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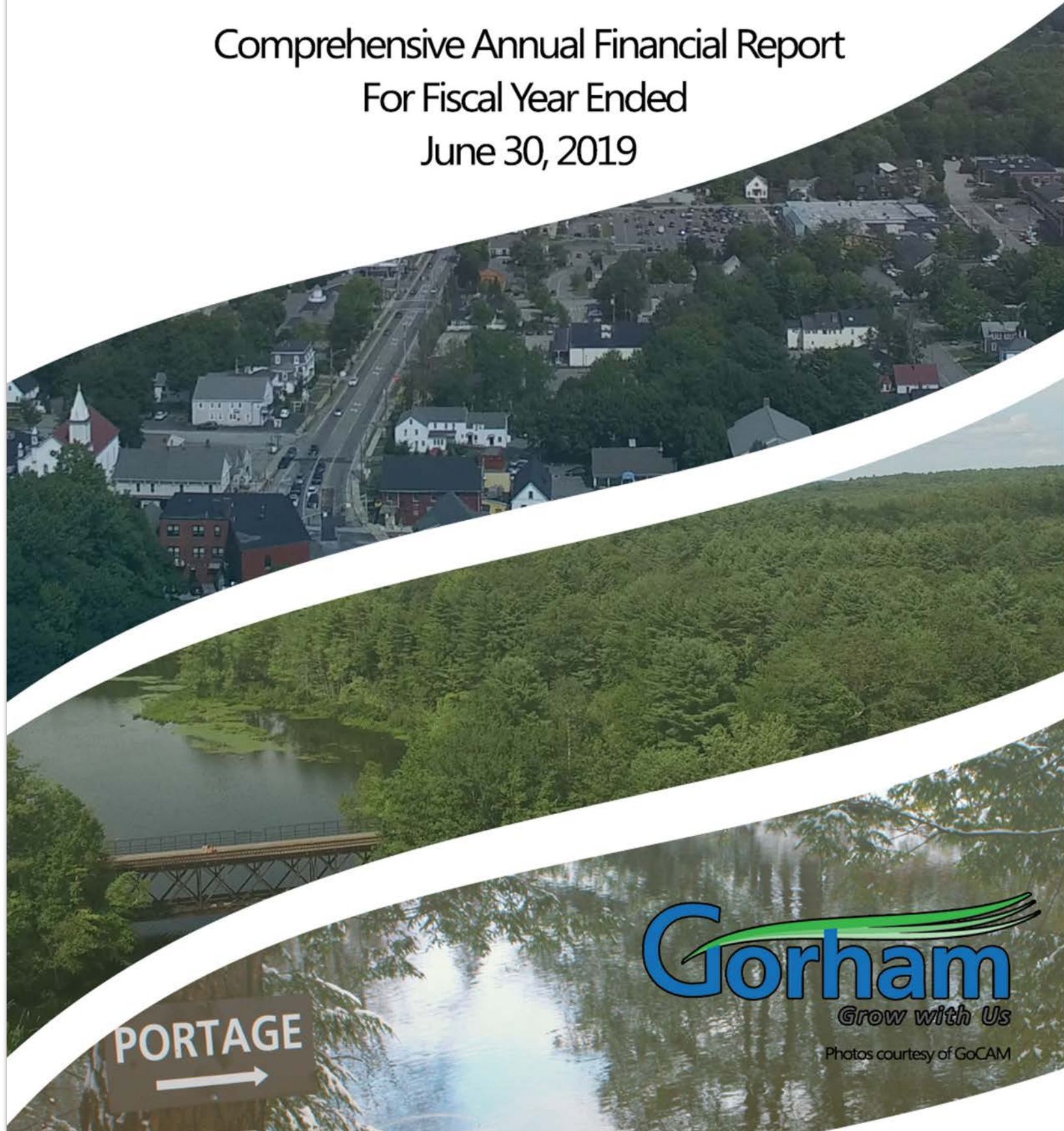
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Town of Gorham, Maine

Comprehensive Annual Financial Report
For Fiscal Year Ended
June 30, 2019



Gorham

Grow with Us

Photos courtesy of GoCAM

TOWN OF GORHAM, MAINE

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

Prepared by:

Sharon LaFlamme, Finance Director

TOWN OF GORHAM, MAINE
Comprehensive Annual Financial Report
June 30, 2019

Table of Contents

	<u>Statement</u>	<u>Page</u>
INTRODUCTORY SECTION		
Letter of Transmittal		1-6
June 30, 2018 Certificate of Achievement for Excellence in Financial Reporting		7
Organizational Chart		9
List of Principal Officials		10
FINANCIAL SECTION		
Report of the Independent Auditors		13-15
Management's Discussion and Analysis		17-31
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	35
Statement of Activities	2	36
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	37-38
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	4	39
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	40
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Budgetary Basis - All Budgeted Governmental Funds	6	41-42
Statement of Fiduciary Net Position - Fiduciary Funds	7	43
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	8	44
Notes to Basic Financial Statements		45-86
Required Supplementary Information:		
Schedule of Changes in Town's Total - Town Health Plan OPEB Liability and Related Ratios		87
Schedule of Changes in Town's Total - School Health Plan OPEB Liability and Related Ratios		88
Schedule of Town's Proportionate Share of the Net OPEB Liability		89
Schedule of Town OPEB Contributions		89
Schedule of Town's Proportionate Share of the Net Pension Liability		90
Schedule of Town Contributions		91
Notes to Required Supplementary Information		92
	<u>Exhibit</u>	
Combining and Individual Fund Financial Statements:		
General Fund:		
Comparative Balance Sheets	A-1	95
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Budgetary Basis	A-2	96-99
Restricted, Committed, Assigned, and Unassigned Funds - General Fund - Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	A-3	100-106

TOWN OF GORHAM, MAINE
Comprehensive Annual Financial Report
June 30, 2019

Table of Contents, Continued

	<u>Exhibit</u>	<u>Page</u>
Nonmajor Governmental Funds:		
All Other Governmental Funds:		
Combining Balance Sheet	B-1	109
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B-2	110
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	C-1	113
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	C-2	114
Nonmajor Capital Projects Funds:		
Combining Balance Sheet	D-1	117
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	D-2	118
Nonmajor Permanent Funds:		
Combining Balance Sheet	E-1	121
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-2	122
Fiduciary Funds:		
Combining Statement of Fiduciary Net Position	F-1	125
Combining Statement of Fiduciary Net Position - Agency Funds	F-2	126-127
Combining Statement of Fiduciary Net Position - Private-purpose Trust Funds	F-3	128
Combining Statement of Changes in Fiduciary Net Position - Private-purpose Trust Funds	F-4	129
Statement of Changes in Assets and Liabilities - Agency Funds	F-5	130-131
	<u>Table</u>	<u>Page</u>
STATISTICAL SECTION		
Net Position by Component	1	135
Changes in Net Position	2	136
Governmental Activities Tax Revenues by Source	3	137
Fund Balances of Governmental Funds	4	138
Changes in Fund Balances of Governmental Funds	5	139
Assessed Value and State Equalized Value of Taxable Property	6	140
Property Tax Rates - All Direct and Overlapping Governments	7	141
Principal Property Taxpayers	8	142
Property Tax Levies and Collections	9	143
Ratios of Outstanding Debt by Type	10	144
Ratios of General Bonded Debt Outstanding	11	145
Direct and Overlapping Governmental Activities Debt	12	146
Statutory Debt Margin Information	13	147
Demographic and Economic Statistics	14	148
Principal Employers	15	149
Full-time Equivalent Town Government Employees by Function	16	150
Operating Indicators by Function	17	151
Capital Asset Statistics by Function	18	152

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
www.gorham-me.org



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Christine Hyland
Assistant. Finance Director
chyland@gorham.me.us

December 26, 2019

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, 2019 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, 2019 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, 2019, 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 2018-2019 is \$1,590,777,995 (excludes the valuation attributable to the State Homestead Exemption and BETE personal property reimbursement), resulting in an increase of about 1.3% from the 2017-2018 total taxable valuation. Approximately 17% 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 97.4% for last fiscal year and 97.5% 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 1.7% of the state assessed value.

During fiscal year 2019, the Code Office issued permits for 71 single-family/condo dwellings and 58 commercial/institutional structures. The department issued a total of 1,364 permits during fiscal year 2019.

In fiscal year 2019, the Town of Gorham implemented the Senior Property Tax Assistance ordinance that was adopted in fiscal year 2018. This ordinance allows senior citizen who are over 65, reside in Gorham for at least 5 years in their homestead, and have the income qualification to receive a rebate. In fiscal year 2019, \$50,590 was given back to the senior citizens of Gorham.

The Town of Gorham's Fire Suppression System Ordinance was amended to require new one and two family homes to have sprinklers. Increased use of combustible building materials and furnishings in new homes causes fires to spread quicker. Studies by underwriter laboratories have shown that escape time over the last 25 years has changed from approximately 17-20 minutes to 4-6 minutes. Sprinklers provide better protection to escape the home and control the fire. They also will reduce operational cost for the fire department and reduce manpower needed at the scene

According to a study by HomeSnacks.net Gorham was ranked #5 out of 55 as one of the safest municipalities in Maine with more than 5,000 residents. Gorham is the only municipality in the top 5 with a population of more than 10,000. Gorham was also ranked the 16th safest college town in the US by SafeWise.

During fiscal year 2019, the Town of Gorham continued to experience growth in businesses and subdivisions. Construction is nearly finished 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. Harvey Performance Company is constructing a 76,887 square feet building to manufacture drill bits for CNC machines, which is expected to bring job growth to Gorham.

Fiscal Year 2019 Budget

The Town of Gorham's gross budget for 2019 showed an increase of 4% from 2018. The gross budget increased by \$2,089,227 and the mil rate increased from \$17.10 in fiscal year 2018 to \$18.20 in fiscal year 2019.

The following is a comparison of the fiscal year 2018 mil rate to the fiscal year 2019 mil rate.

	Fiscal year 2018	Fiscal year 2019	\$ Incr/(Decr)	% Chg
Town's Tax Rate	\$ 5.37	\$ 5.46	\$0.09	1.68%
School's Tax Rate	\$11.04	\$12.04	\$1.00	9.06%
County's Tax Rate	\$ 0.69	\$ 0.70	\$0.01	1.45%

This is the 14th 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 \$712,557 or 5.1%. The major increases were due to a new supervisor position for the Police Department, an increase in per diem staffing for the Fire Department, a part-time customer service for the Town Clerks, a storm water/GIS position increased to full time and funding for the newly implemented Senior Property Tax Relief program.

The Town's non-property tax revenues also saw an increase of 2.8%. The major increases were the result of a \$60,000 increase in auto excise, \$50,000 in building permits, and \$50,000 in investment interest.

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 \$526,356 or 7%.

The School gross expenditure budget of \$38,942,505 increased by \$1,320,913 or 3.5%. The major increase in this budget was the result of increases in salaries due to contractual obligations, the addition of seven teachers and three Ed Tech III positions, a Special Services Assistant Director, and two portable classroom lease.

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 2019, there was \$2,104,048 in funds available for allocation to capital equipment and capital project needs. On June 5, 2018, the Town Council approved the use of \$2,104,048 excess unassigned fund balance for the following purposes:

- \$245,000 to own and convert street lights to LED;
- \$10,000 to repair main entryway of Municipal Building;
- \$88,000 to replace two ¾ utility pickups at Public Works;
- \$20,000 to purchase books & printed material at Baxter Memorial Library;
- \$6,300 for a new phone system at Public Works;
- \$90,000 to replace 13 air pack breathing units;

- \$61,300 to replace Police Department's cruisers;
- \$4,200 to purchase a cruiser radio repeater toggle switches;
- \$4,800 to purchase firearms for the Police Department;
- \$1,500 to purchase a criminal investigation division software;
- \$240,000 to replace ambulance 2;
- \$38,000 to replace ¾ ton utility pickup-medical intercept vehicle for Fire Department;
- \$4,200 to purchase a fleet diagnostic system;
- \$9,000 to replace Old Robie School boiler;
- \$12,400 to upgrade Public Work's lights to LED;
- \$60,000 to repair West Gorham Fire Station;
- \$22,500 to purchase mechanic's truck – 50/50 with Town of Windham;
- \$50,000 to purchase a roadside mower tractor for Public Works;
- \$25,000 to paint and repair entryway on the Recreation Department wing of the Municipal Building;
- \$45,000 to replace Marine 4 truck;
- \$20,000 to extend the fiber optics to White Rock Fire Station & Shaw Park;
- \$29,300 to purchase a heart monitor for the 3rd ambulance;
- \$14,760 to purchase a power stretcher for the 3rd ambulance;
- \$16,000 to replace the climate control system at Public Works;
- \$6,000 to replace the Robie Field's building roofs;
- \$10,000 to install electricity for the pavilion at Shaw Park;
- \$7,500 to replace the 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 a road management software;
- \$16,000 to purchase turnout gear for the Fire Department;
- \$15,000 to repair the stone wall at Eastern Cemetery;
- \$5,700 to replace chain link fence with a gate at the Shaw Mill Cemetery;

- \$12,669 to install electrical generator outlet on all existing traffic signals in Gorham;
- \$5,000 to develop a mobile business version of the Gorham Economic Dev. Corp. website;
- \$2,500 to purchase salt chutes for Public Work's plow trucks;
- \$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 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, 2018. This was the 16th 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

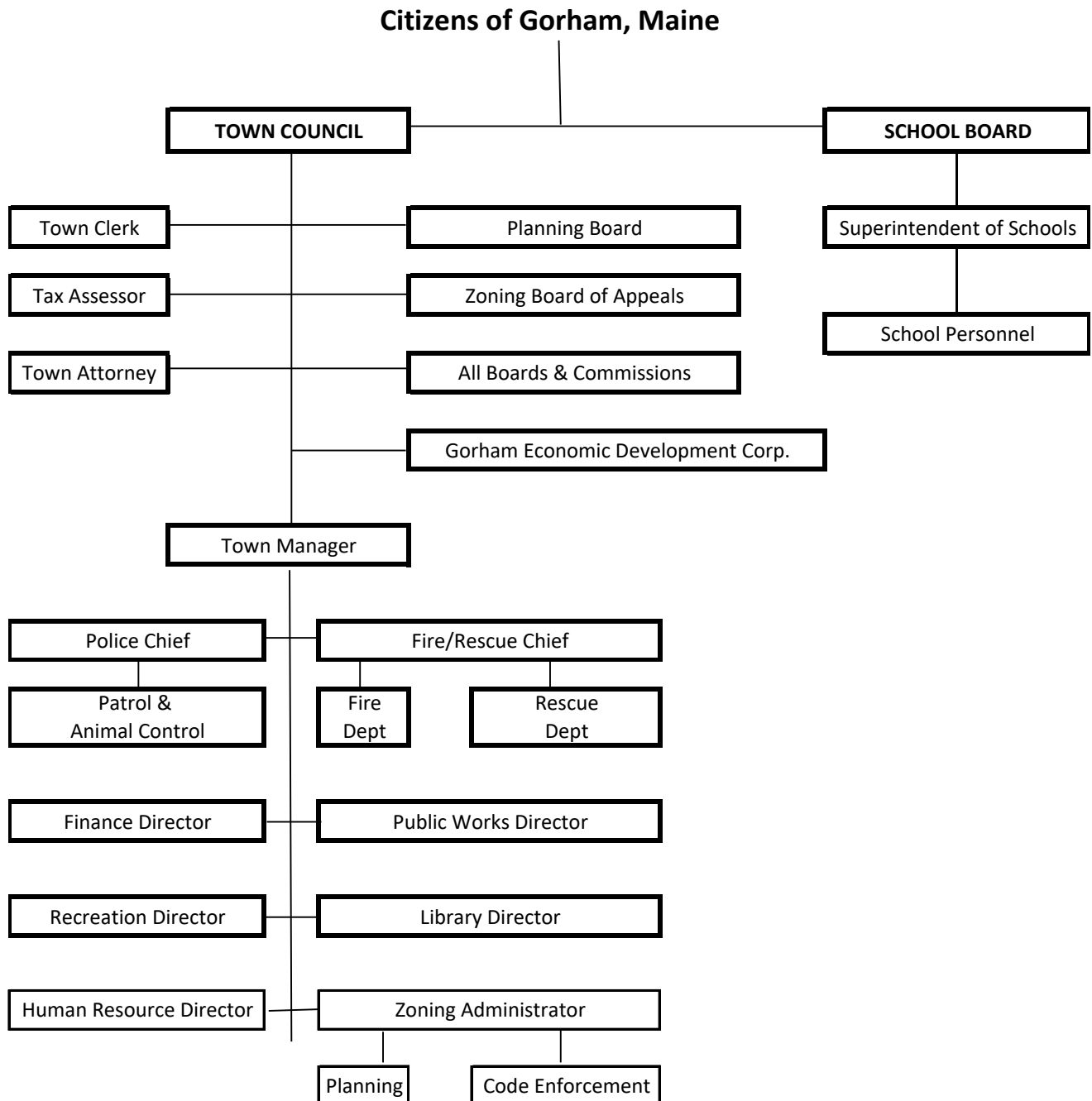
June 30, 2018

Christopher P. Morill

Executive Director/CEO

Town of Gorham, Maine

Organizational Chart



TOWN OF GORHAM, MAINE
List of Principal Officials
June 30, 2019

Benjamin Hartwell, Chairman, Town Council

Suzanne Phillips, Vice Chairman

Paul Smith

Lee Pratt

James Hager Jr.

Virginia Wilder Cross

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

Anne Schools

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, 2019, 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, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis pension and other post-employment benefit liability schedules 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 26, 2019 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 26, 2019
South Portland, Maine

TOWN OF GORHAM, MAINE
Management's Discussion and Analysis
For the year ended June 30, 2019

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, 2019. 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 \$57,522,533, an increase of \$1,710,998 or 3.1%, when compared to the restated beginning net position figure of \$55,811,535.
- The ending fund balance for Governmental Funds is \$19,847,358. The expenditures and other financing uses exceeded the revenues and other financing sources by \$56,674.
- The General Fund's ending fund balance is \$16,330,815, an increase of \$738,611 from the prior year's ending fund balance of \$15,592,204. Of the \$16,330,815, only \$8,948,160 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, 2019 was \$7,158,615 or 12.4% of the total fiscal year 2020 budgeted appropriations, NOTE 3, 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 \$2,070,860 to allocate to the Capital Part II budget during the fiscal year 2021 budget process.
- The Town of Gorham's general obligation debt decreased by \$3,393,125 or 10.5% 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

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 and School Operations 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>2019</u>	<u>Restated 2018</u>	<u>\$ Change</u>	<u>% Change</u>
Current and other assets	\$ 32,808,393	31,590,043	1,218,350	3.86%
Capital assets, net	76,031,965	78,571,772	(2,539,807)	-3.23%
Total assets	<u>108,840,358</u>	<u>110,161,815</u>	<u>(1,321,457)</u>	-1.20%
Deferred outflows of resources	<u>1,887,160</u>	<u>1,841,407</u>	<u>45,753</u>	2.48%
Long-term debt outstanding	39,792,495	44,141,023	(4,348,528)	-9.85%
Other liabilities	<u>12,281,305</u>	<u>11,221,200</u>	<u>1,060,105</u>	9.45%
Total liabilities	<u>52,073,800</u>	<u>55,362,223</u>	<u>(3,288,423)</u>	-5.94%
Deferred inflows of resources	<u>1,131,185</u>	<u>829,464</u>	<u>301,721</u>	36.38%
Net investment in capital assets	46,553,861	45,751,261	802,600	1.75%
Restricted	3,509,301	3,740,750	(231,449)	-6.19%
Unrestricted	<u>7,459,371</u>	<u>6,319,524</u>	<u>1,139,847</u>	18.04%
Total net position	<u>\$ 57,522,533</u>	<u>55,811,535</u>	<u>1,710,998</u>	3.07%

The increase of \$1,218,350 in the current and other assets category is primarily due to the large increase in cash in fiscal year 2019. This is due to better interest rates and increase in excise tax and state revenue sharing revenues.

The capital asset disclosure in the notes to the financial statements (see Note 7) shows how the \$2,539,807 decrease resulted.

The long-term debt disclosure in the notes to the financial statements (see Note 8) shows how the \$4,348,528 decrease in long-term debt outstanding resulted.

The increase in the other liabilities of \$1,060,105 is primarily due to the increase in performance guarantees and letter of credits for new developments (\$843,693) and an increase in accrued wages and benefits (\$373,872).

