,781	15,335	17,137	17,411	13,702	12,999	15,048	20,893
Number of physical arrests	782	771	734	777	738	648	622	452	409	783
Number of summons and warnings	3,674	3,621	2,725	2,301	1,906	2,059	2,004	1,871	1,545	3,511
Parking tickets issued	269	391	180	112	117	110	62	88	68	256
Number of accidents investigated	555	519	449	482	455	420	596	432	709	519
Fire:										
Number of fire and rescue calls	2,102	2,549	2,807	2,815	2,728	2,732	2,589	2,664	2,922	2,905
Number of fire hydrants	286	292	292	296	296	304	310	316	316	320
Number of fire ponds	69	70	71	71	71	71	71	71	71	73
Public Works:										
Number of roads maintained	276	278	283	287	288	290	290	290	297	300
Lane miles of roads maintained	282.2	283.1	286.7	290.7	291.0	292.8	292.8	293	296	296
Acres of public area maintained	113.1	113.1	113.1	129.19	154.65	154.65	154.65	155	155	155
Acres of cemeteries maintained	30.1	30.1	30.1	30.02	30.03	30.12	30.12	30	30	30
Tons of residential solid waste	2,304	2,166	2,099	2,155	2,154	2,233	2,331	2,400	2,605	2,686
Tons of waste recycled	1,444	1,200	1,246	1,266	1,314	1,266	1,260	1,226	1,222	1,149
Recreation:										
Library:										
Number of items circulated	109,409	116,050	114,309	114,159	115,826	116,987	115,477	110,329	109,048	112,729

Sources: Various town departments.

<sup>1</sup> Information reported for each fiscal year is for prior year's activity. Therefore, the fiscal year 2018 information is for activity in 2017.

<sup>2</sup> 2009-2011 figures shown are based on calendar year. 2012-2017 figures are based on fiscal year.

n/a = data not available

Table 18

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Function</b>										
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	13	13	13	19	19	19	19	19	20	20
Fire stations	6	6	6	6	6	6	6	7	7	7
Public Works:										
Streets (miles)	282.2	283.1	286.7	290.7	291.0	292.8	292.8	292.8	295.9	296.1
Street lights	385	385	389	392	395	405	405	405	437	437
Traffic signals/blinkers	11	11	11	11	11	11	11	11	11	11
Cemeteries	12	12	12	12	12	12	12	12	12	12
Recreation:										
Libraries	3	3	3	3	2	2	2	2	2	2
Parks acreage	211.3	211.3	211.3	211.3	211.3	211.3	211.3	211.3	211.3	211.3
Parks	5	5	5	5	5	5	5	5	5	5
Tennis courts	7	7	7	7	7	7	7	7	7	7
Outdoor basketball courts	5	5	5	5	5	5	5	5	5	5

Sources: Various town departments.

Note: No capital asset indicators are available for the general government function.