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:

	2019	2018	\$ Change	% Change
Capital assets	\$ 152,441,297	150,737,351	1,703,946	1.13%
Accumulated depreciation	(76,409,332)	(72,165,579)	(4,243,753)	(5.88%)
Deferred charge on refunding	395,965	479,550	(83,585)	(17.43%)
Bonds payable (includes premium)	(29,908,633)	(33,440,581)	3,531,948	10.56%
Notes payable	-	(198,853)	198,853	100.00%
Capital leases	(740,278)	(454,000)	(286,278)	(63.06%)
Add back unspent bond proceeds	774,842	793,373	(18,531)	(2.34%)
Net investment in capital assets	\$ 46,553,861	45,751,261	802,600	1.75%

Changes in Net Position

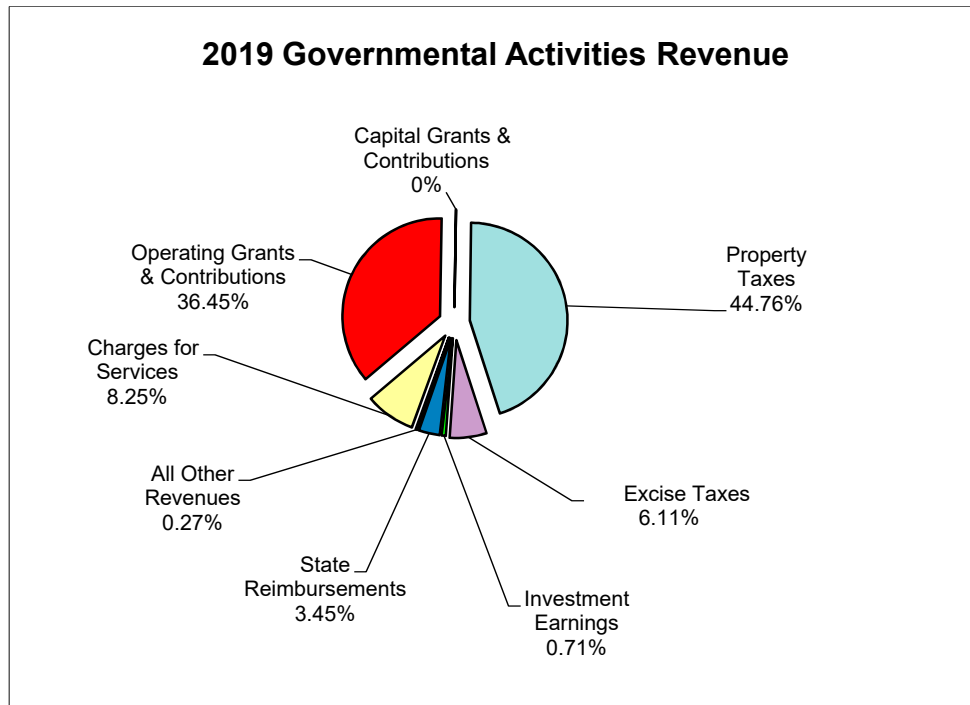
The following is a condensed version of the Statement of Activities.

	2019	2018*	\$ Change	% Change
REVENUES				
Program Revenues:				
Charges for services	\$ 5,339,461	5,191,233	148,228	2.86%
Operating grants and contributions	23,605,288	23,999,725	(394,437)	(1.64%)
Capital grants and contributions	-	1,058,000	(1,058,000)	(100.00%)
General Revenues:				
Property taxes	28,985,990	26,632,400	2,353,590	8.84%
Payment in lieu of taxes	44,882	43,717	1,165	2.66%
Motor vehicle and boat excise taxes	3,958,242	3,745,638	212,604	5.68%
Grants and contributions not restricted to specific programs:				
Homestead exemption	782,870	601,666	181,204	30.12%
BETE reimbursement	539,203	299,868	239,335	79.81%
Other state aid	37,966	40,767	(2,801)	(6.87%)
State Revenue Sharing	871,428	778,497	92,931	11.94%
Unrestricted investment earnings	460,991	288,927	172,064	59.55%
Miscellaneous revenues	122,874	436,450	(313,576)	(71.85%)
Gain on sale of property	5,058	27,249	(22,191)	(81.44%)
Total revenues	64,754,253	63,144,137	1,610,116	2.55%
EXPENSES				
General government	5,780,049	5,369,140	410,909	7.65%
Public safety	4,511,091	4,779,796	(268,705)	(5.62%)
Public works	6,013,695	6,087,262	(73,567)	(1.21%)
Health and welfare	29,359	37,848	(8,489)	(22.43%)
Recreation	2,157,151	1,897,893	259,258	13.66%
Development	523,040	299,326	223,714	74.74%
Education	43,283,812	41,177,926	2,105,886	5.11%
Interest on debt	745,058	1,083,433	(338,375)	(31.23%)
Total expenses	63,043,255	60,732,624	2,310,631	3.80%
Change in net position	1,710,998	2,411,513	(700,515)	(29.05%)
Net position - beginning as restated	55,811,535	59,589,803	(3,778,268)	(6.34%)
Net position ending	\$ 57,522,533	62,001,316	(4,478,783)	(7.22%)

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

*This table has not been restated for the addition of an OPEB liability associated with health insurance for the School Department. The effects of this implementation on individual revenues and expenses during 2018 could not be determined.

The following pie chart shows the sources of revenue for fiscal year 2019.



Overall, revenues were up \$1,610,116 or 2.55% when compared to fiscal year 2018. There were a number of reasons for the increase in the revenues and they are highlighted below.

Approximately 44.8% of the Town's revenues come from property taxes, while 36.4% comes from operating grants and contributions. Approximately 78.6% 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 down 1.64% or \$394,437, primarily because the School Department received a decrease of approximately \$473,203 in state/federal aid and Maine PERS on-behalf payments.

The capital grants and contributions were down \$1,058,000 or 100% because the Town did not accept any new roads in fiscal year 2019

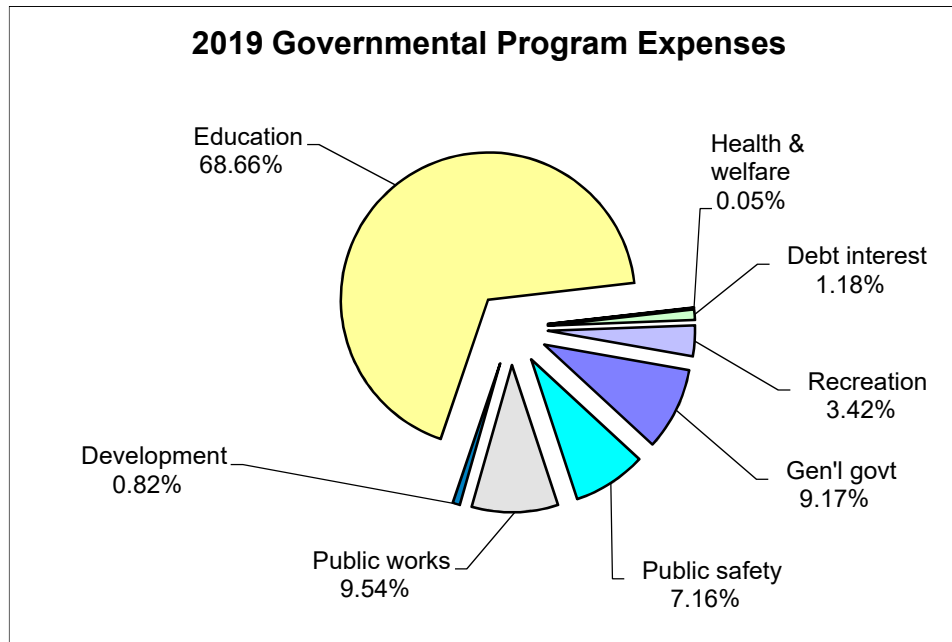
The \$2,353,590 increase in property tax revenue was due to the increase in the mil rate from \$17.10 in fiscal year 2018 to \$18.20 in fiscal year 2019.

The other large revenue increase was seen in BETE reimbursement and investment earnings. The BETE reimbursement increased \$239,335 from fiscal year 2018 due to the Cumberland County Regional Assessor's community outreach to the local businesses about the program. Investment income saw an increase due to an interest rate increase.

Sale of Town property decreased by \$22,191 because there were less properties sold in FY19.

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

The following pie chart shows functional expenses for fiscal year 2019.



Education makes up 68.66% of expenses for fiscal year 2019, an increase of 5.1% or \$2,105,886 from fiscal year 2018.

Fiscal year 2019 development expenses are higher than fiscal year 2018 by 74.7% or \$223,714. The primary reason for this increase is that in fiscal year 2019, the Town added a new tax increment financing district.

Governmental Activities

The cost of all governmental activities was \$63,043,255. 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 2019 expenses were \$2,310,631 or 3.8% over fiscal year 2018 expenses.

As shown on the Statement of Activities, the amount that the taxpayers of Gorham ended up financing through property taxes was \$28,985,990 or 44.8%, because some of the cost was paid by those who directly benefit from the programs (\$5,339,461), and by other governments and organizations that subsidized certain programs with operating grants and contributions (\$23,605,288). The Town also received \$6,823,514 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 2019.

As a result of the governmental activities' revenues (\$64,754,253) exceeding the expenses (\$63,043,255), the Town of Gorham realized an increase in its net position of \$1,710,998. Approximately \$838,414 of the increase can be attributed to the collection of excise tax, permits, state revenue sharing, BETE reimbursement, and interest income, which were higher than anticipated. Approximately \$73,309 was saved from employee benefits increases that were lower than anticipated.

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

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 2019 revenues by source for the General Fund with the 2018 information for comparison. Information is from Statement 4.

	<u>2019</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues by source:				
Taxes	\$ 32,261,982	29,950,592	2,311,390	7.72%
Licenses and permits	772,177	824,494	(52,317)	(6.35%)
Intergovernmental	2,611,349	2,105,509	505,840	24.02%
Charges for services	2,353,694	2,188,120	165,574	7.57%
Other revenues	543,255	732,474	(189,219)	(25.83%)
Total revenues	\$ 38,542,457	35,801,189	2,741,268	7.66%

General Fund revenues increased by 7.66% or \$2,741,268 from fiscal year 2018 amounts. Below are some of the reasons for the changes in the revenue.

Taxes: In fiscal year 2019, the mil rate increased from \$17.10 to \$18.20. With an increased valuation and mil rate, property tax revenue after abatements and supplements was up by \$2,288,369, when compared to last fiscal year. The change in deferred property taxes was a negative \$193,300 compared to a negative \$800 in fiscal year 2018. The excessive change in deferred property taxes is the property tax lien date moving from August to September in fiscal year 2019. Excise tax revenues were \$212,604 higher than in fiscal year 2018.

Licenses and permits: Building permit revenue and plumbing/electrical fees were \$50,198 lower than fiscal year 2018 and fluctuate year to year depending on if there are any large developments. Cable TV franchise fees were also \$6,281 lower than fiscal year 2018.

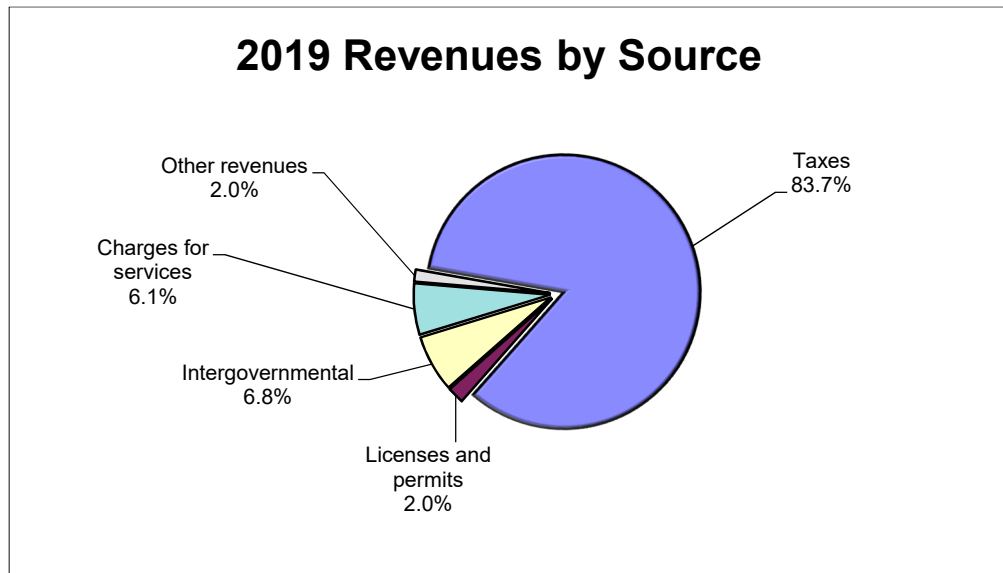
Intergovernmental: The major change in fiscal year 2019 was related to an increase in the BETE reimbursements of \$239,335 due to an increase of BETE applications submitted by area businesses for personal property. The Town also saw a \$92,931 increase in State revenue sharing in from fiscal year 2018.

Charges for services: In fiscal year 2019, recreation received \$23,262 more in revenues than in fiscal year 2018. Also, solid waste user charges received \$56,106 more in revenues than last fiscal year.

Other revenues: The major factor for the decrease in this revenue category was that management classified general fund reserve revenues to their functional categories better in the current year. The Town also saw a decrease in 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 2019.



The following table summarizes the General Fund expenditures by function for fiscal year 2019 with 2018 information for comparison. Information is from Statement 4.

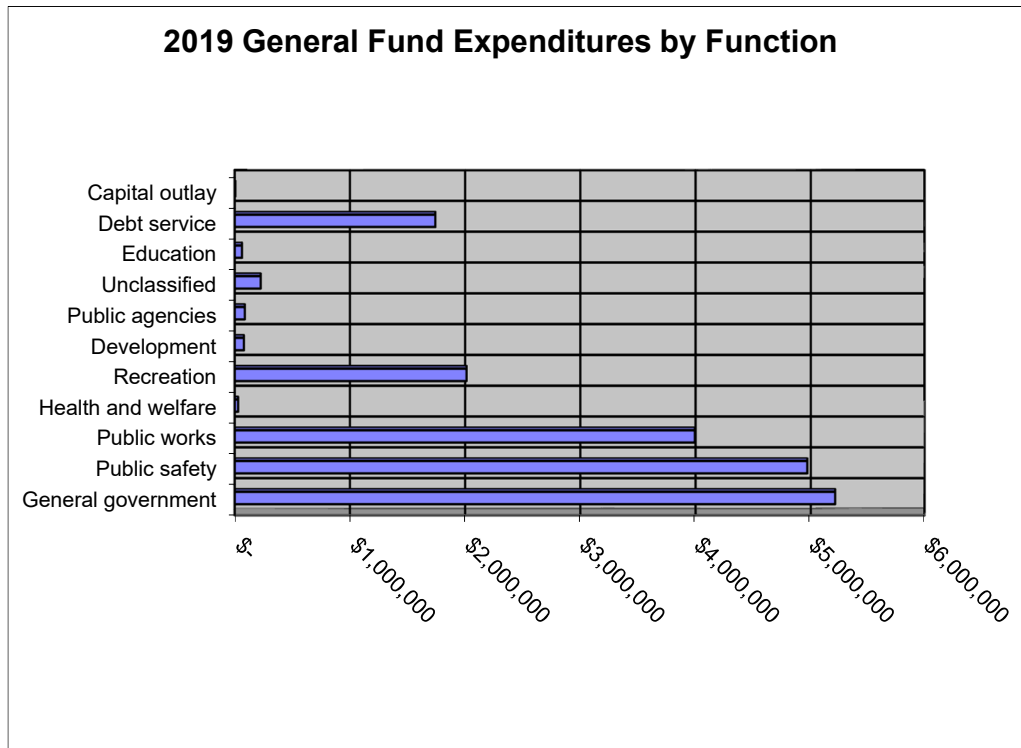
	2019	2018	\$ Change	% Change
Expenditures by function:				
General government	\$ 5,214,384	4,907,121	307,263	6.26%
Public safety	4,969,416	4,419,673	549,743	12.44%
Public works	3,993,319	3,506,588	486,731	13.88%
Health and welfare	29,359	37,848	(8,489)	(22.43%)
Recreation	2,012,280	1,900,685	111,595	5.87%
Economic development	79,778	91,175	(11,397)	(12.50%)
Public agencies	87,787	79,353	8,434	10.63%
Unclassified	226,044	170,887	55,157	32.28%
Education	63,683	-	63,683	100.00%
Debt service	1,741,205	1,879,170	(137,965)	(7.34%)
Capital outlay	6,670	164,730	(158,060)	(95.95%)
Total expenditures	\$ 18,423,925	17,157,230	1,266,695	7.38%

The General Fund expenditures increased 7.38% from fiscal year 2018 levels. Unclassified had an increase of 32.28% or \$55,157, which represents the Senior Property Tax Relief program's expenditure of \$50,590. Public Works increased \$486,731 or 13.88%, due to an increase of \$345,434 in expenditures to purchase two plow trucks and extra salt in fiscal year 2019. Education expenditures increased \$63,683 or 100% in the General Fund due to spending from the Great Falls fire alarm project in the current year.

The largest percentage decrease was in the capital outlay category which was 95.95% or \$158,060. This is due to capital outlay now being classified in public safety in fiscal year 2019. The health and welfare category, which decreased by 22.43% or \$8,489, decreased due to less general assistance claims processed by the Town during fiscal year 2019. 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 2019.



The net result of operations in the General Fund for fiscal year 2019 was \$738,611 after transfers in of \$639,879 and transfers out of \$20,019,800. The following table summarizes the General Fund's fund balance for fiscal year 2019, with 2018 information provided for comparison.

	2019	2018	\$ Change	% Change
Fund balance:				
Nonspendable	\$ 70,825	\$ 139,898	(69,073)	-49.37%
Restricted	364,143	333,079	31,064	9.33%
Committed	2,892,988	2,260,523	632,465	27.98%
Assigned	4,054,699	5,012,184	(957,485)	-19.10%
Unassigned	8,948,160	7,846,520	1,101,640	14.04%
Total fund balance	\$ 16,330,815	15,592,204	738,611	4.74%

The largest increase was in unassigned fund balance, equal to \$1,101,640 or 14.04%. This was primarily due to the net of the increase in revenue and decrease in expenditures from fiscal year 2018, which is explained above. The largest decrease (based on percent of balance) was in nonspendable fund balance, equal to \$69,073 or 49.3%, and was due to less prepaid expenditures and inventory in fiscal year 2019, than fiscal year 2018.

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

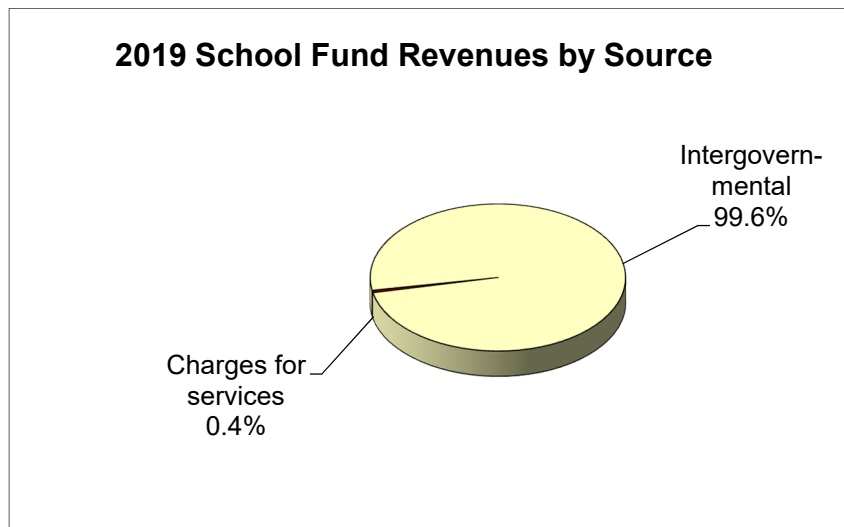
The School's Funds

The following table summarizes fiscal year 2019 revenues by source for the Special Revenue Fund's School Operations Fund with 2018 information for comparison. The information is from Statement 4.

		<u>2019</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues by source:					
Intergovernmental	\$	21,536,818	22,004,651	(467,833)	(2.13%)
Charges for services		103,117	78,652	24,465	31.11%
Other		18,702	30,521	(11,819)	(38.72%)
Total revenues \$		21,658,637	22,113,824	(455,187)	(2.06%)

The 2.06% decrease in School Operation Fund revenues was from the decrease in State Education Subsidy and grants (\$740,187) and an increase in Maine PERS on-behalf payments (\$266,984).

The following is a pie chart depicting the Special Revenue Fund - School Operations Fund revenues by source for fiscal year 2019.



The following table summarizes the School Operations Fund expenditures by function for fiscal year 2019 with 2018 information for comparison. Information is from Statement 4. The following table provides an explanation of the major changes.

		<u>2019</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>
Expenses by function:					
Regular instruction	\$	17,590,668	16,172,090	1,418,578	8.77%
Special education		5,632,073	5,300,340	331,733	6.26%
CTE instruction		-	424,082	(424,082)	(100.00%)
Other instruction		907,750	898,546	9,204	1.02%
Student and staff support		3,070,668	3,133,890	(63,222)	(2.02%)
System administration		1,197,875	1,130,992	66,883	5.91%
School administration		2,020,105	1,981,877	38,228	1.93%
Transportation		1,906,899	2,096,223	(189,324)	(9.03%)
Facilities maintenance		3,871,577	3,517,942	353,635	10.05%
Adult education		247,160	222,187	24,973	11.24%
Maine PERS on-behalf payments		2,940,481	2,673,497	266,984	9.99%
Debt service		2,672,688	2,754,763	(82,075)	(2.98%)
Capital outlay		511,300	-	511,300	100.00%
Total expenses \$		42,569,244	40,306,429	2,262,815	5.61%

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

The School Operations Fund's expenditures were 5.61% or \$2,262,815 more than fiscal year 2018. The increase was due to an increase in wages and benefits due to contractual obligations. There was additional expenditures for seven teachers, three Ed Tech III positions, and a Special Services Assistant Director as well as two portable classroom leases.

The net results of operations for fiscal year 2019 were (\$414,507) after transfers in of \$20,019,800, transfers out of \$35,000, and capital lease proceeds of \$511,300. The following table summarizes the School Operation Fund's fund balance for fiscal year 2019 with 2018 information for comparison.

		<u>2019</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>
Fund balance:					
Unassigned	\$	(1,789,545)	(1,375,038)	(414,507)	(30.15%)
Total fund deficit	\$	(1,789,545)	(1,375,038)	(414,507)	(30.15%)

During the development of the fiscal year 2019 budget, the School Board authorized the use of budgetary fund balance in the amount of \$350,000 to help balance the fiscal year 2019 budget. The School Department also had \$113,261 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 \$1,624,298, while actual expenditures were under budgeted appropriations by \$885,119. This resulted in a positive net effect of \$2,509,417. The net change in fund balance was \$25,964 after transfers and changes in encumbrances.

Unassigned fund balance of \$8,948,160 is a healthy figure and represents 15.6% of the total General Fund and School Operations Fund budgeted appropriations for fiscal year 2020. 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 \$1,789,545 School Operations Fund's deficit balance is factored in the percentage, it drops to 12.5%. The Town's management anticipates that during the fiscal year 2021 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 2018-2019 was \$54,904,821 and there were no adjustments made to the original budget during fiscal year 2019.

Capital Asset and Debt Administration

Capital Assets

The Town invested \$1,908,789 in a broad range of capital assets during fiscal year 2019. The following chart identifies the assets that were added during the year, including the construction in progress projects (Little Falls recreation multi-purpose field, Chick property baseball field, Gorham HS expansion & renovation, Public Works/Great Falls School fiber optic project, ambulance and West Gorham Fire Station Renovations, less the removal of 6-wheel plow truck and plow truck reflected in previous fiscal years).

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

			Category Total
Land improvements			
Recreation	Construction in Progress – Little Falls multi-purpose field	\$ 7,430	
	Construction in Progress – Chick Property baseball field	10,303	
Public Safety	Police memorial monument	5,000	
Education	GHS modular site work/foundation	110,598	
	GHS tennis court resurfaced	27,150	
	GHS track & field resurfaced	54,870	
	Village School modular site work/foundation	102,000	
			317,351
Buildings and building improvements			
Public Safety	Construction in Progress – West Gorham Fire Station renovations	105,949	
Education	Narragansett School lighting upgrade	93,310	
	Construction in Progress – Gorham HS expansion & renovation	1,479	
			200,738
Machinery and equipment			
Public Safety	EOC equipment	31,613	
	Heart monitor for 3 rd ambulance	25,337	
			56,950
Furniture and office equipment			
Public Safety	CID Software	5,995	
Recreation	Internet based HVAC controls	24,635	
Education	Great Falls fire alarm system	63,540	
			94,170
Vehicles			
Public Safety	Police – 2018 Ford Explorer	31,346	
	Police – 2018 Ford Explorer	31,346	
Vehicles-cont.	Police – 2018 Ford F150	36,444	
	Fire – 2017 Chevy Express Truck	39,210	
	Fire – 2019 Ford F-250 XL	44,300	
	Fire – 2019 GMC Sierra 3500HD	51,411	
	Fire – construction in progress – Ambulance	55,000	
	Public Works 6-wheel plow truck	157,717	
	2017 GMC Sierra 2500	44,650	
	2017 GMC Sierra 2500	43,350	
Education	plow truck	189,184	
	2020 Blue Bird Vision Type C-77	98,900	
	2020 Blue Bird Vision Type C-77	98,900	
	2020 Blue Bird Vision Type C-77	104,500	
	2020 Blue Bird Vision Type C-77	104,500	

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

	2020 Blue Bird Vision Type C-77	\$ 104,500	1,235,258
Infrastructure	Construction in Progress – Public Works/Great Falls School fiber optic project	4,322	4,322
	Total assets added during fiscal year 2019		\$1,908,789

During fiscal year 2019, assets were transferred from one function/activity to another function/activity. The following chart shows these transfers.

Category	Function and Activity	Amount Transferred
Vehicle	General Gov't – 2005 Chevy Silverado 2500HD	\$ 24,900
	General Gov't – 2015 Ford Explorer	36,307
	Public Works – 2000 Chevrolet ¾ Pickup	23,463
	Public Safety – 2003 Chevy Avalanche	(11,016)
	Public Safety - 2015 Ford Explorer	(36,307)
	Public Safety – 2005 Chevy Silverado 2500HD	(24,900)
	Recreation – 2003 Chevy Avalanche	11,016
	Recreation – 2000 Chevrolet ¾ Pickup	(23,463)
	Recreation – 2004 International Bluebird Bus	56,806
	Education – 2004 International Bluebird Bus	(56,806)

The depreciation expense for 2019 was \$4,448,596.

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 \$2,539,807 or 3.23% under last fiscal year.

Capital Assets
(Net of depreciation)

	2019	2018	\$ Change	% Change
Land	\$ 2,230,261	2,230,261	-	0.00%
Books/historical treasures/artwork	1,429,837	1,429,837	-	0.00%
Construction in progress	451,561	270,173	181,388	67.14%
Land improvements	5,663,354	5,739,143	(75,789)	(1.32%)
Buildings and building improvements	35,453,972	37,271,042	(1,817,070)	(4.88%)
Machinery and equipment	808,601	881,859	(73,258)	(8.31%)
Furniture and office equipment	556,288	649,821	(93,533)	(14.39%)
Computer equipment	49,586	30,118	19,468	64.64%
Vehicles	5,335,797	4,889,733	446,064	9.12%
Infrastructure	24,052,708	25,179,785	(1,127,077)	(4.48%)
Totals \$	76,031,965	78,571,772	(2,539,807)	(3.23%)

The Town has appropriated \$125,777 in fiscal year 2020 for the following capital expenditures: one police cruisers and funds for road maintenance work.

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

Additionally, the Council allocated \$1,051,114 from unassigned fund balance, which was in excess of the 8.5% fund balance policy for the following purposes:

- \$108,000 to perform a revaluation of property taxes
- \$22,000 to upgrade Vision software
- \$30,000 to remodel office space in the Municipal Center for Economic Development
- \$4,137 to purchase automated external defibrillators for the Police Department
- \$2,750 to purchase ballistic shield for the Police Department
- \$3,400 to install traffic light emitters for Public Safety
- \$40,777 to replace a second police cruiser (one cruisers allocated in capital expenditures above)
- \$35,000 to replace furnaces at Central Fire Station
- \$20,000 to replace facility doors at Public Works
- \$35,000 to replace boiler at Public Works
- \$24,000 for consultant work for the Planning Department
- \$5,000 to fund additional painting the Baxter Memorial Library
- \$70,000 to purchase a large area field mower
- \$6,000 to install cabinet heaters at Old Robie School
- \$20,000 to install audio/video recording in Conference Room A
- \$25,000 to repair West Gorham Fire Station
- \$50 to be allocated at a later date by the Town Council
- \$600,000 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 7, CAPITAL ASSETS.

Debt Administration

As of June 30, 2019, the Town had a total of \$29,043,125 in outstanding general obligation debt. The Town's outstanding general obligation bonds as of June 30, 2019 were \$3,393,125 less than last fiscal year – a decrease of 10.5%.

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 8, LONG-TERM DEBT to the financial statements.

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 2020 budget is \$1,979,687 below the Town's LD-1 property tax limit.

The Town's assessed value ratio as of April 1, 2019 is 90%; a decrease from the April 1, 2018 assessed value ratio, but well above the State required 70%.

The total assessed value as of April 1, 2019, was \$1,706,231,631; an increase of \$42,828,190 or 2.6% from the prior year, while the taxable value increased \$44,738,705 from \$1,590,777,995 to \$1,635,516,700. The Town of Gorham's tax rate, equal to \$18.95, increased by \$.75 from fiscal year 2019.

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

The following are some of the highlights of the Town's fiscal year 2020 budget.

1. The state revenue sharing revenues in this budget year increased by \$100,000 over fiscal year 2019.
2. There was additional staffing budgeted for the Town: A full time assessing administrative assistant in the Assessing Office; a full time IT position; a school resource officer position in the Police Department shared with the School Department; and a part-time economic development director increased to full time.
3. The Town added \$42,000 to Solid Waste & Recycling budget for the anticipated cost of disposing of recycling.

The Education budget for fiscal year 2020 shows an increase in state subsidy of \$699,684 over the prior fiscal year's budget. The fiscal year 2020 budget includes \$234,000 for two and 4/5 teachers for Grade 3, Grades 4/5, and Health/PE teacher. This budget also includes \$100,000 for two Ed Tech III moved from grant funded to general fund, \$73,000 for a K-5 School resource officer for K-5 shared with the Police Department, \$117,000 for a three bus drivers and one transportation assistant. There are additional funds allocated for CIPS increase of \$181,000.

The Town's municipal appropriation is \$15,418,282, an increase of \$625,269 or 4.2% over fiscal year 2019. An increase in non-property tax revenue of \$355,700 and a \$36,192 increase in the transfer in from the TIF fund resulted in a net appropriation of \$8,250,168, an increase of \$233,377 or 2.9%.

The Town's education budget is \$41,010,533, an increase of \$2,068,027 or 5.3%. The School Department saw an increase in non-property tax revenue of \$675,902 and a decrease in use of fund balance of \$250,000. The net education appropriation for fiscal year 2020 is \$21,661,925, an increase of \$1,642,125 or 8.2%.

The County tax assessment increased by \$68,750, or 5.9%. The Town's state equalized valuation went from \$1,682,600,000 in 2018 to \$1,806,250,000 in 2019, a 7.4% 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, 2019

	Governmental Activities
ASSETS	
Cash	\$ 17,273,959
Investments	7,507,119
Receivables:	
Accounts	425,104
Intergovernmental	413,611
Rescue (net of allowance of \$132,820)	236,112
Taxes - current year	722,445
Taxes - prior year	128,229
Tax liens	300,176
Notes	139,221
Tax acquired property	28,930
Performance bonds	5,515,563
Inventory	85,726
Prepaid expenses	32,198
Capital assets not being depreciated:	
Books/historical treasures/artwork	1,429,837
Land	2,230,261
Construction in progress	451,561
Capital assets net of accumulated depreciation:	
Buildings and improvements	35,453,972
Improvements other than buildings	5,663,354
Machinery and equipment	6,750,272
Infrastructure	24,052,708
Total assets	108,840,358
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	395,965
Deferred outflows of resources related to pensions	1,239,320
Deferred outflows of resources related to OPEB	251,875
Total deferred outflows of resources	1,887,160
LIABILITIES	
Accounts payable	578,939
Accrued wages and benefits	3,888,526
Performance bond deposits	7,692,097
Unearned revenues	47,638
Taxes collected in advance	74,105
Noncurrent liabilities:	
Due within one year	3,783,786
Due in more than one year	36,008,709
Total liabilities	52,073,800
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	561,502
Deferred inflows of resources related to OPEB	569,683
Total deferred inflows of resources	1,131,185
NET POSITION	
Net investment in capital assets	46,553,861
Restricted for:	
Grants and programs	2,250,797
Capital projects	43,736
Expendable	271,832
Nonexpendable	942,936
Unrestricted	7,459,371
Total net position	\$ 57,522,533

TOWN OF GORHAM, MAINE
Statement of Activities
For the Year Ended June 30, 2019

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Governmental activities
Primary government:					
Governmental activities:					
General government	\$ 5,780,049	936,800	3,979	-	(4,839,270)
Public safety	4,511,091	569,344	123,078	-	(3,818,669)
Public works	6,013,695	1,884,100	276,694	-	(3,852,901)
Health and welfare	29,359	9,582	909	-	(18,868)
Recreation	2,157,151	1,103,635	8,897	-	(1,044,619)
Development	523,040	-	-	-	(523,040)
Education	43,283,812	836,000	23,191,731	-	(19,256,081)
Interest on debt	745,058	-	-	-	(745,058)
Total governmental activities	63,043,255	5,339,461	23,605,288	-	(34,098,506)
Total primary government	63,043,255	5,339,461	23,605,288	-	(34,098,506)
General revenues:					
Property taxes, levied for general purposes					28,985,990
Payment in lieu of taxes					44,882
Motor vehicle and boat excise taxes					3,958,242
Grants and contributions not restricted to specific programs:					
Homestead exemption					782,870
BETE reimbursement					539,203
Other State aid					37,966
State Revenue Sharing					871,428
Unrestricted investment earnings					460,991
Miscellaneous revenues					122,874
Gain on sale of property					5,058
Total general revenues and gain on sale					35,809,504
Change in net position					1,710,998
Net position - beginning, as restated					55,811,535
Net position - ending					57,522,533

See accompanying notes to basic financial statements.

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

	General	School Operations Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 16,269,001		1,004,958	17,273,959
Investments	6,132,522	-	1,374,597	7,507,119
Receivables:				
Accounts	150,455	38,681	235,968	425,104
Intergovernmental	279,552	12,940	121,119	413,611
Rescue (net of allowance of \$132,820)	236,112	-	-	236,112
Taxes - current year	722,445	-	-	722,445
Taxes - prior year	128,229	-	-	128,229
Tax liens	300,176	-	-	300,176
Notes	608	-	138,613	139,221
Interfund loans receivable	-	1,837,591	2,618,565	4,456,156
Tax acquired property	28,930	-	-	28,930
Performance bonds	5,515,563	-	-	5,515,563
Inventory	38,019	-	47,707	85,726
Prepaid expenditures	32,198	-	-	32,198
Total assets	\$ 29,833,810	1,889,212	5,541,527	37,264,549
LIABILITIES				
Accounts payable	337,127	31,929	13,338	382,394
Accrued wages and benefits	241,698	3,646,828	-	3,888,526
Interfund loans payable	4,287,868	-	174,463	4,462,331
Performance bond deposits	7,692,097	-	-	7,692,097
Taxes paid in advance	74,105	-	-	74,105
Unearned revenues	-	-	47,638	47,638
Total liabilities	12,632,895	3,678,757	235,439	16,547,091
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	870,100	-	-	870,100
Total deferred inflows of resources	870,100	-	-	870,100
FUND BALANCES				
Nonspendable:				
Noncurrent receivables	608	-	-	608
Prepaid items	32,198	-	-	32,198
Nonexpendable trust principal	-	-	942,936	942,936
Inventory	38,019	-	47,707	85,726
Restricted:				
General fund	364,143	-	-	364,143
Special revenue funds	-	-	1,838,947	1,838,947
Capital projects funds	-	-	818,578	818,578
Permanent funds	-	-	271,832	271,832
Committed:				
General fund	2,892,988	-	-	2,892,988
Special revenue funds	-	-	1,273,993	1,273,993
Capital projects funds	-	-	76,183	76,183
Assigned:				
FY20 capital funding	1,051,114	-	-	1,051,114
Compensated absences	487,892	-	-	487,892
Future general fund expenditures	654,458	-	-	654,458
Capital reserves/other purposes	1,861,235	-	-	1,861,235
Special revenue funds	-	-	79,181	79,181
Unassigned:				
General fund	8,948,160	-	-	8,948,160
Special revenue funds	-	(1,789,545)	(43,269)	(1,832,814)
Total fund balances (deficit)	16,330,815	(1,789,545)	5,306,088	19,847,358
Total liabilities, deferred inflows of resources and fund balances	\$ 29,833,810	1,889,212	5,541,527	37,264,549

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

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	\$	19,847,358
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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.		395,965
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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	4,111,659	
Depreciable capital assets, net	71,920,306	76,031,965

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

General obligation bonds	29,043,125	
Bond premium	865,508	
Capital leases	740,278	
Net pension liability, including related deferred inflows and outflows of resources	824,935	
Compensated absences	1,106,550	
Accrued interest payable	190,370	
Net OPEB liability, including related deferred inflows and outflows of resources	6,852,089	(39,622,855)

Unavailable revenues - property taxes not reported on Statement 1		870,100
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Net position of governmental activities	\$	57,522,533
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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, 2019

	General	School Operations Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 32,261,982	-	549,468	32,811,450
Licenses and permits	772,177	-	-	772,177
Intergovernmental	2,611,349	21,536,818	1,632,003	25,780,170
Charges for services	2,353,694	103,117	2,044,973	4,501,784
Other revenues	543,255	18,702	133,415	695,372
Total revenues	38,542,457	21,658,637	4,359,859	64,560,953
Expenditures:				
Current:				
General government	5,214,384	-	-	5,214,384
Public safety	4,969,416	-	-	4,969,416
Public works	3,993,319	-	1,119,792	5,113,111
Health and welfare	29,359	-	-	29,359
Recreation	2,012,280	-	17,423	2,029,703
Economic development	79,778	-	232,289	312,067
Public agencies	87,787	-	-	87,787
Unclassified	226,044	-	210,973	437,017
Education	63,683	39,385,256	1,341,786	40,790,725
Food services	-	-	1,085,485	1,085,485
Debt service:				
Principal	1,353,125	2,040,000	-	3,393,125
Interest and other charges	388,080	632,688	-	1,020,768
Capital maintenance	6,670	-	-	6,670
Capital improvements	-	511,300	128,010	639,310
Total expenditures	18,423,925	42,569,244	4,135,758	65,128,927
Excess (deficiency) of revenues over (under) expenditures	20,118,532	(20,910,607)	224,101	(567,974)
Other financing sources (uses):				
Capital lease proceeds	-	511,300	-	511,300
Transfers in	639,879	20,019,800	35,000	20,694,679
Transfers out	(20,019,800)	(35,000)	(639,879)	(20,694,679)
Total other financing sources (uses)	(19,379,921)	20,496,100	(604,879)	511,300
Net change in fund balances	738,611	(414,507)	(380,778)	(56,674)
Fund balances (deficit), beginning of year	15,592,204	(1,375,038)	5,686,866	19,904,032
Fund balances (deficit), end of year	\$ 16,330,815	(1,789,545)	5,306,088	19,847,358

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, 2019

Net change in fund balances - total governmental funds (from Statement 4)	\$ (56,674)
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 (\$4,448,596) exceeded capital outlays (\$1,908,789) in the current period.	(2,539,807)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	193,300
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. Additionally bond premium amortization is only recorded on the statement of activities.	3,444,523
The Town is amortizing the deferred charge on refunding and the issuance premium over the life of the refunding bond.	(83,585)
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.	(21,763)
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.	3,655
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.	21,619
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.	749,730
Change in net position of governmental activities (see Statement 2)	\$ 1,710,998

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, 2019

		General Fund			Variance with final budget positive (negative)
		Budgeted amounts		Actual	
		Original	Final		
Revenues:					
Taxes	\$	31,273,311	31,231,111	32,261,982	1,030,871
Licenses and permits		610,900	610,900	772,177	161,277
Intergovernmental		2,403,783	2,403,783	2,522,387	118,604
Charges for services		1,390,270	1,390,270	1,436,528	46,258
Other revenues		196,200	196,200	463,488	267,288
Total revenues		35,874,464	35,832,264	37,456,562	1,624,298
Expenditures:					
Current:					
General government		2,814,177	2,837,421	2,797,408	40,013
Public safety		4,362,213	4,427,052	4,367,867	59,185
Public works		2,716,969	2,741,609	2,672,566	69,043
Health and welfare		57,600	57,600	29,359	28,241
Recreation		947,718	965,606	965,982	(376)
Economic development		79,153	80,668	77,158	3,510
Insurances and employee benefits		2,501,608	2,521,565	2,109,099	412,466
Public agencies		89,210	89,210	87,787	1,423
Unclassified		414,530	265,462	222,096	43,366
Capital		178,431	175,416	6,670	168,746
Debt service		1,800,707	1,800,707	1,741,205	59,502
Total expenditures		15,962,316	15,962,316	15,077,197	885,119
Excess of revenues over expenditures		19,912,148	19,869,948	22,379,365	2,509,417
Other financing sources (uses):					
Transfers to special revenue - School Operations fund		(20,062,000)	(20,019,800)	(20,019,800)	-
Transfers in special revenue - Impact fees fund		-	-	490,000	490,000
TIF fund		124,852	124,852	124,853	1
Transfers in capital projects - Public safety capital project fund		25,000	25,000	25,000	-
2016 Fire truck bond		-	-	26	26
Transfer to reserve accounts		-	-	(2,973,480)	(2,973,480)
Total other financing sources (uses)		(19,912,148)	(19,869,948)	(22,353,401)	(2,483,453)
Net change in fund balances - budgetary basis		-	-	25,964	25,964
Reconciliation to GAAP basis:					
Change in restricted				31,064	
Change in committed				769,016	
Change in assigned				107,693	
Change in unassigned				(195,126)	
Net change in fund balance - GAAP basis				738,611	
Fund balance, beginning of year				15,592,204	
Fund balance, end of year		\$		16,330,815	

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, 2019

Budgeted Special Revenue Funds				
School Operations Fund				
	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 18,422,224	18,422,224	18,596,337	174,113
Charges for services	108,281	108,281	103,117	(5,164)
Other revenues	-	-	18,702	18,702
Total revenues	18,530,505	18,530,505	18,718,156	187,651
Expenditures:				
Current:				
Regular instruction	17,412,686	17,383,270	17,358,603	24,667
Special education	5,978,034	5,979,034	5,521,516	457,518
CTE instruction	50,000	50,000	-	50,000
Other instruction	907,355	907,355	918,614	(11,259)
Student and staff support	2,982,067	3,010,487	3,062,699	(52,212)
System administration	1,182,851	1,182,851	1,182,099	752
School administration	2,036,381	2,036,377	1,999,113	37,264
Transportation	1,887,848	1,887,848	1,907,474	(19,626)
Facilities maintenance	3,551,735	3,551,735	3,661,129	(109,394)
Adult education	245,860	245,860	247,160	(1,300)
Debt service	2,707,688	2,707,688	2,672,688	35,000
Total expenditures	38,942,505	38,942,505	38,531,095	411,410
Deficiency of revenues under expenditures	(20,412,000)	(20,412,000)	(19,812,939)	599,061
Other financing sources (uses):				
Use of surplus	350,000	350,000	-	(350,000)
Transfers in - general fund	20,062,000	20,062,000	20,019,800	(42,200)
Transfer to other School funds	-	-	(35,000)	(35,000)
Total other financing sources (uses)	20,412,000	20,412,000	19,984,800	(427,200)
Net change in fund balance - budgetary basis	-	-	171,861	171,861
Reconciliation to GAAP basis:				
Change in accrued payroll			(296,171)	
Change in encumbrances			(290,197)	
Net change in fund balance			(414,507)	
Fund deficit, beginning of year			(1,375,038)	
Fund deficit, end of year	\$		(1,789,545)	

See accompanying notes to basic financial statements.

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

	Agency Funds	Scholarships Private-purpose Trust Funds
ASSETS		
Cash	\$ 469,056	-
Investments	-	41,945
Interfund loans receivable	6,175	-
Total assets	475,231	41,945
LIABILITIES		
Due to others	475,231	-
Total liabilities	475,231	-
NET POSITION		
Held in trust	\$ -	41,945

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, 2019

	Scholarships Private-purpose Trust Funds
Additions:	
Investment income (loss)	\$ 1,892
Total additions	1,892
Deductions:	
Scholarships awarded	1,000
Total deductions	1,000
Change in net position	892
Net position, beginning of year	41,053
Net position, end of year	\$ 41,945

See accompanying notes to basic financial statements.

TOWN OF GORHAM, MAINE
Notes to Basic Financial Statements
For the year ended June 30, 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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, 2019, 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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 \$8,948,160 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 (\$1,789,545) and (\$43,269), respectively, as shown on Statement 3.

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund:				
Noncurrent receivables	\$ 608	-	-	-
Prepaid items	32,198	-	-	-
Inventory	38,019	-	-	-
FY20 capital funding	-	-	-	1,051,114
Future expenditures	-	-	-	654,458
Compensated absences	-	-	-	487,892
Capital reserves	-	364,143	2,892,988	1,861,235
Special Revenue Funds:				
School grants	-	104,588	-	-
School donation	-	-	12,997	-
School lunch fund:				
Inventory	47,707	-	-	-
Food services	-	102,308	-	-
Sewer operations:				
Sewer operations	-	-	1,181,732	-
Sewer loan fund	-	-	78,380	-
Impact fees	-	309,659	-	-
Library	-	71,473	-	26,791
Recreation	-	7,219	-	-
TIF fund:				
Noncurrent receivable	-	138,613	-	-
TIFs	-	1,091,893	-	50,417
Miscellaneous	-	13,194	884	1,973
Capital Project Funds:				
Public safety building	-	86,953	-	-
Main Street road project	-	626,788	-	-
Great Falls Elementary school project	-	104,837	-	-
Fire Trucks	-	-	-	-
High School renovation and expansion	-	-	76,183	-
Permanent Funds:				
Nonexpendable trust principal	942,936	-	-	-
Expendable trust principal	-	271,832	-	-
Total governmental funds	\$ 1,061,468	3,293,500	4,243,164	4,133,880

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

Note 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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 3, 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, 2019, expenditures exceeded appropriations in the following General Fund departments as shown on Statement 6.

Recreation	\$ 376
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The recreation overage is due to pipes leaking in the Library which caused unexpected cleanup costs.

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

Note 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, Continued

For the year ended June 30, 2019, expenditures exceeded appropriations in the following School Operations Fund cost centers as shown on Statement 6:

Other instruction	\$ 11,259
Student and staff support	52,212
Transportation	19,626
Facilities Maintenance	109,394
Adult Education	1,300

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

C. Deficit Fund Equity

The School Operations Fund has a deficit fund balance of (\$1,789,545) at June 30, 2019. This is due primarily to variations between the budgetary and GAAP methods of accounting for summer teachers' payroll and benefits. See Note 3, BUDGETARY VS. GAAP ACCOUNTING.

The CIPS School Bond, Middle School Project and Various School Projects Fund have a deficit fund balance of (\$17,259), (\$344), and (\$900), respectively, at June 30, 2019. 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 (\$24,766). This comprise of the following grants:

Local entitlement	\$ 1,705	Unified Basketball	283
AEFLA	1,242	PWD – A. Gosoodarek	229
ASPIRE	7,049	GMS - Garden	68
Barbara Bush-Family Literacy	843	GMS – Water Mini Grant	150
H1N1/Flu Vaccine Clinic	1,130		
Medicaid Reimbursement	12,067		

Note 3 – BUDGETARY VS. GAAP ACCOUNTING

Through June 30, 2019, 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.

	<u>General Fund</u>	<u>School Operations Fund</u>
Fund balance (deficit), June 30, 2019 – GAAP basis	\$16,330,815	\$(1,789,545)
Accrued teacher summer salaries	-	2,760,565
Accrued teacher summer health insurance	-	736,557
Accrued MEPRS wages	-	114,840
Encumbrances	(654,458)	(113,261)
<u>Fund balance, June 30, 2019 – budgetary basis</u>	<u>\$ 15,676,357</u>	<u>\$1,709,156</u>

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

Note 3 – BUDGETARY VS. GAAP ACCOUNTING, Continued

* The School Committee has approved \$100,000 of fund balance to reduce taxes for the 2020 fiscal year. This coupled with the \$113,261 in encumbrances, results in a deficit fund balance of \$2,002,806. Per the Town's fund balance policy, the deficit fund balance of \$2,002,806 is combined with the Town's unassigned total of \$8,948,160, when preparing the 2021 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 \$2,940,481.

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.

Note 4 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the Town either carries commercial insurance, 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, 2019.

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, 2019. 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, 2019, the balance in this reserve account was \$31,500.

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

Note 4 – DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2019, cash consisted of the following:

	<u>Carrying amount</u>	<u>Bank balance</u>
Checking, savings, NOW, and certificates of deposit accounts:		
Government Funds	\$ 17,264,486	17,872,583
Agency Funds	469,056	502,795
Petty Cash - governmental funds	1,095	-
Flex Plan - governmental funds	2,104	-
Postage machine balance - governmental funds	6,274	-
Totals	\$ 17,743,015	18,375,378

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, 2019, \$89,522 of the Town's bank balances of \$18,375,378 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, 2019, 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	\$ 617,637		Not applicable		617,637
U.S. treasuries	6,132,522	6,132,522	-	-	6,132,522
Money market accounts	544,888		Not applicable		Not Applicable
Commercial paper	202,756	-	202,756	-	202,756
U.S. savings Bonds	4,304	4,304	-	-	4,304
Common stock	46,957		Not applicable		46,957
Total Fair Value	\$ 7,549,064	6,136,826	202,756	-	7,004,176

(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

Note 4 - DEPOSITS AND INVESTMENTS, Continued

Out of the total \$7,549,064 in investments, \$7,507,119 is from investments in the governmental funds, while \$41,945 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, 2019, the Town had \$202,756 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, 2019, 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 \$7,549,064 in investments, \$1,162,525 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.

Note 5 - RECEIVABLES

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	\$ 850,674	-	-	850,674
Tax liens	300,176	-	-	300,176
Accounts	150,455	38,681	235,968	425,104
Rescue (net of allowance of \$132,820)	236,112	-	-	236,112
Intergovernmental	279,552	12,940	121,119	413,611
Notes	608	-	138,613	139,221
Net total receivables	\$ 1,817,577	51,621	495,700	2,364,898

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>\$ 870,100</u>

B. Property Taxes

Property taxes for the current year were committed on September 17, 2018, 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 88% of the estimated State valuation of \$1,806,250,000.

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 \$518,581 for the year ended June 30, 2019. 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 2019 and 2018 levies:

	<u>2019</u>	<u>2018</u>
Taxable Assessed Value	\$ 1,590,777,995	\$1,570,284,293
Tax Rate (per \$1,000)	<u>18.20</u>	<u>17.10</u>
Commitment	28,952,160	26,851,861
Supplemental Taxes Assessed	<u>200,328</u>	<u>45,071</u>
	29,152,488	26,896,932
Less: Abatements	166,496	261,390
Collections	<u>28,263,547</u>	<u>25,934,519</u>
Receivable at June 30, 2019 and 2018	<u>\$ 722,445</u>	<u>\$ 701,023</u>
Due Date(s)	½ 11/15/2018 ½ 05/15/2019	½ 11/15/2017 ½ 05/15/2018
Interest Rates on Delinquent Taxes	8.0%	7.0%
Collection Rate	97.5%	97.4%

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

Note 5 – RECEIVABLES, Continued

Of the total taxes committed for the year ended June 30, 2019, 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, Martin's Point Municipal Development Tax Increment Financing District and the Sebago Brewing Municipal Development Tax Increment Financing District was \$549,468.

C. Notes Receivables

At June 30, 2019, 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	\$ 608
Wood Excavating	11/2015	100,000	5.0%	11/2035	3,886	86,184
HAM (Mr. Bagel)	8/2016	5,000	0.0%	8/2021	1,042	1,465
Gorham Growl	10/2016	3,000	0.0%	11/2019	784	1,456
Century 21	10/2016	5,000	0.0%	11/2021	917	2,750
Flagship New Portland Road LLC	6/2017	40,000	4.5%	6/2037	1,155	37,641
Seedling to Sunflower	7/2018	5,000	0.0%	7/2023	1,000	4,117
Seedling to Sunflower	7/2018	5,000	4.5%	7/2020	-	5,000
						<u><u>\$ 139,221</u></u>

Note 6 – INTERFUND ACCOUNTS

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

Note 6 – INTERFUND ACCOUNTS, Continued

Individual interfund loans receivable and payable balances at June 30, 2019 were as follows:

<u>Fund</u>	Interfund loans <u>receivable</u>	Interfund loans <u>payable</u>
Governmental Funds:		
General Fund	\$ -	4,287,868
School Operations Fund	1,837,591	-
Other governmental funds:		
Special revenue funds:		
School Grants Fund	-	31,152
School Donation Fund	12,997	-
School Lunch Fund	-	99,015
Sewer Operations Fund	954,980	-
Little Falls Sewer Reserve and Loan Fund	14,552	-
Impact Fees Fund	309,659	-
Library Fund	27,994	-
Recreation Fund	5,802	-
TIF Fund	1,141,794	-
Miscellaneous Fund	2,857	-
Capital project funds:		
2016 Public Safety Building Bond	19	-
2016 CIPS School Bond	-	43,052
Great Falls Elementary School Project	71,028	-
Middle School Project	-	344
High School Renovation and Expansion	76,183	-
Various School Projects	-	900
Permanent funds:		
Cemetery Perpetual Care	700	-
Total other governmental funds	2,618,565	174,463
Fiduciary funds	6,175	-
Totals	\$ 4,462,331	4,462,331

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

Note 6 – INTERFUND ACCOUNTS, Continued

Interfund transfers during the year ended June 30, 2019 consisted of the following:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ <u>639,879</u>	<u>20,019,800</u>
School Operations Fund	<u>20,019,800</u>	<u>35,000</u>
Special Revenue Funds:		
Impact Fees Fund	-	490,000
TIF Fund	-	124,853
Capital Project Funds:		
2016 Public Safety Building	-	24,981
Great Falls Elementary	35,000	-
2016 Fire Truck Bond	<u>-</u>	<u>45</u>
Total other governmental funds	<u>35,000</u>	<u>639,879</u>
Totals	\$ <u>20,694,679</u>	<u>20,694,679</u>

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 (\$20,019,800).
2. From the School Operation Fund: to move interest due to the State in the Great Falls Elementary Bank account to earn interest (\$35,000)
3. From the Special Revenue Fund's Impact Fees Fund: to fund Little Falls Rec Area field house (\$245,000) and Chick Property baseball field (\$245,000).
4. From the Special Revenue Fund's TIF Fund: to provide funding for the Libby/Brackett Road debt service and Economic Development (\$124,853).
5. From the Capital Project Fund's Public Safety building: to allocate premium to general fund revenue that was budgeted (\$25,000) and move remaining bond to capital reserve for fire truck (\$26).

Note 7 – 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.

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

Note 7 – CAPITAL ASSETS, Continued

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

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Governmental Activities:				
Books/historical treasures/artwork	\$ 1,429,837	\$ -	\$ -	\$ 1,429,837
Land	2,230,261	-	-	2,230,261
Construction in progress	270,173	184,484	3,096	451,561
Total capital assets, not being depreciated	<u>3,930,271</u>	<u>184,484</u>	<u>3,096</u>	<u>4,111,659</u>
Land improvements	9,806,653	299,618	-	10,106,271
Buildings and building improvements	68,664,693	93,310	-	68,758,003
Machinery and equipment	3,263,747	56,950	-	3,320,697
Furniture and office equipment	4,524,438	63,540	-	4,587,978
Computer equipment	510,876	30,630	-	541,506
Vehicles	12,130,332	1,183,353	204,843	13,108,842
Infrastructure	47,906,341	-	-	47,906,341
Total capital assets being depreciated	<u>146,807,080</u>	<u>1,727,401</u>	<u>204,843</u>	<u>148,329,638</u>
Less accumulated depreciation for:				
Land improvements	4,067,510	375,407	-	4,442,917
Buildings and building improvements	31,393,651	1,910,380	-	33,304,031
Machinery and equipment	2,381,888	130,208	-	2,512,096
Furniture and office equipment	3,874,617	157,073	-	4,031,690
Computer equipment	480,758	11,162	-	491,920
Vehicles	7,240,599	737,289	204,843	7,773,045
Infrastructure	22,726,556	1,127,077	-	23,853,633
Total accumulated depreciation	<u>72,165,579</u>	<u>4,448,596</u>	<u>204,843</u>	<u>76,409,332</u>
Total capital assets being depreciated, net	<u>74,641,501</u>	<u>(2,721,195)</u>	<u>-</u>	<u>71,920,306</u>
Governmental activities capital assets, net	<u>\$ 78,571,772</u>	<u>\$ (2,536,711)</u>	<u>\$ 3,096</u>	<u>\$ 76,031,965</u>

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

Governmental activities:	
General government	\$ 227,056
Public safety	641,747
Public works, including depreciation of general infrastructure assets	1,380,475
Recreation	169,816
Education	<u>2,029,502</u>
Total depreciation expense – governmental activities	<u>\$ 4,448,596</u>

Note 8 – LONG-TERM DEBT

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, 2019, the Town was in compliance with these limitations. (See Table 13, STATISTICAL SECTION)

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

Note 8 – LONG-TERM DEBT, Continued

B. Changes in Long-term Debt

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

	Restated			Ending	Due Within
	Beginning				
	Balance	Additions	Reductions	Balance	One Year
Governmental activities:					
General obligation bonds	\$ 32,436,250	-	3,393,125	29,043,125	3,378,125
Bond premium	1,004,331	-	138,823	865,508	138,823
Notes payable	198,853	-	198,853	-	-
Capital leases	454,000	511,300	225,022	740,278	216,838
Compensated absences	1,084,787	134,393	112,630	1,106,550	50,000
Net pension liability	2,224,801	-	722,048	1,502,753	-
Other post-employment benefits	6,738,001	-	203,720	6,534,281	-
Governmental activity long-term liabilities	\$ 44,141,023	645,693	4,994,221	39,792,495	3,783,786

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, 2019 are comprised of the following:

	Interest	Original	Final	Balance	Due
General Obligation Bonds	Rate	Issue	Maturity	End of	Within
		Amount	Date	Year	One Year
Governmental activities:					
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	1,160,000	65,000
2016 Main Street Bond	2.00-3.00%	600,000	12/1/2035	510,000	30,000
2016 School CIP Bond	2.00-3.00%	1,175,000	12/1/2035	995,000	60,000
2015 Public Safety Building Bond	2.00-3.25%	4,990,000	6/1/2035	3,990,000	250,000
2013 Fire Truck/Little Falls School Bond	2.00-4.00%	1,400,000	11/15/2033	975,000	85,000
2012 Advance Refunding Bond	2.00-3.50%	17,085,000	11/1/2024	7,410,000	1,590,000
2011 Maine Municipal Bond (2000 Bond)	.50-5.20%	585,000	11/1/2019	73,125	73,125
2010 Road Projects/Heavy Rescue Bond	2.00-3.50%	3,450,000	8/1/2027	410,000	205,000
2010 Elementary School Bond	2.00-4.25%	20,384,680	10/1/2030	2,040,000	1,020,000
Total governmental activities				\$ 29,043,125	3,378,125

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

Note 8 – LONG-TERM DEBT, Continued

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

Fiscal Year Ended June 30		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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		2,335,000	482,169	2,817,169
2025-2029		8,750,000	1,375,619	10,125,619
2030-2034		4,155,000	328,932	4,483,932
2035-2037		595,000	20,053	615,053
Totals	\$	<u>29,043,125</u>	<u>5,195,024</u>	<u>34,238,149</u>

D. Capital Leases

The Gorham School Department has entered into various lease agreements as lessee for school buses and photocopiers. 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, 2019:

	<u>Original Purchase Price</u>	<u>Annual Depreciation Expense</u>	<u>Total Minimum Lease Payments</u>	<u>Interest</u>	<u>Present Value of Minimum Lease Payments</u>
School buses (10)	\$ 947,247	68,509	770,872	60,477	710,395
Photocopiers	115,891	8,001	30,971	1,088	29,883
Totals	\$ 1,063,228	76,510	801,843	61,565	740,278

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

Note 8 – LONG-TERM DEBT, Continued

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, 2019:

<u>Fiscal year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Lease Obligation</u>
2020	\$ 216,838	18,561	235,399
2021	173,400	19,933	193,333
2022	160,039	13,410	173,449
2023	124,592	7,228	131,820
2024	65,409	2,433	67,842
Totals	\$ 740,278	61,565	801,843

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 \$1,106,550 for governmental activities at June 30, 2019, is expected to be paid in future years from future resources. The Town has estimated that out of the \$1,106,550 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, 2019 are comprised of the following:

<u>Type of Leave</u>	<u>Governmental Activities</u>
Sick paid upon termination	\$ 618,658
Vacation	404,754
Compensatory time	<u>83,138</u>
Total	<u>\$ 1,106,550</u>

Note 9 – OVERLAPPING DEBT AND OTHER CONTINGENCIES

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, 2019, the Town's State valuation of \$1,806,250,000 was 3.85% of the County's State valuation of \$46,892,350,000. The Town's share is 3.85% or \$1,459,642 of Cumberland County's \$37,893,997 long-term debt outstanding as of June 30, 2019.

The Town is also served by the Portland Water District. At June 30, 2019, the Town's share of self-supporting bonded water debt is 5.74% or \$3,058,618 of total debt of \$53,286,036.

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

Note 9 – OVERLAPPING DEBT AND OTHER CONTINGENCIES, Continued

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 \$2,279,285, while Gorham's share of the Westbrook sewer system debt is \$873,853. 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, 2019</u>		
	<u>Direct Debt</u>	<u>Overlapping Debt</u>	<u>Total Debt</u>
Town of Gorham - general obligation bonds and notes payable	\$ 29,043,125	-	29,043,125
Town of Gorham - bond premiums	865,508	-	865,508
Town of Gorham – capital lease	740,278	-	740,278
Cumberland County	-	1,459,642	1,459,642
Portland Water District - sewer shared with Town of Windham and City of Westbrook	-	3,153,138	3,153,138
Portland Water District - water debt	-	3,058,618	3,058,618
Totals	\$ 30,648,911	7,671,398	38,320,309

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, 2019, 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

Note 9 – OVERLAPPING DEBT AND OTHER CONTINGENCIES, Continued

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, 2019, 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	\$ 654,458
School Operations Fund	113,261

Note 10 – NET PENSION LIABILITY

General Information about the Pension Plan

Plan Description - Employees of the Town are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan) 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.maineopers.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).

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

Note 10 – NET PENSION LIABILITY, Continued

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. 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, 2019, was 10% of annual payroll for the regular plan and 12.7% of annual payroll for the special plan. Contributions to the pension plan from the Town were \$229,363 for the year ended June 30, 2019.

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, 2019, 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 \$796,840 for the year ended June 30, 2019.

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, 2018, 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.

PLD Plan - At June 30, 2019, the Town reported a liability of \$1,098,730 for its proportionate share of the net pension liability. At June 30, 2018, the Town's proportion of the PLD Plan was 0.4015%.

SET Plan - At June 30, 2019, 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	\$ 404,023
State's proportionate share of the net pension liability	
associated with the Town	20,482,449
Total	\$ 20,886,472

At June 30, 2018, the Town's proportion of the SET Plan was 0.0299%.

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

Note 10 – NET PENSION LIABILITY, Continued

For the year ended June 30, 2019 the Town recognized pension gain of \$448,427 for the PLD Plan. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to the PLD plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	8,627
Changes of assumptions	175,364	
Net difference between projected and actual earnings on pension plan investments	-	265,299
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	190,396
Town contributions subsequent to the measurement date	229,363	-
	<hr/>	<hr/>
Total	\$ 404,727	464,322

\$229,363 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, 2020.

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:

2020	\$ (17,661)
2021	(22,248)
2022	(180,482)
2023	(68,567)

For the year ended June 30, 2019, the Town recognized pension expense of \$2,948,826 for the SET Plan with revenue of \$2,223,927 for support provided by the State.

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

Note 10 – NET PENSION LIABILITY, Continued

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 12,339	-
Changes of assumptions	25,414	-
Net difference between projected and actual earnings on pension plan investments	-	52,522
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	44,658
Town contributions subsequent to the measurement date	796,840	-
Total	\$ 834,593	97,180

\$796,840 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, 2020. 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	\$ 7,326
2019	(15,253)
2020	(37,391)
2021	(14,109)

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

	<u>PLD Plan</u>	<u>SET Plan</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	6.75%	6.75%
Cost of living benefit increases, per annum	1.91%	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, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2012 to June 30, 2015.

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

Note 10 – NET PENSION LIABILITY, Continued

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

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

Discount Rate - The discount rate used to measure the total pension liability was 6.75% for the PLD Plan and 6.75% 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.

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 6.75% for the PLD Plan and 6.75% 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 (5.75% for PLD Plan and 5.75% for SET Plan) or 1 percentage-point higher (7.75% for PLD Plan and 7.75% for SET Plan) than the current rate:

<u>PLD Plan</u>	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Town's proportionate share of the net pension liability	\$ 2,589,561	1,098,730	(294,788)
<u>SET Plan</u>	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Town's proportionate share of the net pension liability	746,635	404,023	118,683

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

Note 10 – NET PENSION LIABILITY, Continued

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

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

Note 11 – OTHER PENSION PLANS

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 \$176,081 for the year ended June 30, 2019, and \$162,179 for the year ended June 30, 2018. 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 \$488,703 including F.I.C.A. and Medicare to the Social Security Retirement Program on behalf of Town employees for the year ended June 30, 2019 and \$472,627 for the year ended June 30, 2018.

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 \$543,801 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, 2019 and \$508,665 for the year ended June 30, 2018.

Note 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE

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.maineper.org.

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

Note 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, Continued

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.

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 - Premiums total \$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 \$2,792 for the year ended June 30, 2019.

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 \$77,012 for the year ended June 30, 2019. Employers and employees are not required to contribute to the SET OPEB plan.

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, 2018, and the net 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 were 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, 2019, the Town reported a liability of \$186,633 for its proportionate share of the net OPEB liability. At June 30, 2018, the Town's proportion was 0.9239%.

SET OPEB Plan - At June 30, 2019, 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 \$843,979 as of June 30, 2019. At June 30, 2018, the Town's proportion was 0.00%.

For the year ended June 30, 2019, the Town recognized OPEB expense of \$77,794 for the PLD OPEB Plan. For the year ended June 30, 2019, the Town recognized OPEB expense of \$77,012 and also revenues of \$77,012 for support provided by the State related to the SET OPEB plan. At June 30, 2019, the Town reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB plan.

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

Note 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, Continued

At June 30, 2019, 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
Differences between expected and actual experience	\$ 15,750	-
Changes of assumptions	-	22,473
Net difference between projected and actual earnings on OPEB plan investments	-	9,794
Changes in proportion and differences between Town contributions and proportionate share of contributions	7,759	-
Town contributions subsequent to the measurement date	2,792	-
Total	\$ 26,301	32,267

An amount of \$2,792 is reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. 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:

2020	\$ (4,354)
2021	(4,354)
2022	(4,355)
2023	(2,507)
2024	6,812

Actuarial Assumptions - The net OPEB liability in the June 30, 2018 actuarial valuations was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

	PLD OPEB Plan	SET OPEB Plan
Inflation	2.75%	2.75%
Salary increases	2.75% - 9.00%	2.75% - 14.50%
Investment rate of return	6.75%	6.75%

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

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

Note 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, Continued

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

The long-term expected rate of return on both 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	15.0%	3.0%
US government securities	10.0%	2.3%

Discount Rate - The rate used to measure the net OPEB liability for the PLD OPEB plan was 5.13% which is a blend of the assumed long-term expected rate of return of 6.75% and a municipal bond index rate of 3.87%, based on the Bond Buyer GO 20-Year Municipal Bond Index as of June 30, 2018. 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 2047. Therefore, the portion of the future projected benefit payments after 2047 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 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plans fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the 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 5.13%, 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 (4.13%) or 1 percentage-point higher (6.13%) than the current rate:

	1% Decrease (4.13%)	Discount Rate (5.13%)	1% Increase (6.13%)
Net OPEB liability	\$ 246,571	186,633	139,377

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

Note 12 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, Continued

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.

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.

Note 13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – TOWN HEALTH INSURANCE

General Information about the OPEB Plans

Plan Description - 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 - 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, 2019, 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 - 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 Town's total Health Plan OPEB liability of \$1,139,374 was measured as of January 1, 2019, and was determined by an actuarial valuation as of January 1, 2018.

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

Note 13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – TOWN HEALTH INSURANCE, Continued

Changes in the Total Health Plan OPEB Liability

	Total OPEB Liability
Balance at June 30, 2018	\$ 1,201,407
Changes for the year:	
Service Cost	39,091
Interest	41,977
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(102,269)
Benefit payments	(40,832)
Net changes	<u>(62,033)</u>
Balance at June 30, 2019	\$ <u>1,139,374</u>

Change in assumptions reflects a change in the discount rate from 3.44% to 4.10%.

For the year ended June 30, 2019, the Town recognized OPEB gain of \$33,696 related to the Health Plan. At June 30, 2019, 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	\$ -	207,416
Changes of assumption or other inputs	-	126,453
Contributions subsequent to measurement date	20,416	-
Total	<u>\$ 20,416</u>	<u>333,869</u>

An amount of \$20,416 is reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020. 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:	
2020	\$ (53,516)
2021	(53,516)
2022	(53,516)
2023	(53,516)
2024	(53,516)
Thereafter	(66,289)

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

Note 13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – TOWN HEALTH INSURANCE, Continued

Actuarial Assumptions and Other Inputs - 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	4.10%
Healthcare cost trend rates	8.27% for 2018, decreasing to 4.00% for 2032
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.

Discount Rate - The rate used to measure the total OPEB liability for the Health Plan was 4.10%. Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year tax-exempt general obligation municipal bond index. The rate is assumed to be an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

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 4.10%, 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 (3.10%) or 1 percentage-point higher (5.10%) than the current rate:

	1% Decrease (3.10%)	Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB liability	\$ 1,299,841	1,139,374	1,007,492

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, 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	\$ 1,004,390	1,139,374	1,308,331

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

Note 14 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – SCHOOL HEALTH INSURANCE

General Information about the OPEB Plan

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

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

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

Inactive employees or beneficiaries currently receiving benefits	103
Inactive employee entitled to but not yet receiving benefits	-
Active employees	362
Total	<u>465</u>

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

The Town's total OPEB liability of \$5,208,274 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Changes in the Total OPEB Liability

Balance at June 30, 2018	\$ 5,387,848
Changes for the year:	
Service Cost	64,293
Interest	191,672
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(237,472)
Benefit payments	(198,067)
Net changes	<u>(179,574)</u>
Balance at June 30, 2019	<u>\$ 5,208,274</u>

Change in assumptions reflects a change in the discount rate from 3.58% to 3.87%.

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

Note 14 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – SCHOOL HEALTH INSURANCE, Continued

For the year ended June 30, 2019, The Town recognized OPEB expense of \$16,882. At June 30, 2019, The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption or other inputs	\$ -	203,547
Town contributions subsequent to measurement date	205,158	-
Total	\$ 205,158	203,547

\$205,158 is reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ (33,925)
2021	(33,925)
2022	(33,925)
2023	(33,925)
2024	(33,925)
Thereafter	(33,922)

Actuarial Assumptions - The total OPEB liability in the June 30, 2018 actuarial valuation for the total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	Not reported
Salary increases	2.75% - 14.50% per year
Discount rate	3.87% per annum
Healthcare cost trend rates - Pre-Medicare	5.55% for 2018 grading over 15 years to 3.73%
Healthcare cost trend rates - Medicare	3.72% for 2018 grading over 15 years to 2.81%
Retirees' share of the benefit related costs	55% of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate

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

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

Discount Rate - The rate used to measure the total OPEB liability was 3.87% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

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

Note 14 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – SCHOOL HEALTH INSURANCE, Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the Town's total OPEB liability calculated using the discount rate of 3.87%, 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 (2.87%) or 1 percentage-point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	\$ 6,099,190	5,208,274	4,498,592

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the Town's total OPEB liability calculated using the healthcare cost trend rates, 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	\$ 4,452,026	5,208,274	6,162,447

Note 15 – JOINTLY GOVERNED ORGANIZATION

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, 2019 includes total assets of \$63,227,321, and total liabilities of \$18,166,889 and unrestricted net position of \$14,041,866. The liabilities include an accrual for landfill closure and postclosure care amounting to \$15,082,777. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2011 and a projected closing date. The separate audited financial statements of ecomaine may be obtained at their administrative office: ecomaine, 64 Blueberry Rd., Portland, Maine 04102.

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

Note 16 – NET POSITION

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 2019 with 2018 information provided for comparison:

	<u>2019</u>	<u>2018</u>	<u>\$ Chg</u>	<u>% Chg</u>
Capital assets	\$152,441,297	\$150,737,351	\$ 1,703,946	1.1%
Accumulated depreciation	(76,409,332)	(72,165,579)	(4,243,753)	5.9%
Deferred charge on refunding	395,965	479,550	(83,585)	-17.4%
Bonds payable (includes premium)	(29,908,633)	(33,440,581)	3,531,948	-10.6%
Notes payable	-	(198,853)	198,853	-100.0%
Capital leases	(740,278)	(454,000)	(286,278)	63.1%
Add back unspent bond proceeds	<u>774,842</u>	<u>793,373</u>	<u>(18,531)</u>	-2.3%
Net investment in capital assets	<u>\$ 46,553,861</u>	<u>\$ 45,751,261</u>	<u>\$ 802,600</u>	1.8%

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.

Note 17 – REIMBURSEMENT FOR DEBT SERVICE EXPENDITURES

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.

Note 18 – TAX INCREMENT FINANCING DISTRICT

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

Note 18 - TAX INCREMENT FINANCING DISTRICT, Continued

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 1st 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, 2019:

FY2019 TIF Activity			
	Developer's Share	Town Share	TIF District Total
ODAT - Grondin District			
ODAT	\$ 25,449	25,449	50,898
Grondin Properties	-	144,224	144,224
Subtotal:	25,449	169,673	195,122
Pettingill-Ross District			
Pettingill Ross	17,718	-	17,718
Gorham County Road District			
Gorham County Road LLC	9,994	-	9,994
Nappi District			
Nappi Distributors	85,478	78,903	164,381
Olde Canal Business Park			
Olde Canal	24,355	26,385	50,740
Martin's Point			
Martin's Point	27,390	27,390	54,780
Sebago Brewing			
Sebago Brewing	28,366	28,367	56,733
Total TIF Financing Plan Amount	\$ 218,750	330,718	549,468

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

Note 18 - TAX INCREMENT FINANCING DISTRICT, Continued

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 seven approved Tax Increment Financing Districts as of June 30, 2019. For fiscal year 2019, the Town captured \$549,468 in TIF tax revenues and disbursed \$218,750 in C.E.A. payments to the seven developers. The remaining \$330,718 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 2019 from this CEA agreement totaled \$25,449.

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 \$7,859,370 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 2019 from this CEA agreement totaled \$85,478.

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 2019 from this CEA agreement totaled \$24,355.

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 developed 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 2019 from this CEA agreement totaled \$27,390.

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

Note 18 - TAX INCREMENT FINANCING DISTRICT, Continued

On June 6, 2017, the Town Council approved the Sebago Brewing Tax Increment Financing and Development District with a 6-0 vote. Sebago Brewing Company developed a 32,650 square foot building on a 6.05 acre parcel at the intersection on Main Street in Gorham. This is a 20 year district beginning July 1, 2018 with 100% of the increased assessed value being shared 50%-50% between the developer, Sebago Brewing Company, and the Town. The total tax abatement granted in fiscal year 2019 from this CEA agreement totaled \$28,366.

Note 19 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

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.

Note 20 – PRIOR PERIOD ADJUSTMENTS AND CHANGE OF ACCOUNTING PRINCIPLE

For the fiscal year ended June 30, 2019, the Town has restated beginning net position in the government-wide statement of net position to account for the addition of the Town's total OPEB liability in regards to an implicit liability for retiree health insurance through the Maine Education Association Benefits Trust (MEABT), which effectively decreased the City's net position as of July 1, 2018 by \$5,189,781

Note 21 – SUBSEQUENT EVENT

On June 11, 2019, the voters of the Town of Gorham, Maine passed a referendum to issue a general obligation bond for \$2,800,000 for modular classrooms, cafeteria space, and other related work at Narragansett Elementary School.

The Town Council authorized the extension of the ODAT/Grondin Tax Increment Financing District for an additional 15 years. The Town Council also designated the Municipal Development and Tax increment #10 District. The proposed district would include 13.03 acre site located at 200 Narragansett Street (Tax Map 39 Lot 2-1) and would capture 100% of the increased assessed value of the property for a period of 20 years. 55% of the tax revenue will be returned to the property owner, 49 Raceway Drive, LLC to be applied to costs of development of the site for the Harvey Performance Company and the remaining 45% would be retained by the Town to be used for various public improvements.

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

Note 21 – SUBSEQUENT EVENT, Continued

On November 5, 2019, the voters of the Town of Gorham, Maine passed a referendum to issue a general obligation bond for \$5,900,000 to finance the cost of the purchase of 93 acres located off Cobb Road, Tax Map 30, Lot 1 and 47.88 acres off of Libby Avenue, Tax Map 29, Lot 1 from the M. P. Rines Trust and to finance the costs of survey, design, local, state and federal approvals and construction of initial phases of road and utility infrastructure on the property.

TOWN OF GORHAM, MAINE
Required Supplementary Information
For the year ended June 30, 2019

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

	2019	2018
Total OPEB Liability		
Service cost	\$ 39,091	40,376
Interest	41,977	56,510
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(276,556)
Changes of assumptions or other inputs	(102,269)	(49,292)
Benefit payments	(40,832)	(47,987)
Net change in total OPEB Liability	(62,033)	(276,949)
 Total OPEB liability - beginning	 1,201,407	 1,478,356
Total OPEB liability - ending	\$ <u>1,139,374</u>	<u>1,201,407</u>
 Covered-employee payroll	 \$ 4,317,608	 4,317,608
Total OPEB liability as a percentage of covered-employee payroll	26.39%	27.82%

* Only two years of information available.

TOWN OF GORHAM, MAINE
Required Supplementary Information, Continued
For the year ended June 30, 2019

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

	<u>2019</u>
Total OPEB Liability	
Service cost	\$ 64,293
Interest	191,672
Changes of benefit terms	-
Differences between expected and actual experience	
Changes of assumptions or other inputs	(237,472)
Benefit payments	<u>(198,067)</u>
Net change in total OPEB Liability	<u>(179,574)</u>
 Total OPEB liability - beginning	 <u>5,387,848</u>
Total OPEB liability - ending	\$ <u><u>5,208,274</u></u>
 Covered-employee payroll	 \$ 17,006,803
Total OPEB liability as a percentage of covered-employee payroll	30.62%

* Only one year of information available.

TOWN OF GORHAM, MAINE
Required Supplementary Information, Continued
For the year ended June 30, 2019

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

	2019	2018
<u>PLD OPEB Plan</u>		
Town's proportion of the net OPEB liability	0.93%	0.82%
Town's proportionate share of the net OPEB liability	\$ 186,633	148,746
Town's covered-employee payroll	1,846,541	1,781,967
Town's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	10.11%	11.98%
Plan fiduciary net position as a percentage of the total OPEB liability	43.92%	47.42%
<u>SET OPEB Plan</u>		
Town's proportion of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	-
State's proportionate share of the net OPEB liability associated with the Town	843,979	771,655
Total	\$ <u>843,979</u>	<u>771,655</u>
Plan fiduciary net position as a percentage of the total OPEB liability	48.04%	47.29%

* Only two years 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*

	2019	2018
<u>PLD OPEB Plan</u>		
Contractually required contribution	\$ 2,792	1,862
Contributions in relation to the contractually required contribution	(2,792)	(1,862)
Contribution deficiency (excess)	<u>-</u>	<u>-</u>
Town's covered-employee payroll	\$ 1,826,577	1,846,541
Contributions as a percentage of covered-employee payroll	0.15%	0.10%

* Only two years 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>2019*</u>	<u>2018*</u>	<u>2017*</u>	<u>2016*</u>	<u>2015*</u>
<u>PLD Plan</u>					
Town's proportion of the net pension liability	0.4015%	0.4226%	0.4857%	0.5451%	0.6508%
Town's proportionate share of the net pension liability	\$ 1,098,780	\$ 1,730,314	\$ 2,580,562	\$ 1,739,229	\$ 1,001,423
Town's covered payroll	1,846,541	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	59.50%	97.10%	122.04%	83.84%	46.36%
Plan fiduciary net position as a percentage of the total pension liability	91.14%	86.43%	81.61%	88.27%	94.10%
<u>SET Plan</u>					
Town's proportion of the net pension liability	0.0299%	0.0340%	0.0352%	0.0339%	0.0415%
Town's proportionate share of the net pension liability	404,023	494,487	621,158	457,407	448,218
State's proportionate share of the net pension liability associated with the Town	20,482,449	21,227,184	25,355,628	19,001,327	14,819,750
Total	\$ 20,886,472	\$ 21,721,671	\$ 25,976,786	\$ 19,458,734	\$ 15,267,968
Town's covered payroll	\$19,017,990	\$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	2.12%	2.73%	3.60%	2.77%	2.82%
Plan fiduciary net position as a percentage of the total pension liability	82.90%	80.78%	76.21%	81.18%	83.91%

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

** Only five 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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>PLD Plan</u>							
Contractually required contribution	\$	229,363	222,864	200,984	229,391	222,645	215,650
Contributions in relation to the required contractually required contribution		(229,363)	(222,864)	(200,984)	(229,391)	(222,645)	(215,650)
Contribution deficiency (excess)	\$	-	-	-	-	-	-
Town's covered payroll	\$	1,826,577	1,846,541	1,781,967	2,047,466	2,074,545	2,160,307
Contributions as a percentage of covered payroll		12.56%	12.07%	11.28%	11.20%	10.73%	9.98%
<u>SET Plan</u>							
Contractually required contribution	\$	796,840	755,014	607,674	579,457	437,139	419,332
Contributions in relation to the contractually required contribution		(796,840)	(755,014)	(607,674)	(579,457)	(437,139)	(419,332)
Contribution deficiency (excess)	\$	-	-	-	-	-	-
Town's covered payroll	\$	20,071,546	19,017,990	18,085,543	17,245,735	16,495,802	15,872,616
Contributions as a percentage of covered payroll		3.97%	3.97%	3.36%	3.36%	2.65%	2.65%

* Only six years of information available

TOWN OF GORHAM, MAINE
Notes to Required Supplementary Information

Net OPEB Liability

Changes of Benefit Terms (Pension) - None

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

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

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

Mortality rates:

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

Changes of Benefit Terms (OPEB) - None

Changes of Assumptions (OPEB) - The following are changes in actuarial assumptions used in the most recent valuations regarding the MPERS life insurance plans:

	<u>2018</u>	<u>2017</u>
Discount rate – SET	6.750%	6.875%

Under the Health Plan - MMEHT, 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:

<u>Fiscal Year</u>	<u>Discount Rate</u>
2019	4.10%
2018	3.44%
2017	3.78%

Under the Health Plan – MEABT, 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:

<u>Fiscal Year</u>	<u>Discount Rate</u>
2019	3.87%
2018	3.58%

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

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, 2019 and 2018

	2019	2018
ASSETS		
Cash	\$ 16,269,001	14,731,152
Investments	6,132,522	6,104,751
Receivables:		
Accounts	150,455	215,452
Intergovernmental	279,552	204,225
Rescue (net of allowance of \$132,820 and \$145,100)	236,112	257,742
Taxes - current year	722,445	701,023
Taxes - prior year	128,229	104,054
Tax liens	300,176	299,360
Notes	608	1,013
Tax acquired property	28,930	29,005
Performance bonds	5,515,563	5,707,754
Inventory	38,019	54,600
Prepaid expenditures	32,198	84,285
Total assets	\$ 29,833,810	28,494,416
LIABILITIES		
Accounts payable	337,127	452,118
Accrued wages and benefits	241,698	238,011
Interfund loans payable	4,287,868	4,639,315
Taxes paid in advance	74,105	47,564
Performance bond deposits	7,692,097	6,848,404
Total liabilities	12,632,895	12,225,412
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	870,100	676,800
Total deferred inflows of resources	870,100	676,800
FUND BALANCE		
Nonspendable:		
Noncurrent receivables	608	1,013
Prepaid items	32,198	84,285
Inventory	38,019	54,600
Restricted for:		
General government purposes	44,167	41,741
Public safety operations	134,652	118,128
Public works operations	177,973	165,730
Recreation operations	6,621	7,480
Other purposes	730	-
Committed to:		
General government purposes	657,722	621,161
Public safety operations	351,264	42,549
Public works operations	1,263,507	1,468,916
Recreation operations	594,035	127,897
Other purposes	26,460	-
Assigned to:		
Encumbrances	654,458	457,404
Designated for FY20 and FY19 capital budget	1,051,114	2,104,048
General government purposes	449,714	399,074
Public safety operations	144,771	121,183
Public works operations	161,053	126,730
Recreation operations	253,376	315,670
Economic development	48,458	46,703
Insurance and employee benefits	1,291,755	1,441,372
Unassigned	8,948,160	7,846,520
Total fund balance	16,330,815	15,592,204
Total liabilities, deferred inflows of resources and fund balance	\$ 29,833,810	28,494,416

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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Property taxes	\$ 27,884,111	28,436,522	552,411	26,148,153
Change in unavailable property tax revenue	-	(193,300)	(193,300)	(800)
Excise taxes	3,277,000	3,958,242	681,242	3,745,638
Interest and costs on taxes	70,000	60,518	(9,482)	57,601
Total taxes	31,231,111	32,261,982	1,030,871	29,950,592
Licenses and permits:				
Building permits	300,000	385,846	85,846	426,858
Plumbing/electrical fees	36,000	40,901	4,901	50,087
Motor vehicle renewal fees	45,000	48,683	3,683	47,839
Town clerk fees	46,700	66,018	19,318	58,604
Cable TV franchise fee	175,000	220,191	45,191	226,472
Code fees	5,700	8,195	2,495	11,230
Other	2,500	2,343	(157)	3,404
Total licenses and permits	610,900	772,177	161,277	824,494
Intergovernmental:				
FEMA Reimbursement	-	1,587	1,587	9,749
State revenue sharing	750,000	871,428	121,428	778,497
Highway block grant	225,000	230,060	5,060	232,472
Human services assistance	12,000	909	(11,091)	7,140
Homestead exemption	782,870	782,870	-	601,666
BETE reimbursement	538,913	539,203	290	299,868
Other state grants	38,000	37,966	(34)	40,767
Other agencies	44,500	45,864	1,364	45,176
University of Southern Maine assistance	12,500	12,500	-	12,500
Total intergovernmental	2,403,783	2,522,387	118,604	2,027,835
Charges for services:				
Police fees, fines and outside work	18,800	20,209	1,409	25,797
Fire and rescue fees	602,800	517,594	(85,206)	521,690
Subdivision/development fees	26,900	54,127	27,227	34,813
Sewer inspection fees	5,000	6,210	1,210	6,918
Miscellaneous code/assessing	500	471	(29)	330
Miscellaneous public works	1,700	1,913	213	4,242
Solid waste user charges	485,000	581,135	96,135	525,029
Recreation fees	205,620	204,929	(691)	181,667
Payment in lieu of taxes	43,950	44,882	932	43,717
Sale of town property	-	5,058	5,058	23,874
Total charges for services	1,390,270	1,436,528	46,258	1,368,077

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

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
Revenues, continued:				
Other revenues:				
Cemetery income	\$ 5,500	10,145	4,645	7,696
Interest on investments	75,000	323,643	248,643	211,303
Rent	96,700	95,713	(987)	95,713
Senior mealsite	8,000	9,582	1,582	8,458
Miscellaneous	11,000	24,405	13,405	17,630
Total other revenues	196,200	463,488	267,288	340,800
Total revenues	35,832,264	37,456,562	1,624,298	34,511,798
Expenditures:				
Current:				
General government:				
Administration	512,203	512,053	150	505,172
Technology	122,715	121,147	1,568	101,552
Town Clerk	242,930	238,206	4,724	213,416
Planning	238,283	200,581	37,702	220,623
Assessing	160,322	158,624	1,698	163,728
Code enforcement	158,065	156,525	1,540	148,496
Gorham municipal center	233,600	240,969	(7,369)	202,356
Total general government	1,668,118	1,628,105	40,013	1,555,343
Public safety:				
Police department	1,933,965	1,887,706	46,259	1,824,349
Fire/Rescue department	1,806,374	1,806,345	29	1,622,739
Central Fire Station	83,107	82,688	419	86,584
Police Station	59,250	55,046	4,204	61,534
Public utilities	174,300	166,203	8,097	173,752
Public safety contract services	370,056	369,879	177	359,546
Total public safety	4,427,052	4,367,867	59,185	4,128,504
Public works:				
Public works maintenance	1,800,534	1,741,905	58,629	1,710,318
Stormwater compliance	73,043	72,036	1,007	46,330
Solid waste removal	841,015	829,635	11,380	795,820
Cemeteries	27,017	28,990	(1,973)	40,337
Total public works	2,741,609	2,672,566	69,043	2,592,805
Health and welfare:				
Welfare	57,000	28,759	28,241	37,248
Health council	600	600	-	600
Total health and welfare	57,600	29,359	28,241	37,848

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

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Recreation:				
Baxter Memorial Library	\$ 494,302	498,841	(4,539)	479,306
Baxter Museum	5,110	2,034	3,076	1,814
Recreation	368,353	368,330	23	351,075
Middle School Softball Field	9,270	9,269	1	8,998
Little Falls Rec Area	23,800	23,689	111	16,939
Old Robie School	18,954	18,937	17	19,164
Little Falls School	34,960	34,026	934	33,889
Robie Gym	10,857	10,856	1	10,089
Total recreation	965,606	965,982	(376)	921,274
Economic development	80,668	77,158	3,510	76,205
Insurances:				
Multi peril policy	145,500	132,973	12,527	140,745
Public liability	11,500	9,609	1,891	9,518
Total insurances	157,000	142,582	14,418	150,263
Employee benefits:				
Direct unemployment compensation	8,000	1,327	6,673	1,007
Worker's compensation	195,000	110,582	84,418	117,278
Retirement	379,518	341,356	38,162	323,829
Major medical insurance	1,288,444	1,052,849	235,595	979,540
Social security	492,203	459,431	32,772	444,009
Group life insurance	1,400	972	428	1,219
Total employee benefits	2,364,565	1,966,517	398,048	1,866,882
Public agencies:				
Parks and conservation	2,000	104	1,896	2,000
G.P.C.O.G./PACTS	26,210	26,210	-	16,576
MMA	15,000	15,473	(473)	14,777
North Gorham Library	11,000	11,000	-	11,000
Metro	35,000	35,000	-	35,000
Total public agencies	89,210	87,787	1,423	79,353
Unclassified:				
Gorham cable TV	95,962	95,786	176	91,358
Senior Mealsite	21,600	17,833	3,767	17,885
Memorial Day	2,200	3,377	(1,177)	2,376
Founders Festival	5,000	-	5,000	5,000
New Years Gorham	8,500	-	8,500	6,000
Contingency	70,000	43,210	26,790	33,000
Town Clock	900	-	900	1,800
Lions Flags	800	800	-	877
Senior tax relief	50,000	50,590	(590)	-
Gorham village alliance	7,500	7,500	-	-
Healthy Gorham	-	-	-	7,300
Sno-Goers	3,000	3,000	-	3,000
Total unclassified	265,462	222,096	43,366	168,596

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

	2019		Variance positive (negative)	2018 Actual
	Budget	Actual		
Expenditures, continued:				
Current, continued:				
Intergovernmental - County tax	\$ 1,169,303	1,169,303	-	1,113,546
Debt service (excluding education):				
Principal	1,353,125	1,353,125	-	1,408,125
Interest	447,582	388,080	59,502	471,045
Total debt service	1,800,707	1,741,205	59,502	1,879,170
Capital:				
Capital maintenance	90,416	6,670	83,746	79,730
Capital improvements	85,000	-	85,000	85,000
Total capital	175,416	6,670	168,746	164,730
Total expenditures	15,962,316	15,077,197	885,119	14,734,519
Excess of revenues over expenditures	19,869,948	22,379,365	2,509,417	19,777,279
Other financing sources (uses):				
Transfers to special revenue -				
School Operations Fund	(20,019,800)	(20,019,800)	-	(17,923,038)
Transfers in from special revenue -				
Impact fees fund	-	490,000	490,000	3,000
TIF fund	124,852	124,853	1	124,271
Transfers in from capital projects -				
Public safety capital project fund	25,000	25,000	-	25,000
2016 Fire truck bond	-	26	26	-
Transfer out to capital projects -				
High School renovation & expansion	-	-	-	(217,500)
Transfer to reserve accounts	-	(2,973,480)	(2,973,480)	-
Total other financing uses	(19,869,948)	(22,353,401)	(2,483,453)	(17,988,267)
Net change in fund balances - budgetary basis	-	25,964	25,964	1,789,012
Reconciliation to GAAP basis:				
Change in restricted		31,064		(3,427)
Change in committed		769,016		(1,071,486)
Change in assigned		107,693		(16,500)
Change in unassigned		(195,126)		(41,907)
Net change in fund balance - GAAP basis		738,611		655,692
Fund balance, beginning of year		15,592,204		14,936,512
Fund balance, end of year	\$	16,330,815		15,592,204

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, 2019

	Fund balances beginning of year	Capital Part II	Transfer from Unassigned	Revenues Transfer In	Revenues	Expenditures Transfer Out	Expenditures	Fund balances end of year
Restricted to:								
General government purposes:								
Park & Conservation committee	\$ 1,662	-	1,896	-	1,000	-	-	4,558
Septic Loans Grant	6,000	-	-	-	-	-	-	6,000
Heating assistance	3,281	-	-	-	1,400	-	2,019	2,662
South Street sewer project	30,000	-	-	-	-	-	-	30,000
Employee wellness program	798	-	-	-	3,256	-	3,107	947
Total general government purposes	41,741	-	1,896	-	5,656	-	5,126	44,167
Public safety operations:								
D.A.R.E.	2,601	-	-	-	7,539	-	2,796	7,344
Little Falls substation	2,272	-	-	-	-	-	-	2,272
Drug forfeiture	19,860	-	-	-	1,020	-	9	20,871
DRE callout	-	-	-	-	723	-	723	-
Distracted driver grant	-	-	-	-	3,502	-	3,502	-
JAG grant	-	-	-	-	4,280	-	4,280	-
DEA forfeiture	68,066	-	-	-	1,495	-	3,475	66,086
Impaired driving grant	-	-	-	-	13,374	-	13,374	-
Speed grant	-	-	-	-	6,160	-	6,160	-
Seatbelt grant	-	-	-	-	3,587	-	3,587	-
Child safety seats	612	-	-	-	200	-	316	496
Fire/Rescue donations	115	-	-	-	-	-	-	115
Fire prevention	5,137	-	-	-	4,515	-	3,405	6,247
Fire memorial	5,631	-	-	-	3,500	-	5,000	4,131
USM confined space	5,252	-	-	-	12,000	-	9,588	7,664
FEMA fire grant	708	-	-	-	-	-	-	708
Sprinkler grant	7,874	-	-	-	1,000	-	-	8,874
M4-King Foundation	-	-	-	-	25,000	-	15,156	9,844
Total public safety operations	118,128	-	-	-	87,895	-	71,371	134,652

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, 2019

	Fund balances beginning of year	Capital Part II	Transfer from Unassigned	Revenues Transfer In	Revenues	Expenditures Transfer Out	Expenditures	Fund balances end of year
Restricted to:								
Public works operations:								
Street opening	\$ 142,922	-	-	-	14,951	-	1,500	156,373
Gorham Village grant	2,402	-	-	-	-	-	-	2,402
Little Falls sidewalk grant	20,406	-	-	-	-	-	1,208	19,198
Total public works operations	165,730	-	-	-	14,951	-	2,708	177,973
Recreation operations:								
Community center donations	750	-	-	-	-	-	-	750
New Year's Gorham	6,730	-	8,500	-	7,985	-	17,344	5,871
Total recreation operations	7,480	-	8,500	-	7,985	-	17,344	6,621
Economic development:								
Gorham Village Alliance	-	-	-	-	850	-	120	730
Total economic development	-	-	-	-	850	-	120	730
Total restricted to	333,079	-	10,396	-	117,337	-	96,669	364,143
Committed to:								
General government purposes:								
Air Handler for Municipal Center	1,581	-	-	-	-	-	-	1,581
Municipal center entryway repairs	-	10,000	-	-	-	-	-	10,000
Recreation wing painting and entry repairs	-	25,000	-	-	-	-	7,470	17,530
Energy Efficient Lights at Robie Gym/Mun Ctr	7,678	-	-	-	-	-	-	7,678
L.W.C.F. Grant	8,776	-	-	-	-	-	1,337	7,439
Land acquisition	345,175	-	-	-	-	-	-	345,175
Compensation Study	2,225	-	-	-	-	-	-	2,225
Town Manager search	2,277	-	-	-	-	-	-	2,277
Cable TV franchise agreement consultant	12,694	-	-	-	-	-	2,753	9,941
Founders festival	10,000	-	5,000	-	-	-	-	15,000
Historical Society	3,000	-	-	-	-	-	-	3,000
Cemetery reserve	16,020	-	-	-	8,102	-	-	24,122
Gorham Village parking study	350	-	-	-	-	-	-	350
Emergency reserve account	165,347	19	-	-	-	-	-	165,366
Gorham village parking improvement	44,575	-	-	-	-	-	-	44,575
Exterior painting for Library, Gazebo, Robie Gym & Municipal Center	1,463	-	-	-	-	-	-	1,463
Total general government purposes	621,161	35,019	5,000	-	8,102	-	11,560	657,722

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, 2019

	Fund balances beginning of year	Capital Part II	Transfer from Unassigned	Revenues		Expenditures		Fund balances end of year
				Transfer In	Revenues	Transfer Out	Expenditures	
Committed to:								
Public safety operations:								
Public Safety fence	\$ 16,333	-	-	-	-	-	-	16,333
Spillman & DMV database full access	9,000	-	-	-	-	-	-	9,000
Blauer vest carriers (21)	2,500	-	-	-	-	-	-	2,500
Firearms replacement & upgrades	-	4,800	-	-	-	-	3,106	1,694
Criminal investigation division software	-	1,500	-	4,626	-	-	5,995	131
Cruiser radio repeater toggle switches	-	4,200	-	-	-	-	3,942	258
Police cruiser replacement	-	61,300	55,000	-	-	-	99,136	17,164
Life pack 15 defibrillators	3,166	-	-	-	-	-	2,538	628
Air pack breathing units	-	90,000	-	-	-	10,556	79,444	-
Heart monitor for the 3rd ambulance	-	29,300	-	3,166	-	-	25,337	7,129
Power stretcher for 3rd ambulance	-	14,760	-	-	-	-	7,917	6,843
Turnout gear for Fire department	-	16,000	-	-	-	-	12,679	3,321
Fire department mechanic's truck	-	22,500	-	-	-	-	20,460	2,040
Ambulance 2 replacement	-	240,000	-	-	-	-	239,200	800
Fiber optic connection White Rock FS/Shaw Park	-	20,000	-	-	-	-	161	19,839
LED street light conversion	-	245,000	-	-	-	-	-	245,000
Traffic lights generators/electrical connections	-	12,669	-	-	-	-	5,106	7,563
Hose tower	7,988	-	-	-	-	-	-	7,988
Water filtration	955	-	-	-	-	-	-	955
Additional work stations in EOC	-	15,000	-	-	17,573	-	31,613	960
Tractor/snow plow	1,118	-	-	-	-	-	-	1,118
Total public safety operations	41,060	777,029	55,000	7,792	17,573	10,556	536,634	351,264
Public works operations:								
Ecomaine recycling reserve	10,000	-	-	-	-	-	-	10,000
Roadside mower tractor	-	50,000	-	-	-	-	-	50,000
Salt chutes for Public Works plow trucks	-	2,500	-	-	-	-	2,500	-
Extend fiber optic line to Public Works	109,868	-	-	-	-	-	4,160	105,708
Phone system at Public Works	-	6,300	-	-	-	-	-	6,300
Climate control system at Public Works	-	16,000	-	-	-	-	-	16,000
Plow truck	169,116	-	-	-	-	-	167,184	1,932
6-wheel plow truck	143,789	-	-	-	-	-	141,717	2,072
Two 3/4 ton utility pickups	-	88,000	-	-	-	-	88,000	-
Fleet diagnostics systems	-	4,200	-	-	-	-	4,199	1
Road management software	-	1,400	-	-	-	-	1,084	316
Repair & upgrade fuel depot	62,000	-	-	-	-	-	-	62,000
Stormwater data collection compliance	4,654	-	-	-	-	-	-	4,654
Public Works LED upgrades	-	12,400	-	-	9,900	-	18,454	3,846
Roads	375,706	800,000	85,000	-	10,369	-	531,140	739,935
Buck Street pipe arch culvert	125,629	-	-	-	-	-	-	125,629
South Street	304,478	-	-	-	-	-	218,678	85,800
Utility study	28,614	-	-	-	-	-	-	28,614
Eastern cemetery stone wall repair	-	15,000	-	-	-	-	-	15,000
Shaw Mill's cemetery chain link fence	-	5,700	-	-	-	-	-	5,700
Total public works operations	1,333,854	1,001,500	85,000	-	20,269	-	1,177,116	1,263,507

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, 2019

	Fund balances beginning of year	Capital Part II	Transfer from Unassigned	Revenues Transfer In	Revenues	Expenditures Transfer Out	Expenditures	Fund balances end of year
Committed to:								
Recreation operations:								
Baxter Library books/printed materials	\$ -	20,000	-	-	-	-	19,803	197
Internet based HVAC control system	15,000	-	-	-	-	-	15,000	-
Chick property master plan	12,207	-	-	-	-	-	-	12,207
Little Falls-multi purpose field	46,880	-	-	-	-	-	7,430	39,450
Chick property baseball field	-	-	245,000	-	-	-	10,304	234,696
Robie field irrigation	5,117	-	-	-	-	-	876	4,241
Little Falls recreation area field house	-	-	245,000	-	-	-	-	245,000
Court lights replacement at Little Falls	-	7,500	-	-	-	-	-	7,500
Recreation trail	33,070	-	-	-	-	-	-	33,070
3/4 ton pickup truck & plow	4,025	-	-	-	-	-	248	3,777
Little Falls backflow/parking space markers	2,022	-	-	-	-	-	1,966	56
Little Falls paving	3,638	-	-	-	-	-	3,638	-
Robie School boiler replacement	-	9,000	-	-	-	-	9,000	-
Shaw Gym lights	1,846	-	-	-	-	-	1,659	187
Shaw Park fence & guard rail/electricity	4,092	-	-	-	-	-	438	3,654
Shaw Park pavillion electrical work	-	10,000	-	-	-	-	-	10,000
Total recreation operations	127,897	46,500	490,000	-	-	-	70,362	594,035
Education operations:								
Great Falls Elementary fire alarm	-	90,000	-	-	-	-	63,540	26,460
Total education operations	-	90,000	-	-	-	-	63,540	26,460
Total committed to	2,123,972	1,950,048	635,000	7,792	45,944	10,556	1,859,212	2,892,988
Assigned to:								
Encumbrances:								
General government	61,559	-	-	-	6,025	-	13,415	54,169
Public safety	141,287	-	-	-	457,168	-	249,362	349,093
Public works	159,289	-	-	-	99,254	-	94,632	163,911
Recreation	80,565	-	-	-	17,756	-	21,792	76,529
Economic development	588	-	-	-	-	-	-	588
Other	14,116	-	-	-	7,257	-	11,205	10,168
Total encumbrances	457,404	-	-	-	587,460	-	390,406	654,458
General government purposes:								
Home Depot gift cards	35,719	-	-	-	-	-	28,379	7,340
Radio programming	5,795	-	-	-	-	-	-	5,795
Capital project reserve	1,228	-	-	-	-	-	-	1,228
Metro Reserve	35,000	-	-	-	-	-	-	35,000
Municipal Center building roof replacement	19,100	-	-	-	-	-	-	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, 2019

	Fund balances beginning of year	Capital Part II	Transfer from Unassigned	Revenues		Expenditures		Fund balances end of year
				Transfer In	Revenues	Transfer Out	Expenditures	
Assigned to:								
General government purposes, continued:								
Compensation study	\$ 5,100	-	23,416	-	-	-	-	28,516
Finance serve/computer upgrade	26,738	-	-	-	-	-	-	26,738
Administration savings account	2,197	-	75	-	-	-	1,683	589
Technology equipment	-	-	20,784	-	-	-	-	20,784
Town clerk savings account	29,072	-	2,362	-	-	-	-	31,434
Planning reimbursable expense	-	-	5,000	-	-	-	-	5,000
Planning consultants	-	-	10,000	-	-	-	-	10,000
Planning savings account	22,960	-	11,351	-	-	-	1,776	32,535
Assessing savings account	16,808	-	(6,091)	-	-	-	-	10,717
G.I.S. system	21,080	-	-	-	-	-	6,765	14,315
Code savings account	15,924	-	770	-	-	-	1,705	14,989
Web site development/maintenance	20,538	-	-	-	-	-	-	20,538
General assistance reserve	-	-	23,281	-	-	-	-	23,281
Total general government purposes	399,074	-	90,948	-	-	-	40,308	449,714
Public safety operations:								
Outside detail (police)	21,039	-	-	-	23,403	-	23,711	20,731
Police software	4,626	-	-	-	-	4,626	-	-
Police savings account	36,091	-	23,130	-	-	-	-	59,221
Cruisers	25,024	-	-	-	8,138	-	-	33,162
Fire savings account	977	-	15	-	-	-	-	992
Fire truck bond	-	-	25	-	-	-	-	25
Air bottles	1,504	-	-	-	-	-	-	1,504
Rescue savings account	4,013	-	-	-	-	3,166	-	847
Fire ponds/dry hydrants	27,909	-	607	-	-	-	227	28,289
Total public safety operations	121,183	-	23,777	-	31,541	7,792	23,938	144,771
Public works operations:								
Public works savings account	5,989	-	29,315	-	-	-	2,015	33,289
Public works vehicles (lease payment account)	78,901	-	-	-	-	-	-	78,901
Fuel depot reserve	22,322	-	-	-	3,100	-	877	24,545
Longfellow bridge	2,123	-	-	-	-	-	-	2,123
Storm water management	11,395	-	-	-	1,800	-	-	13,195

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, 2019

	Fund balances beginning of year	Capital Part II	Transfer from Unassigned	Revenues Transfer In	Revenues	Expenditures Transfer Out	Expenditures	Fund balances end of year
Assigned to:								
Public works operations, continued:								
Stone repairs	\$ 6,000	-	3,000	-	-	-	-	9,000
Total public works operations	126,730	-	32,315	-	4,900	-	2,892	161,053
Recreation operations:								
Baxter Library savings account	9,633	-	230	-	-	-	-	9,863
Baxter Library repairs	242	-	-	-	-	-	-	242
Little Falls wood clearing	1,345	-	-	-	-	-	1,027	318
Chick property wood clearing	-	-	-	-	7,181	-	-	7,181
Robie Gym repairs	4,591	-	-	-	-	-	2,030	2,561
Recreation savings account	2,335	-	11	-	-	-	-	2,346
Recreation reimbursable	285,280	-	-	-	874,423	-	928,838	230,865
Total recreation operations	303,426	-	241	-	881,604	-	931,895	253,376
Economic Development								
Economic development savings account	46,703	-	1,755	-	-	-	-	48,458
Total economic development	46,703	-	1,755	-	-	-	-	48,458
Insurance and employee benefits:								
UIC contingency reserve	31,500	-	-	-	-	-	-	31,500
PO334 IUUAL	48,518	-	-	-	-	-	30,000	18,518
PO133 IUUAL	258,327	-	-	-	-	-	-	258,327
School's IUUAL	187,678	-	-	-	-	-	187,678	-
Vacation/compensation/sick reserve	417,303	-	75,000	-	-	-	10,785	481,518
Property insurance deductible reserve	10,000	-	-	-	-	-	-	10,000
Auto insurance deductible reserve	4,000	-	-	-	-	-	-	4,000
Accrued compensated absences	484,046	-	-	-	3,846	-	-	487,892
Total insurance and employee benefits	1,441,372	-	75,000	-	3,846	-	228,463	1,291,755
Total assigned to	2,895,892	-	224,036	-	1,509,351	7,792	1,617,902	3,003,585

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, 2019

	Fund balances beginning of year	Capital Part II	Transfer from Unassigned	Revenues		Expenditures		Fund balances end of year
				Transfer In	Revenues	Transfer Out	Expenditures	
Unassigned to:								
General government purposes:								
Safety grant	\$ (33)	-	-	-	723	-	723	(33)
55 Morrill Avenue	(3,776)	-	-	-	-	-	-	(3,776)
Municipal Center building	(1,960)	-	-	-	-	-	-	(1,960)
Safety committee	(330)	-	-	-	-	-	-	(330)
Comprehensive plan	(13,270)	-	-	-	-	-	-	(13,270)
Old Town Hall	(1,268)	-	-	-	-	-	-	(1,268)
Cemetery/GIS project	(2,194)	-	-	-	-	-	14,307	(16,501)
Total general government purposes	(22,831)	-	-	-	723	-	15,030	(37,138)
Public safety operations:								
Regional fire & EMA study	(1,175)	-	-	-	-	-	-	(1,175)
Rechassis tank 2 & replace pump	(4,840)	-	-	-	-	-	-	(4,840)
Rescue 1	(494)	-	-	-	-	-	-	(494)
Fire Chief's vehicle replacement	(383)	-	-	-	-	-	-	(383)
Medical intercept vehicle	-	38,000	-	-	-	-	44,300	(6,300)
Marine 4 (truck) replacement	-	45,000	-	-	-	-	51,411	(6,411)
West Gorham fire station repairs	-	60,000	-	10,556	-	-	77,570	(7,014)
Energy improvements at North Gorham & West Gorham fire station	1,489	-	-	-	-	-	4,131	(2,642)
Storage building	(6,375)	-	-	-	-	-	-	(6,375)
Total public safety operations	(11,778)	143,000	-	10,556	-	-	177,412	(35,634)
Public works operations:								
Pedestrian Trail grant	(13,660)	-	-	-	-	-	-	(13,660)
Dingley Spring Road metal pipe culvert	135,062	-	-	-	-	-	142,659	(7,597)
Gordon Farms Road	(19,999)	-	-	-	-	-	-	(19,999)
Total public works operations	101,403	-	-	-	-	-	142,659	(41,256)
Recreation operations:								
Robie field building roof replacement	-	6,000	-	-	-	-	8,461	(2,461)
Baxter Museum repairs	12,244	-	-	-	-	-	14,200	(1,956)
Total recreation operations	12,244	6,000	-	-	-	-	22,661	(4,417)
Economic Development								
Mobile website for economic development	(2,500)	5,000	-	-	-	-	2,500	-
Total economic development	(2,500)	5,000	-	-	-	-	2,500	-
Education operations:								
GHS expansion	-	-	-	-	-	-	143	(143)
Total education operations	-	-	-	-	-	-	143	(143)
Unclassified:								
Cable TV savings account	(335)	-	-	-	-	-	-	(335)
Total unclassified	(335)	-	-	-	-	-	-	(335)
Total unassigned reserves	76,203	154,000	-	10,556	723	-	360,405	(118,923)
Total General Fund Restricted, Committed Assigned and Unassigned Funds	5,429,146	2,104,048	869,432	18,348	1,673,355	18,348	3,934,188	6,141,793

ALL OTHER GOVERNMENTAL FUNDS

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

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash	\$ 230,116	774,842	-	1,004,958
Investments	148,709	-	1,225,888	1,374,597
Receivables:				
Accounts	235,968	-	-	235,968
Notes	138,613	-	-	138,613
Intergovernmental	121,119	-	-	121,119
Inventory	47,707	-	-	47,707
Interfund loans receivable	2,470,635	147,230	700	2,618,565
Total assets	\$ 3,392,867	922,072	1,226,588	5,541,527
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	-	1,518	11,820	13,338
Interfund loans payable	130,167	44,296	-	174,463
Unearned revenues	47,638	-	-	47,638
Total liabilities	177,805	45,814	11,820	235,439
Fund balances:				
Nonspendable	47,707	-	942,936	990,643
Restricted	1,838,947	818,578	271,832	2,929,357
Committed	1,273,993	76,183	-	1,350,176
Assigned	79,181	-	-	79,181
Unassigned	(24,766)	(18,503)	-	(43,269)
Total fund balances	3,215,062	876,258	1,214,768	5,306,088
Total liabilities and fund balances	\$ 3,392,867	922,072	1,226,588	5,541,527

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, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Taxes	\$ 549,468	-	-	549,468
Intergovernmental	1,632,003	-	-	1,632,003
Charges for services	2,044,973	-	-	2,044,973
Investment income	10,989	17,703	48,138	76,830
Other revenue	31,610	-	24,975	56,585
Total revenues	4,269,043	17,703	73,113	4,359,859
Expenditures:				
Current:				
Education	1,319,950	-	-	1,319,950
Education-other special uses	21,836	-	-	21,836
Food services	1,085,485	-	-	1,085,485
Public works - sewer	1,119,792	-	-	1,119,792
Recreation	17,423	-	-	17,423
Economic development	232,289	-	-	232,289
Unclassified	198,853	-	12,120	210,973
Capital improvements	-	128,010	-	128,010
Total expenditures	3,995,628	128,010	12,120	4,135,758
Excess (deficiency) of revenues over (under) expenditures	273,415	(110,307)	60,993	224,101
Other financing sources (uses):				
Transfer in from other funds	-	35,000	-	35,000
Transfer to other funds	(614,853)	(25,026)	-	(639,879)
Total other financing sources (uses)	(614,853)	9,974	-	(604,879)
Net change in fund balances	(341,438)	(100,333)	60,993	(380,778)
Fund balances, beginning of year	3,556,500	976,591	1,153,775	5,686,866
Fund balances, end of year	\$ 3,215,062	876,258	1,214,768	5,306,088

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, 2019
(with comparative amounts for June 30, 2018)

					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		2019	2018
ASSETS													
Cash	\$ -	-	230,116	-	-	-	-	-	-	-		230,116	229,818
Investments	-	-	-	-	63,828	-	70,270	1,417	-	13,194		148,709	133,569
Receivables:													
Accounts	8,700	-	-	226,752	-	-	-	-	516	-		235,968	242,558
Notes	-	-	-	-	-	-	-	-	138,613	-		138,613	164,474
Intergovernmental	102,274	-	18,845	-	-	-	-	-	-	-		121,119	310,039
Inventory	-	-	47,707	-	-	-	-	-	-	-		47,707	44,353
Interfund loans receivable	-	12,997	-	954,980	14,552	309,659	27,994	5,802	1,141,794	2,857		2,470,635	2,746,233
Total assets	\$ 110,974	12,997	296,668	1,181,732	78,380	309,659	98,264	7,219	1,280,923	16,051		3,392,867	3,871,044
LIABILITIES AND FUND BALANCES													
Liabilities:													
Interfund loans payable	31,152	-	99,015	-	-	-	-	-	-	-		130,167	271,750
Unearned revenue	-	-	47,638	-	-	-	-	-	-	-		47,638	42,794
Total liabilities	31,152	-	146,653	-	-	-	-	-	-	-		177,805	314,544
Fund balances:													
Nonspendable:													
Inventory	-	-	47,707	-	-	-	-	-	-	-		47,707	44,353
Restricted:													
Grants	104,588	-	-	-	-	-	-	-	-	-		104,588	136,018
Impact fees	-	-	-	-	-	309,659	-	-	-	-		309,659	872,122
Library	-	-	-	-	-	-	71,473	-	-	-		71,473	56,016
Recreation	-	-	-	-	-	-	-	7,219	-	-		7,219	7,157
Miscellaneous	-	-	-	-	-	-	-	-	-	13,194		13,194	12,617
TIF	-	-	-	-	-	-	-	-	1,230,506	-		1,230,506	1,034,310
Food services	-	-	102,308	-	-	-	-	-	-	-		102,308	91,303
Committed:													
School donations	-	12,997	-	-	-	-	-	-	-	-		12,997	11,923
Sewer operations	-	-	-	1,181,732	78,380	-	-	-	-	-		1,260,112	1,215,454
Miscellaneous	-	-	-	-	-	-	-	-	-	884		884	884
Assigned:													
Library	-	-	-	-	-	-	26,791	-	-	-		26,791	24,041
Miscellaneous	-	-	-	-	-	-	-	-	-	1,973		1,973	1,973
TIF	-	-	-	-	-	-	-	-	50,417	-		50,417	49,617
Unassigned:													
Grants	(24,766)	-	-	-	-	-	-	-	-	-		(24,766)	(1,288)
Total fund balances	79,822	12,997	150,015	1,181,732	78,380	309,659	98,264	7,219	1,280,923	16,051		3,215,062	3,556,500
Total liabilities and fund balances	\$ 110,974	12,997	296,668	1,181,732	78,380	309,659	98,264	7,219	1,280,923	16,051		3,392,867	3,871,044

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

	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	
											2019	2018
Revenues:												
Taxes	\$ -	-	-	-	-	-	-	-	549,468	-	549,468	484,247
Intergovernmental:												
Federal grants	1,114,969	-	-	-	-	-	-	-	-	-	1,114,969	1,049,127
Other state grants	150,073	-	-	-	-	-	-	-	-	-	150,073	163,164
USDA subsidies	-	-	366,961	-	-	-	-	-	-	-	366,961	347,664
Total intergovernmental	1,265,042	-	366,961	-	-	-	-	-	-	-	1,632,003	1,559,955
Charges for services	-	-	732,883	1,161,417	-	126,390	24,283	-	-	-	2,044,973	2,055,691
Investment income (loss)	-	-	-	243	2,790	-	2,647	62	4,670	577	10,989	6,373
Other revenues	-	22,910	-	-	-	-	8,700	-	-	-	31,610	40,053
Total revenues	1,265,042	22,910	1,099,844	1,161,660	2,790	126,390	35,630	62	554,138	577	4,269,043	4,146,319
Expenditures:												
Current:												
Education	1,319,950	-	-	-	-	-	-	-	-	-	1,319,950	1,220,719
Education-other special uses	-	21,836	-	-	-	-	-	-	-	-	21,836	11,190
Food services	-	-	1,085,485	-	-	-	-	-	-	-	1,085,485	1,011,424
Public works - sewer	-	-	-	1,119,792	-	-	-	-	-	-	1,119,792	1,106,148
Recreation	-	-	-	-	-	-	17,423	-	-	-	17,423	17,504
Economic development	-	-	-	-	-	-	-	-	232,289	-	232,289	-
Unclassified	-	-	-	-	-	198,853	-	-	-	-	198,853	208,151
Total expenditures	1,319,950	21,836	1,085,485	1,119,792	-	198,853	17,423	-	232,289	-	3,995,628	3,575,136
Excess (deficiency) of revenues over (under) expenditures	(54,908)	1,074	14,359	41,868	2,790	(72,463)	18,207	62	321,849	577	273,415	571,183
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	49,054
Transfers out	-	-	-	-	-	(490,000)	-	-	(124,853)	-	(614,853)	(127,271)
Total other financing uses	-	-	-	-	-	(490,000)	-	-	(124,853)	-	(614,853)	(78,217)
Net change in fund balance	(54,908)	1,074	14,359	41,868	2,790	(562,463)	18,207	62	196,996	577	(341,438)	492,966
Fund balances, beginning 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
Fund balances, end of year	\$ 79,822	12,997	150,015	1,181,732	78,380	309,659	98,264	7,219	1,280,923	16,051	3,215,062	3,556,500

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, 2019
(with comparative amounts for June 30, 2018)

	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	
									2019	2018
ASSETS										
Cash	\$ -	626,788	86,934	27,311	33,809	-	-	-	774,842	782,184
Interfund loans receivable	-	-	19	-	71,028	-	-	76,183	147,230	237,340
Total assets	\$ -	626,788	86,953	27,311	104,837	-	-	76,183	922,072	1,019,524
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	-	-	-	1,518	-	-	-	-	1,518	18,368
Interfund loans payable	-	-	-	43,052	-	344	900	-	44,296	24,565
Total liabilities	-	-	-	44,570	-	344	900	-	45,814	42,933
Fund balances (deficit):										
Restricted:										
CIPS School Bond	-	-	-	-	-	-	-	-	-	1,859
Great Falls Elementary School	-	-	-	-	104,837	-	-	-	104,837	69,079
2016 Fire trucks	-	-	-	-	-	-	-	-	-	45
Main Street road project	-	626,788	-	-	-	-	-	-	626,788	612,730
Public Safety Building	-	-	86,953	-	-	-	-	-	86,953	109,660
Committed:										
High School renovation and expansion	-	-	-	-	-	-	-	76,183	76,183	184,462
Unassigned:										
CIPS School Bond	-	-	-	(17,259)	-	-	-	-	(17,259)	-
Various school projects	-	-	-	-	-	-	(900)	-	(900)	(900)
Middle School project	-	-	-	-	-	(344)	-	-	(344)	(344)
Total fund balances (deficit)	-	626,788	86,953	(17,259)	104,837	(344)	(900)	76,183	876,258	976,591
Total liabilities and fund balances	\$ -	626,788	86,953	27,311	104,837	-	-	76,183	922,072	1,019,524

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

(with comparative amounts for the year ended June 30, 2018)

	2016	2016	2016	2016	Great Falls	Middle	Various	High School	Totals	
	Fire Truck	Main Street	Public Safety	2016	Elementary	School	School	Renovation	2019	2018
	Bond	Bond	Bldg Bond	CIPS	School Project	Project	Projects	and Expansion		
Revenues:										
Investment income	\$ -	14,058	2,274	613	758	-	-	-	17,703	13,605
Total revenues	-	14,058	2,274	613	758	-	-	-	17,703	13,605
Expenditures:										
Capital improvements:										
Construction and renovation	-	-	-	19,731	-	-	-	108,279	128,010	997,102
Total capital improvements	-	-	-	19,731	-	-	-	108,279	128,010	997,102
Total expenditures	-	-	-	19,731	-	-	-	108,279	128,010	997,102
Excess (deficiency) of revenues over (under) expenditures	-	14,058	2,274	(19,118)	758	-	-	(108,279)	(110,307)	(983,497)
Other financing sources (uses):										
Transfers - in	-	-	-		35,000	-	-	-	35,000	217,500
Transfers - out	(45)	-	(24,981)	-	-	-	-	-	(25,026)	(25,000)
Total other financing sources (uses)	(45)	-	(24,981)	-	35,000	-	-	-	9,974	192,500
Net change in fund balances	(45)	14,058	(22,707)	(19,118)	35,758	-	-	(108,279)	(100,333)	(790,997)
Fund balances (deficit), beginning of year	45	612,730	109,660	1,859	69,079	(344)	(900)	184,462	976,591	1,767,588
Fund balances (deficit), end of year	\$ -	626,788	86,953	(17,259)	104,837	(344)	(900)	76,183	876,258	976,591

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, 2019

(with comparative amounts for June 30, 2018)

	Cemetery Perpetual Care	Parks and Recreation Grounds	Baxter Library and Museum	Schools	Public Purpose and Civic Improvements	Miscellaneous	Totals	
							2019	2018
ASSETS								
Investments	\$ 539,653	12,973	388,859	48,967	14,867	220,569	1,225,888	1,162,134
Interfund loans receivable	700	-	-	-	-	-	700	2,401
Total assets	540,353	12,973	388,859	48,967	14,867	220,569	1,226,588	1,164,535
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	11,820	-	-	-	-	-	11,820	10,260
Interfund loans payable	-	-	-	-	-	-	-	500
Total liabilities	11,820	-	-	-	-	-	11,820	10,760
Fund balances:								
Nonspendable	509,828	4,125	361,106	5,170	5,000	57,707	942,936	929,754
Restricted	18,705	8,848	27,753	43,797	9,867	162,862	271,832	224,021
Total fund balances	528,533	12,973	388,859	48,967	14,867	220,569	1,214,768	1,153,775
Total liabilities and and fund balances	\$ 540,353	12,973	388,859	48,967	14,867	220,569	1,226,588	1,164,535

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

	Cemetery Perpetual Care	Parks and Recreation Grounds	Baxter Library and Museum	Schools	Public Purpose and Civic Improvements	Miscellaneous	Totals	
							2019	2018
Revenues:								
Investment income	\$ 11,824	294	8,735	1,114	338	8,374	30,679	29,859
Market gain on investments	10,933	273	1,270	1,026	312	3,645	17,459	(29,814)
Donations	24,778	-	197	-	-	-	24,975	10,355
Total revenues	47,535	567	10,202	2,140	650	12,019	73,113	10,400
Expenditures:								
Current:								
Other miscellaneous	11,820	-	-	-	-	300	12,120	10,760
Total expenditures	11,820	-	-	-	-	300	12,120	10,760
Net change in fund balance	35,715	567	10,202	2,140	650	11,719	60,993	(360)
Fund balances, beginning of year	492,818	12,406	378,657	46,827	14,217	208,850	1,153,775	1,154,135
Fund balances, end of year	\$ 528,533	12,973	388,859	48,967	14,867	220,569	1,214,768	1,153,775

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, 2019

	Agency Funds			
	School and Student Activity Funds	Public Safety Activity Funds	Recreation Activity Fund	Total Agency Funds
ASSETS				
Cash	\$ 318,408	150,418	230	469,056
Interfund receivable	6,175	-	-	6,175
Total assets	324,583	150,418	230	475,231
LIABILITIES				
Due to:				
Student groups	324,583	-	-	324,583
Public safety	-	150,418	-	150,418
Recreation	-	-	230	230
Total liabilities	\$ 324,583	150,418	230	475,231

TOWN OF GORHAM, MAINE
Combining Statement of Fiduciary Net Position
Agency Funds
June 30, 2019
(with comparative amounts for June 30, 2018)

	School and Student Activity Agency Funds						Totals	
	High School Activity Fund	High School CBE Fund	White Rock Activity Fund	Narragansett Office	Village Activity Fund	Middle School Activity Fund		
							2019	2018
ASSETS								
Cash	\$ 215,372	1,642	32,407	17,317	14,123	37,547	318,408	327,462
Interfund receivable	6,175	-	-	-	-	-	6,175	6,175
Total assets	221,547	1,642	32,407	17,317	14,123	37,547	324,583	333,637
LIABILITIES								
Due to student groups	221,547	1,642	32,407	17,317	14,123	37,547	324,583	333,637
Total liabilities	\$ 221,547	1,642	32,407	17,317	14,123	37,547	324,583	333,637

TOWN OF GORHAM, MAINE
Combining Statement of Fiduciary Net Position
Agency Funds
June 30, 2019
(with comparative amounts for June 30, 2018)

	Public Safety Activity Agency Funds				Totals	
	Guns and Hoses Fund	Central Station Auxiliary Fund	S. Windham Fire Company Fund	Presumpscot Valley Hazmat Fund	2019	2018
ASSETS						
Cash	\$ 59,038	1,814	1,895	87,671	150,418	164,868
Total assets	59,038	1,814	1,895	87,671	150,418	164,868
LIABILITIES						
Due to public safety groups	59,038	1,814	1,895	87,671	150,418	164,868
Total liabilities	\$ 59,038	1,814	1,895	87,671	150,418	164,868

TOWN OF GORHAM, MAINE
Combining Statement of Fiduciary Net Position
Private-purpose Trust Funds
June 30, 2019
(with comparative amounts for June 30, 2018)

		Malcolm Smith Scholarship	Bob Grant Memorial Scholarship	Harry Shevis Scholarship	Watson Family Scholarship	Charles C. Shaw Scholarship	Thomas A. Fogg Scholarship	Arthur and Jane Fogg Scholarship	Totals	
									2019	2018
ASSETS										
Investments	\$	2,330	2,565	6,326	12,480	5,553	10,794	1,897	41,945	41,853
Total assets		2,330	2,565	6,326	12,480	5,553	10,794	1,897	41,945	41,853
LIABILITIES AND NET POSITION										
Liabilities:										
Interfund loan payable		-	-	-	-	-	-	-	-	800
Total liabilities		-	-	-	-	-	-	-	-	800
Net position:										
Principal		2,230	2,510	6,226	12,250	5,000	10,794	1,897	40,907	39,722
Unexpended income		100	55	100	230	553	-	-	1,038	1,331
Total net position		2,330	2,565	6,326	12,480	5,553	10,794	1,897	41,945	41,053
Total liabilities and and net position	\$	2,330	2,565	6,326	12,480	5,553	10,794	1,897	41,945	41,853

TOWN OF GORHAM, MAINE
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Private-purpose Trust Funds
For the year ended June 30, 2019
(with comparative amounts for the year ended June 30, 2018)

	Malcolm Smith Scholarship	Bob Grant Memorial Scholarship	Harry Shevis Scholarship	Watson Family Scholarship	Charles C. Shaw Scholarship	Thomas A. Fogg Scholarship	Arthur and Jane Fogg Scholarship	Totals	
								2019	2018
Additions:									
Investment earnings:									
Interest	\$ 56	60	147	289	144	245	43	984	868
Net increase (decrease) in the fair value of investments	52	55	136	266	131	228	40	908	(1,123)
Total additions	108	115	283	555	275	473	83	1,892	(255)
Deductions:									
Current:									
Scholarships awarded	100	100	100	200	500	-	-	1,000	800
Total deductions	100	100	100	200	500	-	-	1,000	800
Changes in net position	8	15	183	355	(225)	473	83	892	(1,055)
Net position, beginning of year	2,322	2,550	6,143	12,125	5,778	10,321	1,814	41,053	42,108
Net position, end of year	\$ 2,330	2,565	6,326	12,480	5,553	10,794	1,897	41,945	41,053

TOWN OF GORHAM, MAINE
Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
ASSETS				
Cash and interfund receivables:				
Student activities:				
High School Activity Fund	\$ 238,736	847,703	864,892	221,547
Gorham High School CBE	1,106	2,689	2,153	1,642
White Rock Activity Fund	24,031	42,314	33,938	32,407
Narragansett Office	16,285	18,198	17,166	17,317
Village Activity Fund	13,020	24,895	23,792	14,123
Middle School Activity Fund	40,459	52,216	55,128	37,547
Subtotal student activities	333,637	988,015	997,069	324,583
Public safety activities:				
Guns and Hoses Fund	62,636	14,472	18,070	59,038
Central Station Auxiliary Fund	2,298	2	486	1,814
S. Windham Fire Company Fund	5,541	1,872	5,518	1,895
Presumpscot Valley Hazmat Fund	94,393	49,241	55,963	87,671
Subtotal public safety activities	164,868	65,587	80,037	150,418
Recreation activities:				
Men's Basketball League Fund	230	-	-	230
Subtotal recreation activities	230	-	-	230
Total assets	\$ 498,735	1,053,602	1,077,106	475,231

TOWN OF GORHAM, MAINE
Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
LIABILITIES				
Student activities:				
High School Activity Fund	\$ 238,736	847,703	864,892	221,547
Gorham High School CBE	1,106	2,689	2,153	1,642
White Rock Activity Fund	24,031	42,314	33,938	32,407
Narragansett Office	16,285	18,198	17,166	17,317
Village Activity Fund	13,020	24,895	23,792	14,123
Middle School Activity Fund	40,459	52,216	55,128	37,547
Subtotal student activities	333,637	988,015	997,069	324,583
Public safety activities:				
Guns and Hoses Fund	62,636	14,472	18,070	59,038
Central Station Auxiliary Fund	2,298	2	486	1,814
S Windham Fire Company Fund	5,541	1,872	5,518	1,895
Presumpscot Valley Hazmat Fund	94,393	49,241	55,963	87,671
Subtotal public safety activities	164,868	65,587	80,037	150,418
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Men's Basketball League Fund	230	-	-	230
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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
Financial Trends	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>	
Revenue Capacity	132-135
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	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>	
Demographic and Economic Information	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>	
Operating Information	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)

	2010 ¹	2011	2012	2013	2014	2015 ²	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 46,553,861
Restricted	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	3,509,301
Unrestricted	(1,472,158)	11,219,195	11,574,603	9,596,610	9,556,973	9,268,347	10,011,462	10,849,966	11,509,305	7,459,371
Total governmental activities net position	\$ <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>	\$ <u>57,522,533</u>

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

² 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)

	2010 ¹	2011	2012	2013	2014	2015 ²	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 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	\$ 5,780,049
Public safety	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	4,511,091
Public works	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	6,013,695
Health and welfare	74,469	136,853	149,617	188,183	121,093	50,170	52,100	44,098	37,848	29,359
Recreation	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	2,157,151
Development	271,516	294,540	296,115	240,178	246,957	240,827	309,488	312,953	299,326	523,040
Education	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	43,283,812
Interest on debt	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	745,058
Total governmental activities expenses	<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>	<u>63,043,255</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	545,365	592,358	547,377	669,844	733,768	710,554	742,951	774,965	964,088	936,800
Public safety	593,483	670,950	633,614	643,240	582,398	635,994	595,448	637,448	564,292	569,344
Public works	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	1,884,100
Health and welfare	11,305	10,106	11,217	10,454	10,391	9,848	10,373	8,863	8,458	9,582
Recreation	647,758	609,568	677,022	655,906	798,272	792,628	859,864	940,247	1,003,066	1,103,635
Education	616,409	595,506	579,531	565,176	585,729	34,928	640,904	694,946	758,090	836,000
Operating grants and contributions	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	23,605,288
Capital grants and contributions	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>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>	<u>28,944,749</u>
Net (expense)/revenue, governmental activities	<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>	<u>(34,098,506)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	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	28,985,990
Payment in lieu of taxes	56,684	55,469	57,067	58,207	59,272	58,967	58,688	43,971	43,717	44,882
Motor vehicle and boat excise taxes	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	3,958,242
Grants and contributions not restricted to specific programs:										
Homestead exemption	303,353	259,083	263,253	260,833	273,331	273,442	287,369	435,362	601,666	782,870
BETE reimbursement	131,103	163,110	161,074	189,602	180,676	215,861	292,684	305,366	299,868	539,203
Other state aid	28,486	26,611	41,956	41,769	41,730	40,914	40,755	38,785	40,767	37,966
State revenue sharing	1,131,755	1,116,472	1,124,259	1,105,086	784,766	731,086	780,829	738,529	778,497	871,428
Unrestricted investment earnings	216,622	188,676	87,250	100,293	91,407	118,144	128,724	200,467	288,927	460,991
Miscellaneous revenues	148,644	259,356	254,434	288,815	308,262	262,310	421,513	645,630	436,450	122,874
Sale of property	-	67,792	12,961	2,983	14,918	2,000	289,589	225,455	27,249	5,058
Total governmental activities	<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>	<u>35,809,504</u>
Change in Net Position										
Governmental activities	\$ <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>	\$ <u>1,710,998</u>

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

² 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)

Fiscal Year		Property Taxes	Interest and Costs on Taxes	Excise Taxes	Total
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
2019		28,985,990	60,518	3,958,242	33,004,750

Table 4

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Nonspendable										
Noncurrent receivables	\$ 8,509	\$ 7,698	\$ 6,888	\$ 6,078	\$ 2,634	\$ 2,228	\$ 1,823	\$ 1,418	\$ 1,013	\$ 608
Prepaid items	-	-	2,097	105,687	212,149	228,091	144,676	140,814	84,285	32,198
Inventory ²	65,126	66,266	35,848	43,068	79,362	70,300	47,988	26,185	54,600	38,019
Restricted										
General government purposes	-	-	-	-	15,006	26,751	31,099	29,900	41,741	44,167
Public safety operations	192,996	201,653	149,347	164,996	151,483	194,803	200,241	137,066	118,128	134,652
Public works operations	91,992	93,761	100,476	106,425	179,875	176,551	149,987	160,844	165,730	177,973
Recreation operations	2,108	2,108	750	750	7,359	10,965	9,434	9,103	7,480	6,621
Other purposes	-	-	-	-	-	-	-	-	-	730
Committed										
General government purposes	545,620	545,620	314,731	104,006	310,677	363,659	652,000	855,966	621,161	657,722
Public safety operations	-	-	-	-	24,760	11,604	46,313	159,562	42,549	351,264
Public works operations	-	-	-	-	83,827	148,930	308,509	952,792	1,468,916	1,263,507
Recreation operations	-	-	-	-	60,342	229,208	120,151	254,767	127,897	594,035
Other purposes	145,015	219,257	98,191	754,600	-	-	-	-	-	26,460
Assigned										
Capital funding	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	1,051,114
Encumbrances	222,092	161,130	259,911	445,389	277,951	256,426	544,638	398,907	457,404	654,458
General government purposes	628,858	666,191	540,298	550,638	492,432	795,656	408,959	326,572	399,074	449,714
Public safety operations	365,256	208,642	171,468	187,318	147,693	172,952	165,258	148,410	121,183	144,771
Public works operations	567,559	585,374	618,224	510,559	649,994	607,394	793,465	155,574	126,730	161,053
Recreation operations	272,649	291,377	281,296	301,141	321,926	237,986	258,284	317,634	315,670	253,376
Economic development	75,316	75,316	77,100	85,399	82,899	82,899	75,124	72,993	46,703	48,458
Insurance and employee benefits	532,767	519,941	518,408	567,789	537,873	904,144	1,061,822	1,048,933	957,326	803,863
Other purposes	686,340	336,048	379,753	309,499	-	-	-	2,294	-	-
Compensated absences	320,086	335,706	360,078	369,162	376,121	396,688	411,255	457,563	484,046	487,892
Unassigned	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	8,948,160
Total General Fund	<u>11,185,988</u>	<u>10,963,354</u>	<u>11,322,996</u>	<u>11,570,621</u>	<u>11,587,531</u>	<u>12,755,920</u>	<u>13,786,397</u>	<u>14,936,512</u>	<u>15,592,204</u>	<u>16,330,815</u>
All other governmental funds										
Nonspendable										
Special revenue funds	182,352	170,149	184,540	145,908	169,010	203,776	270,181	252,486	44,353	47,707
Permanent funds	513,326	524,205	524,988	538,345	746,715	905,102	933,457	933,803	929,754	942,936
Restricted										
Special revenue funds	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	1,838,947
Capital project funds	14,264,545 ²	3,807,139	738,721	559,273	1,056,815	5,382,372 ²	2,290,650	1,739,594	793,373	818,578
Permanent funds	215,954	213,512	220,139	205,258	208,025	211,103	213,616	220,332	224,021	271,832
Committed										
Special revenue funds	1,536,304	1,561,139	237,637	99,629	106,714	177,822	291,647	340,977	1,228,261	1,273,993
Capital project funds	43,183	240,851	39,045	82,982	68,825	68,825	68,825	29,238	184,462	76,183
Assigned										
Special revenue funds	885,155	429,115	1,070,699	305,307	10,396	9,527	10,852	12,663	75,631	79,181
Unassigned										
Special revenue funds	(1,784,809)	(1,107,297)	(1,649,257)	(1,606,033)	(872,680)	(604,072)	(720,751)	(805,304)	(1,377,570)	(1,832,814)
Total all other governmental funds	<u>\$ 17,275,014</u>	<u>\$ 6,969,805</u>	<u>\$ 3,730,528</u>	<u>\$ 2,829,905</u>	<u>\$ 4,121,545</u>	<u>\$ 8,779,153</u>	<u>\$ 5,857,025</u>	<u>\$ 5,188,692</u>	<u>\$ 4,311,828</u>	<u>\$ 3,516,543</u>

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.

² 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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 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	\$ 32,811,450
Licenses and permits	300,923	548,938	527,362	644,599	691,597	674,697	684,459	728,782	824,494	772,177
Intergovernmental	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	25,780,170
Investment income ¹	98,943	-	-	-	-	-	-	-	-	-
Charges for services	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	4,501,784
Unclassified	2,195,366	1,152,994	1,230,525	1,189,455	1,266,969	2,050,794 ²	807,468	1,085,637	833,426	695,372
Total revenues	51,212,023	52,010,700	52,006,861	52,145,442	54,333,036	56,121,418	57,188,181	59,963,084	62,085,337	64,560,953
Expenditures										
General government	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	5,214,384
Public safety	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	4,969,416
Public works	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	5,113,111
Health and welfare	74,469	136,853	149,617	188,183	121,093	50,170	52,100	44,098	37,848	29,359
Recreation	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	2,029,703
Economic development	321,323	61,666	63,216	59,701	73,970	68,674	80,993	76,962	91,175	312,067
Public agencies	-	28,484	28,276	26,646	30,018	29,878	32,361	44,269	79,353	87,787
Unclassified	229,345	605,948	544,860	404,876	490,165	534,140	479,585	421,718	389,798	437,017
Education and food service	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	41,876,210
Debt service										
Principal	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	3,393,125
Interest	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	1,020,768
Capital maintenance	713,962	983,754	586,728	418,072	214,165	827,997	65,411	69,976	164,730	6,670
Capital improvements	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	639,310
Total expenditures	56,914,567	66,301,335	55,055,626	52,798,440	54,823,596	55,570,672	61,044,738	61,086,003	62,046,657	65,128,927
Other financing sources (uses)										
Issuance of capital leases	146,972	312,792	169,130	-	399,110	136,208	167,928	159,710	339,200	511,300
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	14,101,181	13,491,112	13,709,200	14,093,904	15,171,646	15,784,224	16,182,196	17,852,299	18,341,863	20,694,679
Transfers out	(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)	(20,694,679)
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)	20,531,652	3,762,792	169,130	-	399,110	5,275,251	1,964,906	1,604,881	339,200	511,300
Net change in fund balances	\$ 14,829,108	\$ (10,527,843)	\$ (2,879,635)	\$ (652,998)	\$ (91,450)	\$ 5,825,997	\$ (1,891,651)	\$ 481,962	\$ 377,880	\$ (56,674)
Debt service as a percentage of noncapital expenditures	7.8%	8.6%	10.6%	9.6%	9.7%	8.2%	8.9%	8.4%	7.8%	7.0%

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

² 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 ¹	Total Direct Tax Rate	State Equalized Value ²	Assessed Value as a Percentage of Equalized Value
	Residential Property	Commercial Property						
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%
2019	1,336,762,000	552,252,256	42,540,300	340,776,561	1,590,777,995	17.50	1,806,250,000	88.1%

Sources:

¹ Gorham Assessing office and Cumberland County Regional Assessing.

² 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

Fiscal Year	Direct			Overlapping	Total Tax Rate
	Municipal Tax Rate	School Tax Rate	Total Direct Tax Rate	County Tax Rate	
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
2019	5.46	12.04	17.50	0.70	18.20

Source: Cumberland County Regional Assessing

Table 8

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

Taxpayer	2019			2010		
	Current year assessed value	Rank	Percentage of total assessed value	Current year assessed value	Rank	Percentage of total assessed value
Central Maine Power Co.	\$ 91,664,215	1	5.76%	\$ 18,672,600	1	1.54%
New Portland Road Realty LLC (formerly known as Gorham House)	13,137,400	2	0.83%	11,078,100	3	0.91%
Nappi Distributors	10,412,900	3	0.65%	9,679,500	5	0.80%
Maine Mobile Homes LTD	8,015,400	4	0.50%	6,924,900	8	0.57%
Scott Paper	7,997,000	5	0.50%	7,336,700	7	0.60%
Gorham Savings Bank	7,740,500	6	0.49%	10,846,100	4	0.89%
Maritimes & NE Pipeline	7,559,100	7	0.48%	7,938,900	6	0.65%
Maine Natural Gas	6,736,500	8				
Shaw Brothers Construction Co.	6,586,100	9	0.41%	6,612,300	9	0.54%
Village Square Housing Corp	5,990,100	10	0.38%			
Hannaford Brothers	-		0.00%	6,028,800	10	0.50%
Grondin, R J & Phillip	-		0.00%	14,117,700	2	1.16%
Totals	\$ 165,839,215		10.43%	\$ 99,235,600		8.16%

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 ¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	19,359,897	18,705,614	96.6%	644,693	19,350,307	100.0%
2011	19,926,919	19,368,870	97.2%	517,463	19,886,333	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%	535,382	21,024,169	99.9%
2014	22,661,472	21,966,820	96.9%	677,555	22,644,375	99.9%
2015	23,364,012	22,663,613	97.0%	679,266	23,342,879	99.9%
2016	24,538,607	23,819,148	97.1%	691,149	24,510,297	99.9%
2017	26,102,071	25,447,396	97.5%	598,045	26,045,441	99.8%
2018	26,896,932	26,195,909	97.4%	525,280	26,721,189	99.3%
2019	29,152,488	28,430,043	97.5%	-	28,430,043	97.5%

¹ 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 ¹	Per Capita ¹
	General Obligation Debt ²	Notes Payable	Capital Leases			
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
2019	29,908,633	-	740,278	30,648,911	7.42%	1,871

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

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

² The 2012 - 2019 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

Fiscal Year	General Obligation Debt ¹	State Assessed Value of Property ²	Per Capita ³
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
2019	29,908,633	1.66%	1,826

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

Amount for 2012-2019 includes bond premium.

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

³ 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, 2019

Jurisdiction	Total debt outstanding	Percentage applicable to Gorham	Amount applicable to Gorham
Direct debt:			
Town of Gorham	\$ 30,648,911	100.00%	30,648,911
Overlapping debt:			
Cumberland County	37,893,997	3.85%	1,459,642
Portland Water District - sewer shared with Windham	3,236,500	70.42%	2,279,285
Portland Water District - sewer shared with Windham and Westbrook	4,160,239	21.00%	873,853
Portland Water District - water debt	53,286,036	5.74%	3,058,618
Subtotal overlapping debt:			7,671,398
Total direct and overlapping debt:			\$ 38,320,309

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

Fiscal Year	Debt Limit	Total net debt applicable to limit	Legal Debt Margin	Total net debt applicable to limit as a percentage of debt limit
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%
2019	270,937,500	29,908,633	241,028,867	11.04%

Legal Debt Margin Calculation for Fiscal Year 2019

	Outstanding bonds and notes	Percent of state assessed value of \$ 1,806,250,000	Allowable Amount	Margin
For school purposes	\$ 17,394,714	10.00%	\$ 180,625,000	\$ 163,230,286
For storm or sanitary sewer purposes	-	7.50%	\$ 135,468,750	\$ 135,468,750
For municipal, airport, water, and special district purposes	-	3.00%	\$ 54,187,500	\$ 54,187,500
For all other purposes	12,513,919	7.50%	\$ 135,468,750	\$ 122,954,831
Total	\$ 29,908,633	15.00%	\$ 270,937,500	\$ 241,028,867

Table 14

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

Fiscal Year	Population ¹	Personal Income	Per Capita Personal Income ²	Median Age ²	School Enrollment ³	Unemployment Rate ⁴
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%
2019	16,381	413,276,249	25,229	38.0	2,792	2.40%

Data Source

¹ 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.

² U.S. Dept. of Commerce, Bureau of Census (2000 and 2010)

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

⁴ 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	2019 ¹			2010		
	Employees	Rank	Percentage of Gorham's Labor Force	Employees	Rank	Percentage of Gorham's Labor Force
Town of Gorham: School/Municipal	574	1	5.4%	503	1	5.5%
University of Southern Maine*	342	2	3.2%	469	2	5.1%
New Portland Road Realty LLC (formerly known as Gorham House)	237	3	2.2%	216	3	2.4%
Shaw Brothers Construction, Inc.	241	4	2.3%	105	8	1.1%
Nappi Distributors	225	5	2.1%	184	5	2.0%
Irwin Industrial Tool (formerly American Tool)	150	6	1.4%	210	4	2.3%
R. J. Grondin	136	7	1.3%	144	6	1.6%
Hannaford Brothers	125	8	1.2%	126	7	1.4%
Yotul Stove, Inc.	105	9	1.0%			
Gorham Savings Bank	88	10	0.8%	89	9	1.0%
Maine Industrial Tire				89	10	1.0%
Totals	<u>2,223</u>		<u>20.9%</u>	<u>2,135</u>		23.3%

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

¹ Labor force figure was for June 2019 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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	15.5	19.0	17.5	17.5	18.0	18.0	17.0	17.0	16.0	18.0
Public Safety:										
Police:										
Officers	23.0	23.0	23.0	23.0	23.5	23.0	23.0	24.0	24.0	25.0
Civilians	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.5
Fire:										
Firefighters and EMT's	13.0	13.0	12.0	12.0	12.0	12.5	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	18.0	20.0	20.0	20.0
Recreation	14.3	14.0	14.0	14.0	16.0	16.0	16.0	16.0	16.0	16.0
Development ¹	4.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	94.3	94.0	91.5	91.5	94.5	95.0	93.0	96.0	95.0	98.0

¹ Planning department employees have become part of the general government category in 2011.

Table 17

TOWN OF GORHAM, MAINE
Operating Indicators by Function ¹
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
General Government:										
Building permits: ²										
Single family	41	58	63	43	75	67	66	84	101	91
Condos	0	4	5	4	4	13	2	19	17	10
Commercial	17	14	19	38	44	43	23	32	36	34
Total number permits issued	n/a	941	917	966	1,079	1,116	1,141	1,334	1,334	1,391
Public Safety:										
Police:										
Number of calls for service	18,473	18,781	15,335	17,137	17,411	13,702	12,999	15,048	20,893	14,903
Number of physical arrests	771	734	777	738	648	622	452	409	783	399
Number of summons and warnings	3,621	2,725	2,301	1,906	2,059	2,004	1,871	1,545	3,511	1,862
Parking tickets issued	391	180	112	117	110	62	88	68	256	74
Number of accidents investigated	519	449	482	455	420	596	432	709	519	509
Fire:										
Number of fire and rescue calls	2,549	2,807	2,815	2,728	2,732	2,589	2,664	2,922	2,905	3,069
Number of fire hydrants	292	292	296	296	304	310	316	316	320	320
Number of fire ponds	70	71	71	71	71	71	71	71	73	73
Public Works:										
Number of roads maintained	278	283	287	288	290	290	290	297	300	302
Lane miles of roads maintained	283.1	286.7	290.7	291.0	292.8	292.8	293	296	296	309
Acres of public area maintained	113.1	113.1	129.19	154.65	154.65	154.65	155	155	155	155
Acres of cemeteries maintained	30.1	30.1	30.02	30.03	30.12	30.12	30	30	30	30
Tons of residential solid waste	2,166	2,099	2,155	2,154	2,233	2,331	2,400	2,605	2,686	2,660
Tons of waste recycled	1,200	1,246	1,266	1,314	1,266	1,260	1,226	1,222	1,149	1,142
Recreation:										
Library:										
Number of items circulated	116,050	114,309	114,159	115,826	116,987	115,477	110,329	109,048	112,729	116,948

Sources: Various town departments.

¹ Information reported for each fiscal year is for prior year's activity. Therefore, the fiscal year 2019 information is for activity in 2018.

² 2010-2011 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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	13	13	19	19	19	19	19	20	20	20
Fire stations	6	6	6	6	6	6	7	7	7	7
Public Works:										
Streets (miles)	283.1	286.7	290.7	291.0	292.8	292.8	292.8	295.9	296.1	308.6
Street lights	385	389	392	395	405	405	405	437	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	2	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.